

ECONOMIC IMPACT OF WEAVERS' COOPERATIVES ON MEMBER-WEAVERS IN BARGARH DISTRICT, ORISSA

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ABSTRACT

Weavers' Cooperative Societies (WCS) are formed to uplift the economic condition of poor weavers. In the present research work, an attempt is made to study the economic impact of workings of WCS on member- weavers in Bargarh district, which is situated in western Orissa. For the purpose, 9 WCS, 218 members were selected by stratified random sampling method. Primary data were collected by using schedule for members. Findings are highlighted and suggestions are given on the basis of analysis and interpretation of both primary and secondary data.

Introduction

Weavers' cooperatives are formed to uplift the handloom weavers economically. "The main objects of a society are to provide employment to the poor weavers and to contribute to their economic well being by making productive use of their labour, skill and craftsmanship".¹ If the economic condition of member-weavers has improved on account of working of weavers' cooperatives, then it can be said that the economic impact of these cooperatives is satisfactory. An attempt is made in this paper to study the economic impact of weavers' cooperatives on member-weavers in Bargarh district of Orissa.

Methodology and Tools

The following hypotheses have been tested in the study:

- (i) Member- weavers get raw materials from weavers' cooperatives regularly throughout the year for continuous production of clothes.
- (ii) Member- weavers get wages regularly from weavers' cooperatives for weaving the clothes.

- (iii) Primary weavers' cooperatives have helped in increasing the income of member -weavers.
- (iv) Primary weavers' cooperatives helped in raising the living standard of member-weavers.

Data relating to working of handloom weavers' cooperatives in Bargarh district, Orissa, for the period from 1993-94 to 2000-01, were collected from the office of Assistant Director of Textiles, Bargarh.

The proportionate stratified random sampling technique has been followed for selection of sample cooperatives. Personal visits to sample societies were undertaken to collect data as per data sheet from their office records. Schedules were used at the time of personal interviews and discussion with the sample members and relevant information were recorded.

The following tools were used for collection of data :

- (i) Data sheet for office of ADT , Bargarh.
- (ii) Schedule for the sample societies.
- (iii) Interview schedule for sample members.

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Selection of the Sample

The weavers' cooperatives working in Bargarh district for a minimum period of 8 years up to 2000-01 were considered for selection of the sample. Out of 57 WCS, 32 societies had effective looms. These 32 societies constitute the universe for selection of the sample. As Sambalpur Bastralaya Handloom Cooperative Society Ltd., Bargarh is the largest weavers' cooperative with 4565 effective looms, it is selected for the study. The mean number of effective looms of the rest of 31 WCS comes to 48 looms. The number of WCS having effective looms above 48 was 19 and below 48 was 12. Twenty five per cent of WCS belonging to each category were selected for study. So total nine sample WCS were selected. These societies are (i). Sambalpur Bastralaya HLCS Ltd. Bargarh, (ii) Attabira WCS, Attabira, (iii) Birjam WCS, Birjam, (iv) Chichinda 'B' WCS, Chichinda, (v) Debangana WCS, Remunda, (vi) Laumunda WCS, Laumunda, (vii) Sarkanda WCS, Sarkanda, (viii) Jampali WCS, Chhhuriapali, (ix) Jaring WCS, Jaring.

Then the members of each WCS were divided into two categories such as active members and not active members. Two per cent of active members of SBHLCS Ltd, Bargarh and 10 per cent of active members of each of other sample societies were selected at random subject to minimum 10 members per society and 5 not active members of each sample society. In total, 173 active members and 45 not active members were selected as sample members from whom primary data were collected as per schedule for members.

Background of Respondents

The scope of the study covers aspects like age, education, experience in weaving, ownership of looms, working days, family size, income, expenditure pattern, savings, dwelling house, loomshed, household properties and indebtedness of weaver members.

Age : The age of the member –weavers interviewed varied between 18 and 72 years. The average age of the respondents was 42 years

Education : A literate weaver can make use of various facilities provided by the Government and the cooperative. He can easily learn the improved designs of weaving. "The future of the handloom industry depends much on the extent of education of the artisans in the face of the severe competition from powerloom and mill sectors"². As regards literacy among member-weavers, it was found that out of 218 respondents, 42 (19.3 per cent) member-weavers were illiterate. 68 (31.21 per cent) members had education up to primary level, 57 members (26 per cent) had education up to 7th standard and 40 members (18.3 per cent) had education up to 10th standard. Only 11 members (5.0 per cent) had passed matriculation examination.

Experience in Weaving : It was observed that 16 members (6.8 per cent) had less than 5 years of weaving experience, 25 respondents (11.5 per cent) had experience in weaving for more than 5 years and up to 10 years, 178 respondents (81.7 per cent) had more than 10 years of experience in weaving. This clearly shows that the respondents are dedicated to their weaving occupation.

Family Size : The study shows that the number of dependants of each respondent varies from 1 to 9. The average number of dependants of each respondent is 5. So the average size of a weaver family is 6. This bigger family size is the cause of a low standard of living of the member weaver and their families.

Income from Weaving : It is observed that the monthly income from weaving of active members ranges from Rs. 500 to Rs. 5000, depending upon the type of fabrics woven. If woven fabrics are silk saris of improved design, a weaver can earn up to Rs. 5000 per month.

Table 1 : Monthly income of sample active members, from weaving

S.No.	Monthly income	No.of respondents	% of total
1	Less than Rs. 1000	17	9.8
2	Rs. 1000-2000	73	42.2
3	Rs. 2000-3000	48	27.7
4	Rs.3000-4000	20	11.6
5	Rs.4000 & above	15	8.7
6	Total	173	100

Source: Field survey.

It is found that the average monthly income from weaving per respondent is Rs. 2170.50 per month, which is moderate income for weaver families. It is observed that out of 173 respondents, 152 respondents (87.9 per cent) get wages in time and rest 21 respondents (12.1 per cent) get wages within a week after return of woven clothes to the societies. Out of 173 respondents, only 127 respondents (73.4 per cent) are provided work round the year, and rest 46 respondents (26.6 per cent) are not provided work regularly by the societies. The members who do not get regular work from their respective societies, engage themselves in subsidiary occupations in order to earn their livelihood. "The regular ample supply of cotton yarn by the society will help in providing regular employment to the weavers in general and ultimately will lead to further socio-economic upliftment of the weavers"³.

It is observed that the societies are not able to provide regular work because of their

bad financial position. Enough cash credit is not allowed by central cooperative banks to the WCS. In addition, apex handloom society is not repaying arrear dues to the WCS. As a result, the societies suffer from paucity of funds. It is suggested that steps should be taken to get enough cash credit from central cooperative banks on the one hand and to recover receivables from the apex society on the other hand. As the marketing support of the apex society is not adequate, the societies should try to sell their products directly to consumers by opening showrooms and adopting aggressive marketing practices. As a result, regular work can be provided to the member- weavers throughout the year.

Income from Subsidiary Occupation : The subsidiary occupation response includes agriculture, trading, carpentry, construction work, mill production and private tuition. The monthly income of respondents from subsidiary occupations is shown in Table 2.

Table 2 : Monthly income of sample active members from subsidiary occupation

S.No.	Monthly income of subsidiary occupation	No. of respondents	% to total
1	Rs. 250-500	79	45.7
2	Rs. 500-750	54	31.2
3	Rs.750-1000	19	11.0
4	Rs.1000-1250	12	6.9
5	Rs.1250-1500	9	5.2
	Total	173	100

Source : Compiled from schedule for members.

It is found that the average monthly income per head from subsidiary occupation is found to be Rs.612 only. From the analysis of income of members from different sources, it is found that the average monthly income of an active member is Rs. 2782.50 only of which 78 per cent is income from weaving activities.

Increase in Income: An attempt is made to know whether membership in the weavers' cooperatives contributed to increase in income. Out of 173 respondents, 156 respondents (90.2 per cent) affirmed that their monthly income from weaving activities increased after they became members. The active members concentrated mainly in weaving fabrics for the societies and got their wages from the society. They also improved their skill in weaving either by their own initiative or through training facilities provided by Government. As a result they could weave fabrics of improved design and earn more. Seventeen respondents (9.8 per cent) affirmed that their income from weaving has not increased after they became members of handloom cooperatives. It was observed that these respondents have not improved their weaving skill. They continue to weave clothes of old designs for which demand is less in the market. As a result, they do not get regular work from the society and their income from weaving has not increased.

Expenditure Pattern: An attempt is made to study the expenditure pattern of the sample active members on food, clothing, education of children, medicine and other items. The weavers of Bargarh district do not starve, but the earning is not sufficient to maintain a moderate standard of living. A greater percentage of their income is spent on food. The member households spend on an average 69.9, 12.5, 6.7 and 7.3 per cent of their monthly income on food, clothing, medicine and education of children. The average spending on other items such as ceremonies, religious activities, entertainment etc. is only 3.5 per cent of total income. It is observed that regarding percentage spending on clothing and education of children, it is more in case of higher

income groups, in comparison to lower income groups.

Savings: During the field survey, it is observed that majority of active weavers find it difficult to make both ends meet. A greater percentage of their income is spent on food for family members. Out of 173 respondents, 138 respondents (79.8 per cent) are not able to save anything and only 35 respondents (20.2 per cent) are able to save. The amount of saving ranges from Rs. 150 to Rs. 750 per month and average savings of these respondents is Rs. 362.40 per month. When asked about the causes of not saving in spite of increase in income in majority cases, the respondents replied that rise in general price level in the market and bigger size of families were the main causes of not saving. In the society, 10 per cent of the wages earned by an active member, is deposited in members' deposit fund. This deposit is a type of compulsory saving for all active members.

Indebtedness: Indebtedness is an economic problem of most of the weavers of Bargarh district. Low income, addiction to drink, lack of financial planning and social obligations contribute to high degree of indebtedness among member- weavers. Majority of the member- weavers do not have the habit of saving. So during rainy season when the income from weaving is less, they are forced to borrow. Of course, some members borrow money for repair of houses, trading purposes and acquiring assets of value.

An attempt is made to study the sources of debt and the extent of indebtedness of the sample active members. It is found that out of 173 sample active members, 131 members (75.7 per cent) are indebted. Out of 131 respondents, 68 members (51.9 per cent) have borrowed from moneylenders, who charge exorbitant rates of interest. Twenty four active members (18.3 per cent), 16 active members (12.2 per cent) and 23 active members (17.6 per cent) have borrowed from bank, cooperative society and relatives, respectively. The extent of indebtedness of sample active members is shown in Table 3.

Table 3 : Extent of debt of the respondents during 2000-01

S.No.	Extent of debt	No. of respondents	% to total
1	Less than Rs. 2000	32	24.4
2	Rs.2000-4000	37	28.2
3	Rs.4000-6000	29	22.2
4	Rs.6000-8000	23	17.6
5	Rs.8000-10000	10	7.6
	Total	131	100
	Average debt per respondent		Rs.3809.00

Source: - Field survey.

It is observed that the average debt per respondent was Rs. 3809 during the year 2000-01. Servicing the debt is very difficult on the part of weavers who earn less. Repayment of loan and interest to the moneylenders is certainly difficult as the rate of interest is very high. When the weavers were asked about how they were planning to repay the debt, each loanee said that he would repay out of his future earning from weaving. So it is suggested that the handloom cooperatives should play a positive role in reducing the indebtedness of the member-weavers.

Housing: Housing is a basic requirement of human beings. The housing requirement of a weaver is more because his loom occupies a

significant portion of the house. As the weavers face the problem of housing, an attempt is made to study the role of handloom cooperatives in solving the housing problem of the member-weavers. It is observed that out of 218 sample members, 112 members (51.4 per cent) own thatched houses, 43 members (19.7 per cent) own tile proof houses, 35 members (16.1 per cent) own asbestos-roof houses and 28 members (12.8 per cent) own concrete houses. Generally, each house has two rooms; one room contains the loom and the second room is the living room. In the night the first room, which contains the loom, is also used for the purpose of sleeping. The member-weavers in general face the problem of housing as members of each family are to be content with one living room only.

Table 4: Source-wise ownership of houses

S.No.	Source	No. of respondents	% to total
1	From ancestors	125	57.3
2	Own saving and disposal of jewellery	12	5.5
3	Raising loan from bank	34	15.6
4	Through weavers' cooperatives	24	11.0
5	Indira Awaas Yojana of Govt.	23	10.6
	Total	218	100

Source :- Field survey.

The Table shows that only 24 respondents (11.0 per cent) constructed their house cum loom sheds with help from government through weavers' cooperatives. Twelve respondents (5.5 per cent) constructed their houses by utilising their savings. From these facts, it can be

concluded that the help of weavers' cooperatives in solving the housing problems of the member-weavers is not significant. It is suggested that the weavers' cooperatives should arrange loan from the cooperative bank for housing purpose and the loan amount should be

given to the member-weavers for construction, renovation and repair of their houses. For repayment of this loan deduction should be made by the cooperatives on monthly basis from the wages earned by the loanee members.

Assets Held by Active Members: An enquiry is made to know the value of assets held by active member households at the time of field study. The assets include land, houses, looms and accessories, raw materials, woven clothes, jewellery,

electronic goods, two wheelers, cash and bank balance.

It is found that the average value of assets per active member household is Rs. 29,538.00 only.

An attempt is made to know about the new additions of assets made by active members to their respective household assets during 1993-94 to 2000-01.

Table 5 : Addition of assets by sample active members

S.No.	Type of assets acquired	No. of respondents	% to total sample active members
1	Land	11	6.4
2	House	48	27.7
3	Loom and accessories	20	11.6
4	Two wheelers	4	2.3
5	Electronic products	5	2.9
	Total	88	50.9

Source: - Schedule for members.

The Table reveals that out of 173 sample active members, only 88 members (50.9 per cent) have acquired new assets during the period of study. Other 85 members (49.1 per cent) have not been able to acquire new assets during the same period. Out of 88 members, 48 respondents (27.7 per cent) have constructed houses, 20 respondents (11.6 per cent) have purchased loom and accessories, 11 respondents (6.4 per cent) have purchased land, 5 respondents (2.9 per cent) have purchased valuable household products such as refrigerators, television etc. and 4 respondents (2.3 per cent) have acquired two-wheelers for their use.

It is observed that 88 members could acquire new properties by either using their savings or arranging loans from different sources or getting financial help from government under different schemes. Saving of the active members could be possible because of their regular weaving for the handloom cooperatives. Their

association with the weavers' cooperatives helps them in arranging loans from different sources. They also get financial benefits as per different government schemes for weavers through weavers' cooperatives. So it can be concluded that handloom weavers' cooperatives play supportive role in increasing the properties of the member-weavers.

Working Days: The economic impact of weavers' cooperatives is significant if these societies provide regular employment to the member-weavers. "The earning of a weaver depends among other things, on the intensity of employment"⁴. This intensity of employment can be studied from the number of days for which weavers' cooperatives provide work to the members, in a year.

An attempt is made to know the number of days for which sample active members get weaving work from their respective societies.

Table 6 : Employment in days provided by sample societies

S.No.	No. of days in a year for which employment is provided by the societies	No. of respondents	% to total
1	180 to 210 days	32	18.5
2	210 to 240 days	39	22.5
3	240 to 270 days	51	29.5
4	270 to 300 days	27	15.6
5	300 to 330 days	14	8.1
6	Above 330 days	10	5.8
	Total	173	100
	Average = 252 days		

Source: Field survey.

The Table reveals that the sample weavers' cooperatives provide employment to the member-weavers on an average for 252 days in a year. Only 29.5 per cent of the respondents get work for more than 9 months in a year. It is estimated that temporary stoppage of looms occurs on an average for 30 days in a year, due to social ceremonies, bad weather, illness etc. So the active weavers do not get work from the societies on an average for 83 days in a year. In this situation, the poor weavers engage themselves in different subsidiary occupations.

From the above analysis, it can be concluded that the performance of weavers' cooperatives in providing employment to the member-weavers is satisfactory.

Dividend: The members of weavers' cooperatives are entitled to get dividend provided the societies earn sufficient profit. It is found that Sambalpur Bastralaya HLCS Ltd., Bargarh declared dividend at the rate of 9 per cent during the period from 1993-94 to 1995-96 and did not declare dividend during the period from 1996-97 to 2000-01. Other sample societies did not declare dividend during the period of study from 1993-94 to 2000-01. So it can be said that the members of sample societies except Sambalpur Bastralaya HLCS Ltd., Bargarh are not economically benefited in the form of dividend during the period of study.

Bonus and Other Incentives: The weavers' cooperatives pay bonus to member-weavers as an

incentive to weave regularly for the societies. This bonus is paid on the basis of average wages earned by the weavers in a year. An attempt is made to study the payment of bonus to weavers by the sample handloom societies. It is found that 7 (77.8 per cent) out of 9 sample societies have paid bonus to weavers, but no society has paid bonus in all 8 years from 1993-94 to 2000-01. In 2000-01, no sample society had given bonus to weavers.

From the schedule for members, it is ascertained that 123 sample active members (71.1 per cent) out of 173 have got bonus from their respective societies in different years during the period of study. But this payment of bonus to member-weavers is not regular.

Other incentives paid by the societies to member-weavers include incentive wages, financial help for education of children of member-weavers, health assistance, cash prizes for developing improved designs of weaving, cash prize for highest quantity production and gratuity at the time of leaving the society due to old age. Incentive wages are paid to member-weavers in order to encourage them to produce clothes of improved and intricate designs. Out of 9, 7 sample societies (77.8 per cent) have given incentive wages to member-weavers during the period of study.

From the schedule for members, it is ascertained that 106 sample active members (61.3 per cent) out of 173 have got incentive wages

from their respective societies in different years during the period of study.

Financial help for education of children of member-weavers has been given by Sambalpuri Bastralays HLCS Ltd., Bargarh and Chichinda 'B' WCS, Chichinda in different years during the period of study. Health assistance has been given to member-weavers by Laumunda WCS, Chichinda 'B' WCS and Jampali WCS in different years during the same period. Cash prizes for developing improved and intricate designs of weaving are given to member-weavers by Sambalpuri Bastralaya HLCS Ltd., Bargarh and Attabira WCS, Attabira. Cash prize for best quality fabrics, cash prize for highest quantity of production of clothes, and production incentive at the rate of 5 per cent wage earnings if the weaver-member is engaged in weaving for more than 300 days in a year, are given by Sambalpuri Bastralays HLCS Ltd., Bargarh every year. If a weaver-member leaves the society due to old age or disability, he is given gratuity at the rate of one month average wages for every five years of his service, by Sambalpuri Bastralays HLCS Ltd., Bargarh.

From the above discussion, it can be concluded that majority sample active members

benefited economically in the form of production bonus and other incentives given by sample weavers' cooperatives during the period of study.

Welfare Facilities for Weavers : The welfare schemes for handloom weavers include house-cum-workshed scheme, group insurance scheme, health package scheme, modernisation of looms scheme, scheme of margin money to destitute weavers, etc. Currently these schemes are implemented through weavers' cooperatives. The objectives of these schemes are to alleviate the sufferings of the member-weavers and to develop their economic conditions.

It is observed that all 9 sample societies have been extending welfare facilities to the members. Whenever financial help under any scheme comes from the government the Board of Directors of the society take decision as to who would be the beneficiaries among the members. The criteria for selection are production for the society, actual need of the member and economic condition of the member. If financial help under the same scheme comes for the second time, selection of beneficiaries is made on the same basis from among rest of member-weavers.

Table 7: Active member beneficiaries of welfare schemes during 1993-94 to 2000-01

S.No.	Names of welfare schemes	No. of respondents	% to total
1	House-cum-workshed scheme	106	61.3
2	Group insurance scheme	173	100.0
3	Health package scheme	75	43.4
4	Modernisation of looms scheme	158	91.3
5	Scheme of margin money to destitute weavers	66	38.2
6	Scheduled caste (sc) component scheme	37	121.4
7	Thrift and saving fund scheme	173	100.0

Source: - Field survey.

At the time of field survey it is known that each active member interviewed is the beneficiary of at least two welfare schemes for weavers. As member-weavers are benefited under various welfare schemes for weavers, they remain loyal to the WCS and weave clothes for the societies throughout the year.

Findings

On the basis of above analysis of data, it can be said that the member-weavers benefited economically because of their membership in the weavers' cooperatives. Their economic condition has improved due to their regular association with the handloom societies. Various

welfare schemes for weavers implemented by the government through weavers' cooperatives, have encouraged the members to remain loyal to their respective cooperatives. So it can be concluded that the economic impact of weavers' cooperatives on member-weavers has been positive and significant.

Testing Hypotheses

The hypotheses are tested in the light of findings of the study.

- (i) Member-weavers get raw-materials from weavers' cooperatives regularly throughout the year for continuous production of clothes.

Findings reveal that 127 respondents (73.4 per cent) out of 173 respondents are provided work regularly and the rest 46 respondents are not provided work regularly by the societies. The sample societies provided employment to the members on an average for 252 days in a year. Therefore, the hypothesis is particularly accepted.

- (ii) Member-weavers get wages regularly from weavers' cooperatives for weaving the clothes.

Findings reveal that 152 respondents (87.9 per cent) out of 173 respondents get wages from the societies in time and the rest 21 respondents (12.1 per cent) get wages within a week after return of woven fabrics to the societies. Hence, the hypothesis is accepted.

- (iii) Primary weavers' cooperatives have helped in increasing the income of member-weavers.

Findings of the study reveal that out of 173 respondents, 156 respondents (90.2 per cent) affirmed that their monthly income from weaving activities increased after they became members of the weavers' cooperatives. This increase in income from weaving activities ranges between 20 and 60 per cent. Hence, the hypothesis is accepted.

- (iv) Primary weavers' cooperatives have helped in raising the living standard of the member-weavers.

The findings of the study reveal that out of 173 respondents, 35 respondents, (20.2 per cent) only are able to save. The average saving of these 35 respondents is Rs.362.40 per month. The rest 138 respondents (79.8 per cent) are not able to save anything. It is observed that 131 respondents (75.7 per cent) have borrowed money from different sources and average debt per respondent has been calculated as Rs. 3809. This proves that increase in income of weavers has been neutralised by general price rise in the market. The household assets of the respondents have not increased considerably during the period of study. This fact and indebtedness among majority respondents, prove that primary handloom cooperatives have not helped in raising the living standard of member-weavers. Hence, the hypothesis is not accepted.

Suggestions

The weavers' cooperatives should take the following steps, so that the economic impact on members will be more significant:

- (a) More incentives should be given to the members regularly, so that not-active members shall be attracted to weave clothes for the societies. Non-members will also be attracted to become members and to weave for the societies.
- (b) Weavers, who are producing fabrics from lower counts of yarn should be given training, so that they can weave clothes of improved designs by using higher counts of yarn. As a result, they can earn higher wages.
- (c) The societies should produce fabrics as per demands of the market and follow aggressive marketing policies. This will result in more sales. As more sales lead to more production, the societies will be able to provide regular work to the member-weavers.

Notes

1. Sinha K.C, "Co-operative Societies vis-à-vis Private Producers In Handloom Industry: An Appraisal of Their Role and Objectives", *The Management Accountant*, Vol.34, No.9, Sept., 1994, P.674,
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3. Bhople R.S, Nikhadi D.M, Waghmore R.S., "Socio-Economic Impact of Weavers' Cooperatives on Member-Weavers", *Indian Cooperative Review*, January, 1993 Vol.xxx, No.3, P.243.
4. Study of Handloom Development Programme, Planning Commission, Government of India, New Delhi, 1965, P.45.