**Liquidation of Handloom Weavers’ Cooperatives in Madurai Circle, Tamil Nadu: Causes, Impacts, and Policy Solutions**

Abstract

The Liquidation of Weavers' Cooperative Societies (WCSs) in Madurai District has generated major concerns regarding the sustainability of the handloom sector and weavers' socio-economic welfare. The shutdown of these societies has resulted in large-scale unemployment and economic hardship among weavers, who depend entirely on cooperative assistance for income and provision of raw materials. The reduction in WCSs has also diminished collective bargaining capacity, leaving individual weavers exposed to exploitation by intermediaries and private traders. Besides, the conventional handloom sector has also beendealt a blow since the liquidation ofthesecooperativeshas undermined the coherent production and marketing off hand woven goods, and hence, the demand has dwindled along with heritage craftsmanship. Withdrawal of institutional credit facilities and government subsidies granted hitherto through WCSs has further excluded weavers from main stream economic activities, compelling most of themtoseek alternative means oflivelihood or seek informal employment opportunities.

*Key words: Weavers, Cooperatives, Liquidation, Handloom*

**Introduction**Liquidation is the official process of winding up a cooperative society, where its assets are realized to pay its debts and liabilities, thereby closing it down. Under the Circumstances of cooperative societies, Liquidation may be caused by various reasons such as financial mismanagement, failure to comply with regulatory needs, inactivity over a long period, or insolvency. The process is normally through an inquiry by the Registrar of Cooperative Societies or the Assistant Director of Handlooms, a winding-up order, appointment of a liquidator for the distribution of assets, and final cancellation of the society's registration in Tamil Nadu. In this Context, 71 multi-state cooperative societies in India, out of which Rajasthan had 15 societies, Maharashtra had 13, Delhi, and Odisha, 11 each, amongst others, have been wound up during the post-independence era. In Tamil Nadu, 22,298 Primary Cooperative Societies (PCSs) have 1389 Cooperative Societies wound up till 2022-23.

**Review of Literature**

* [**Johnston Birchall**](https://www.researchgate.net/profile/Johnston-Birchall?_sg%5B0%5D=uwnXAC9nYRmfxQC4MGbpXTAnh74mjJ2ttkiJft5auQiVQT9LY7pKlsTAAUo9hjtXdBtiELo.27rryKy_Gb8DGfPvd89WxenWeiGCbG-ZE_koP03f6zkWY3yZsZd0CR4KugnjR-TOr16pTSytILxz-unI2sJ-bQ&_sg%5B1%5D=IRzP-HLeIiNRbbgSd6FO_Zu3q3GTK_v8jmUcqs7Zab5eSNmiNU1O18J9-EiImozuQKGlPg0.S-yu5xrunN0ZZCU-T-kD1FiHsdfXx-ECo0JtjJhR9ivuv7bprZxJInT_uzQJ2T75VRTondf8tNs5mp07pNT78A&_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIiwicG9zaXRpb24iOiJwYWdlSGVhZGVyIn19) **(2017)** found in his study that that there is a growing interest in good governance in co-operatives, what sort of guidelines can we suggest for its redesign? First, we have to be cautious. Governance is deeply embedded in the daily practice of a business organisation. It has evolved in all sorts of ways, and changing it is risky. It is not just a rational process, and there may be unforeseen consequences.
* **Mahapatra, S., William, W. S., & Padhy, R. (2019).** Found that supply chain alignment is crucial for the success of BoP initiatives in the handloom sector. The study highlights the importance of considering the specific context of the BoP community and tailoring supply chain strategies accordingly. It emphasizes the need for a balance between market-driven incentives and trust-based relationships with weavers to ensure both economic viability and social well-being. The research also points to the significance of factors like skill levels, government support, and private retailer engagement in shaping the effectiveness of different supply chain approaches. Ultimately, the study contributes to a better understanding of how to improve the economic conditions of BoP communities through strategic supply chain management.
* Liquidation of Primary Agricultural Cooperative Societies (PACS) and Weavers' Cooperative Societies (WCS) of Tamil Nadu has come under scholarly analysis, particularly with regards to their financial viability and the problems that resulted in their liquidation.  
  **Ravichandran, K. (2020)** analyzed the contribution of PACS to Sustainable Development Goals (SDGs) realization at the village level in Tamil Nadu. It emphasizes that though PACS can play a major role in SDGs by way of agriculture and rural development, they are hampered by problems including poor infrastructure and lack of funds. Such problems can hinder their functioning and in extreme circumstances, result in Liquidation. **Ponnurajan, F. O., Mahendran, K., Sengodan, M. L., & Devi, H. D. (2021)** concentrated on the limitations of handloom weavers and WCS in Virudhunagar District, Tamil Nadu. The results indicate that problems like ineffective government policies, poor quality raw materials, weak infrastructure, and weak marketing linkages seriously influence the viability of WCS. The factors lead to financial instability, which could result in Liquidation of such societies. **Rizwana, M., & Senthilkumar, S. (2014)** concentrated on organizational problems Handloom Weavers' Cooperative Societies experienced in Erode District, Tamil Nadu. The study identifies inadequate working capital, archaic production methods, and the absence of modernized loom machinery. These organizational shortcomings largely attribute to the financial struggles and possible Liquidation of WCSs in the area. **The Department of Handlooms and Textiles, Government of Tamil Nadu (2021)** has marked the reasons like poor financial management, insufficient modernization, and policy implementation issues for the state's financial difficulties and Liquidation of WCSs. Causes for Liquidation of Weavers' Cooperative Societies  
  Financial difficulties, absence ofmodernization, inadequate supplyof raw materials,market problems, policy and administrative concerns, socio-economic issues, and weak institutional support are the main factors propelling the Weavers Cooperative Societies in India. Most WCSs are confronted with inadequate working capital, inefficient financial management, and delayed governmentfunding, resulting in financial hardships.Observed production methods, lack of easy access to modern machinery, and low adoption of emarketing also enhance their uncompetitiveness.Moreover,the exorbitant price, irregular availability of good quality raw materials, and reliance on agents enhance the cost of production. Market woes such as poor marketing efforts, power loom and textile mill competition, and depreciating consumer demand also seal their fate. Ineffective policies of the government, bureaucratic inefficiencies, and political interference make matters more difficult, while socio-economic factors like the diminishing population of weavers, inadequate wages, poor employment conditions, and a lackofskill upgradation dissuade the next generation from pursuing the industry. Besides, poor cooperative governance, inadequate availability of credit, and a lack of collective bargaining strength keep them from sustaining themselves. Meeting these challenges through modernization, better financial planning, good marketing strategies, policy reforms, and enhanced institutionalsupportis very important for reforming and maintaining WCSs in India.

**Statement of the Problem- Distribution of Liquidation of WCSs in Madurai Circle**

Liquidation rates fluctuated significantly, the greatest percentage of liquidations between 2001-2005 (26.28 percent) and 2006-2010 (17.95 percent).

**Table 1**

**Trends in Liquidation of WCSs of Madurai Circle**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.no** | **Year** | **No's of WCSs**  **Liquidated** | **Percentage** |
| 1 | 1966-1970 | 6 | 3.85 |
| 2 | 1971-1975 | 10 | 6.41 |
| 3 | 1976-1980 | 2 | 1.28 |
| 4 | 1981-1985 | 2 | 1.28 |
| 4 | 1986-1990 | 9 | 5.77 |
| 5 | 1991-1995 | 26 | 16.67 |
| 6 | 1996-2000 | 14 | 8.97 |
| 7 | 2001-2005 | 41 | 26.28 |
| 8 | 2006-2010 | 28 | 17.95 |
| 9 | 2011-2015 | 12 | 7.69 |
| 10 | 2016-2024 | 6 | 3.85 |
| **Total** | | **156** | **100.00** |
| Common Growth Rate | | 1.00 |  |
| Mean | | 14.181 |  |
| Standard Deviation | | 12.367 |  |
| Kurtosis | | 0.748 |  |
| Skewness | | 1.204 |  |
| Co-efficient of Variance (CV) | | 87.209 |  |

*Source: Compiled from the records of Office of Assistance Director of Handlooms, Madurai.*

The mean number of liquidations was 14.181, meaning that an average of about 14 WCSs were liquidated per period.  
The standard deviation was 12.367, showing wide variations between different periods.  
The skewness of 1.204 showed that there was positive skew, leaning towards the possibility that liquidation figures had been bunched in smaller ranges, with certain times witnessing a dramatic spike. The kurtosis of 0.748 indicated the distribution was flatter, which implied fewer extreme values of liquidations had been witnessed. Coefficient of variation (CV) was 87.209 and indicated extremely high variability among liquidation patterns over time. The compound growth rate of 1.00 percent confirmed a gradual but consistent rise in Liquidation. These quantitative measures had all together underscored the irregularity in WCS liquidations, with some periods witnessing sudden jumps while others had continued to be relatively steady. Statement of the Problem Liquidation of Weavers' Cooperative Societies (WCSs) in Madurai Circle has generated serious concerns regarding the viability of the handloom industry and the socio-economic welfare of weavers.  
Though historically important for the maintenance of traditional weaving systems and livelihood generation for thousands, WCSs have been declining steadily on account of financial unsoundness, inadequate modernization, poor government assistance, and shifting market conditions.  
The Liquidation of WCSs is indicative of structural weaknesses in the sector. Areas like inadequate financial management, obsolete production methods, limited availability of quality raw material, and inefficient marketing policy have further driven the shutdown of the societies. The socio-economic conditions like the decreasing interest among the next generation, poor wages, and failure to develop skills are also responsible for the declining number of active WCSs. The dissolution of these societies has created extensive unemployment and economic hardship for weavers, who subsist entirely on cooperative assistance. WCSs' decline has also decreased collective bargaining leverage, leaving individual weavers at the mercy of middlemen and private traders to exploit them. Furthermore, the handloom industry has also taken a blow with the dissolution of such cooperatives, forcing organized marketing and production of hand-woven products out of joint, causing reduced demand, loss of traditional skill sets and heritage craftsmanship.

The withdrawal of institutional credit facilities as well as government subsidies offered through WCSs has further isolated weavers, forcing many towards alternative ways of employment or informal labour markets. The socio-cultural context of weaving communities has eroded trust, with the younger generation lacking a motivation to take up the craft considering its decreasing viability. Further, the absence of cooperative help has hindered weavers from embracing modern technology and marketing techniques, thus reducing their competitiveness in an emerging textile industry. Overall, the Liquidation of WCSs intensified economic instability among weavers, endangered the existence of traditional weaving culture, and compromised the cooperative movement, which demands immediate policy interventions for the revival and sustainability of the industry. The rising liquidation rates indicate the compelling necessity to review the inherent causes and effects on weavers, cooperative members, and the handloom sector.  
It is vital to comprehend the magnitude of this crisis and to determine initiatives that can restore WCSs towards sustainability and the safeguarding of weavers' livelihoods in the Madurai Circle.

**Objectives of the Study**

**The study has the following objectives:**

1. To highlight the Nature and Financial Conditions of sample liquidated WCSs in the Madurai Circle
2. To analyze the causes and impacts of Liquidation among the weavers and WCSs in Madurai Circle
3. To suggest measures to avoid the Liquidation of WCSs in the Madurai Circle

**Hypothesis**There is an inverse correlation between the financial liabilities of cooperative societies and the Liquidation of weavers' cooperative societies.

**Methods and Materials**

It is a descriptive study done in the Madurai Circle of Tamil Nadu.  
Primary data have been gathered from liquidated WCSs and their members.  
For this reason, two types of interview schedules were employed.  
One is employed for obtaining the major data from liquidated WCSs and the other is employed for gathering data from their members in relation to the cause and effect of Liquidation Purposive sampling methods have been utilized. 23 liquidated WCSs and 50 ex-members of the same have been determined as the sample size of this research. Secondary data was obtained from the records of the WCSs and the Department of Handlooms, Madurai. The study employed descriptive statistical measures, one-way ANOVA, t–test, and Common Growth Rate.

**Scope and Limitations of the Study**

This research has analyzed the viewpoints and effect of the Liquidation of Handloom Weavers' Production and Sales Cooperative Societies in Madurai Circle, Tamil Nadu. It has evaluated financial, social, and economic impacts of Liquidation on handloom weavers, WCSs, and related social partners and stakeholders. The study has also determined major causative factors in Liquidation.The study has analyzed issues that impact WCSs and difficulties that weavers encounter when shifting to alternate livelihoods. The study period has been the previous three years of finance, i.e., 2021-22, 2022-23, and 2023-24.

**Results and Discussion**

The following part of the articles is discussing about the sample liquidated WCS in Madurai Circle. The financial condition of sample societies and its assets and liabilities given to strengthening the argument. The next part is analyzing the perceptions of member beneficiaries and Societies employees in order to get their opinion regarding the liquidation.

**Table 2**

**Nature and Financial Conditions of Sample Liquidated WCSs in Madurai Circle**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Sl.No** | **Name of the Liquidated WCSs** | **Liquidated date** | **Land and Building Value** | **Other Asset Value** | **Total Asset** | **Liabilities as (Cash Credit Due )** |
| 1 | M.H.123 Madurai Handloom | 06.04.2000 | 38.62 | 6.65 | 45.27 | 412.99 |
| 2 | MH.125 Aalawai | 21.07.1999 | 6.54 | 9.78 | 16.32 | 11.6 |
| 3 | MH.127 Bharatha jothi | 29.12.2000 | 28.25 | 10.32 | 38.57 | 7.88 |
| 4 | MH.144 Vagugapatti Gandhiji | 28.12.2000 | 13.25 | 4.13 | 17.38 | 6.83 |
| 5 | MH.176 Kajakamaluteen | 29.12.2000 | 28.08 | 0 | 28.08 | 4.22 |
| 6 | MH.215 Arulmigu annai meenakshi | 12.11.2003 | 12.43 | 10.49 | 22.92 | 0 |
| 7 | A.1935 Sellur | 28.02.2002 | 20.88 | 16.23 | 37.11 | 0 |
| 8 | A 2015 Bhavanarishi Pathmasalier | 19.09.2003 | 19.18 | 7.27 | 26.45 | 17.98 |
| 9 | A 2249 T.Kunnathur | 20.12.2004 | 5.14 | 29.51 | 34.65 | 72.06 |
| 10 | A 2249 T.Kunnathur | 18.10.2006 | 1.95 | 50.09 | 52.04 | 85.72 |
| 11 | MH 13 Peraringar Anna | 17.05.2007 | 21.1 | 30.89 | 51.99 | 89.93 |
| 12 | MH 15 Mahalakshmi | 17.05.2007 | 20.58 | 24.78 | 45.36 | 78.67 |
| 13 | MH 21 Annai Bhagawathi | 07.02.2007 | 7.93 | 30.81 | 38.74 | 157.45 |
| 14 | MH 23 Sakkampatti Salier | 17.05.2007 | 0.53 | 29.58 | 30.11 | 112.34 |
| 15 | MH 54 V.O.Chithamparam | 17.05.2007 | 0.42 | 18.33 | 18.75 | 178.73 |
| 16 | MH 55 Thantai Periyar | 17.05.2007 | 0.39 | 19.41 | 19.8 | 70.74 |
| 17 | MH 217 Pasumpon Muthuramalinga. Devar | 17.05.2007 | 1.24 | 37.99 | 39.23 | 158.41 |
| 18 | MH 56 Thiruvilli Thiyaki Guru | 09.11.2006 | 0.45 | 7.34 | 7.79 | 98.98 |
| 19 | MH 198 Annai Indra | 17.05.2007 | 0.47 | 70.88 | 71.35 | 105.18 |
| 20 | MH 20 Annai Muthumariyamman | 16.07.2007 | 7.93 | 10.61 | 18.54 | 190.28 |
| 21 | DD70 Thiruvalluvar Saliyar | 16.07.2007 | 52.76 | 2.43 | 55.19 | 95.15 |
| 22 | A 1922 Madurai Mahalakshmi | 16.07.2007 | 13.08 | 52.96 | 66.04 | 36.24 |
| 23 | MH 207 Andipatti Powerloom | 30.05.2013 | 62.5 | 51.93 | 114.43 | 339.41 |
|  | **Total** |  | **363.7** | **532.41** | 896.11 | **2330.79** |
| Mean | | | 15.813 | 23.148 | 38.961 | 101.339 |
| Standard Deviation | | | 17.045 | 19.059 | 23.295 | 105.281 |
| Kurtosis | | | 1.725 | 0.241 | 3.891 | 3.036 |
| Skewness | | | 1.420 | 0.962 | 1.611 | 1.663 |
| Range | | | 62.110 | 70.880 | 106.64 | 412.990 |
| Co-efficient of Variance (CV) | | | 107.792 | 82.335 | 59.790 | 103.890 |

*Source: Primary Data*

**List 1-Regression Analysis of Total Asset and Liabilities of WCSs**

|  |  |
| --- | --- |
| *Regression Statistics* | |
| Multiple R | 0.426806024 |
| R Square | 0.182163382 |
| Adjusted R Square | 0.143218781 |
| Standard Error | 21.56231412 |
| Observations | 23 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ANOVA** | | | | | |
|  | *Df* | *SS* | *MS* | *F* | *Significance F* |
| Regression | 1 | 2174.726067 | 2174.726067 | 4.6775003 | 0.04224637 |
| Residual | 21 | 9763.601194 | 464.9333902 |  |  |
| Total | 22 | 11938.32726 |  |  |  |

*Source: Compiled from Primary Data*

Financial conditions of the liquidated Weavers' Cooperative Societies in Madurai Circle had shown remarkable variations in asset values and liabilities.  
The overall assets had been 896.11 lakhs and the total liabilities had been 2330.79 lakhs, showing a huge financial burden.  
The average values of land and building, other assets, total assets, and liabilities had been 15.813, 23.148, 38.961, and 101.339 lakhs, respectively.  
The high standard deviation in liabilities (105.281) had revealed quite a variance among the societies, indicating that some had borne  
much heavier financial costs than others. Skewness values for assets (1.611) and liabilities (1.663) indicated right-skewed distribution, i.e., a couple of societies had disproportionately higher asset and liability amounts. Coefficient of variation (CV) was highest for land and building value (107.792) and liabilities (103.890), indicating heavy fluctuations in these. The regression analysis showed that there was a poor positive relationship between total assets and liabilities, with R-squared = 0.182, meaning that only 18.2 percent of the variability in liabilities was explained by the total assets. The value of significance (p = 0.042) indicated that the relationship between these two variables was statistically significant at the 5 percent level. However, the low R-squared value suggested that other variables had played a critical role in defining the liabilities of these societies.  
The ANOVA outcomes demonstrated that the regression model was sound.  
These results demonstrated that in spite of having significant assets, most societies had still encountered unsustainable financial liabilities, eventually leading to their Liquidation. The above-stated hypothesis is true. The reasons behind Liquidation Perceived by the weavers and WCS officials of Madurai Circle. Weavers and WCS officials segmented the sample respondents. The information about the reasons behind Liquidation has been fitted with a t-test to determine the relationship of the "sample respondents" with the reasons behind Liquidation of WCSs.

**Table** 3

**The Causes for liquidation Perceived by the weavers and Officials of WCSs in Madurai**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sl.**  **No** | **Causes for liquidation Perceived by the weavers and officials WCSs in Madurai Circle** | **Sample weavers of WCSs** | | | **Officials WCSs** | | **“t” Value** | **Level**  **of**  **Significance** |
| **Mean**  **\_**  **X** | **Std.**  **Deviation**  **‘S’** | | **Mean**  **\_**  **X** | **Std.**  **Deviation**  **‘S’** |
| 1 | There is no services provided for require members for the long period by the society | 4.2113 | 1.109 | | 4.0420 | 1.062 | 1.26\* | 0.039 |
| 2 | The members might lose their hope about the societies activities | 3.8639 | 1.812 | 3.5718 | | 1.473 | 0.49 | 0.902 |
| 3 | When the employees of the society involve in misappropriation of the funds and misstatement of accounts that the society may got financially loss. | 3.7619 | 1.811 | 3.870 | | 1.417 | 1.26\* | 0.039 |
| 4 | Incompetent administration of Board of directors, Societies | 3.1692 | 1.248 | 3.983 | | 0.999 | -0.79 | 0.738 |
| 5 | An irreparable dues amount and loss of the society | 3.9174 | 1.112 | 3.101 | | 0.702 | -0.92 | 0.913 |
| 6 | The society may not take steps to revive their business. | 3.8509 | 1.109 | 3.744 | | 1.192 | 1.37\* | 0.044 |

*Source: Computed from primary data \*Significant at 5 percent level*

The belief that societies have not offered services to their members for a long time has gained stronger consensus among weavers (mean = 4.2113) compared to officials (mean = 4.0420).  
The difference is statistically significant at the 5% level (t = 1.26, p = 0.039).  
By the same token, belief that financial loss has resulted from misstatement of accounts and misappropriation of funds also revealed a considerable difference (t = 1.26, p = 0.039) with officials giving it a slightly higher rating (mean = 3.870) compared to weavers (mean = 3.7619). The feeling that societies have not done enough to revive their business has also been at the 5% level (t = 1.37, p = 0.044), where weavers (mean = 3.8509) have felt ever so slightly more in agreement with that near officials (mean = 3.744).  
Yet, other variables including member loss of trust (t = 0.49, p = 0.902), inefficient administration (t = -0.79, p = 0.738), and irreparable losses and dues (t = -0.92, p = 0.913) were not statistically significant between the two groups. These findings have indicated that although weavers and officials recognize financial mismanagement and absence of revival plans as major causes of Liquidation, their attitudes towards administration incompetencyand aggregate losseshave been quite consistent. The Impact of Liquidation Perceived by the weavers and Officials WCSs in Madurai Circle WCS officials and weavers stratified the sample respondents. Facts on the effects of Liquidation have been modeled with a t-test to determine the correlation of the "sample respondents" with the impacts of Liquidation of WCSs. The analysis is revealed to indicate that the closure of these societies has resulted in massive unemployment and economic hardship on the weavers, where officials have captured a higher mean value (4.2913) compared to weavers (4.008). This means that officials have seen the extent of the problem more largely. The reduction in WCSs has also lowered the negotiating capacity of the collective, with individual weavers open to exploitation by private traders and middlemen. But the weavers' (mean = 3.6438) and officials' (mean = 3.1204) responses appear to reveal that officials have seen this effect to a smaller degree compared to weavers. The collapse of these cooperatives has undermined the organized production and marketing of hand-woven products, and demand has decreased while heritage craftsmanship has been lost. Officials have rated this effect lower (mean = 3.978), while weavers have rated it higher (mean = 4.1807), consistent with their firsthand experience of the economic consequence. Cancellation of institutional credit facilities and government subsidies once provided under WCSshasfurther pushed weavers totheperiphery, forcing manyto abandon their profession or seek informal labour markets. Officials have noted a lower mean value (3.584) compared to weavers (3.9627), suggesting that weavers have more strongly felt the economic pinch. The general effect of Liquidation has been felt by both camps to be detrimental, especially in relation to economic uncertainty andthe vulnerability of conventional weaving. Official’s and officials' respondents have registered a mean score of 3.862 compared to 4.0163 by the weavers, showing the latter to feel more concerned about the continuity of their livelihood. The 't' test findings have shown high association for all these impacts, validating that weavers and officials alike have discerned the ill effects of Liquidation, but differing in intensity.

**Table** 4

**The Impact of liquidation Perceived by the weavers and Officials WCSs in Madurai Circle**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sl.**  **No** | **Impact of liquidation** | **Sample weavers of WCSs** | | **Officials WCSs** | | **“t” Value** | **Level**  **of**  **Significance** |
| **Mean**  **\_**  **X** | **Std.**  **Deviation**  **‘S’** | **Mean**  **\_**  **X** | **Std.**  **Deviation**  **‘S’** |
| 1 | The closure of these societies has led to widespread unemployment and financial distress among weavers | 4.008 | 1.511 | 4.2913 | 1.018 | 1.16\* | 0.040 |
| 2 | The decline in WCSs has also resulted in reduced collective bargaining power, making individual weavers vulnerable to exploitation by middlemen and private traders. | 3.6438 | 1.073 | 3.1204 | 1.709 | 0.671 | 0.6807 |
| 3 | Dissolution of these cooperatives has disrupted the organized production and marketing of hand-woven products, leading to decreased demand and loss of heritage craftsmanship.. | 4.1807 | 1.681 | 3.978 | 1.949 | 1.31\* | 0.038 |
| 4 | The loss of institutional credit facilities and government subsidies that were previously available through WCSs has further marginalized weavers, pushing many towards alternative occupations or informal labour markets | 3.9627 | 1.791 | 3.584 | 0.812 | 1.19\* | 0.039 |
| 5 | The liquidation of WCSs has deepened economic instability among weavers, threatened the survival of traditional weaving practices | 4.0163 | 1.019 | 3.862 | 0.991 | -0.82 | 0.601 |

Source: Computed from primary data \*Significant at 5 percent level

**Conclusion**To, avoid Liquidation of WCSs and rehabilitating members, financial management should be improved by transparent monitoring, routine audits, and training schemes. Financial support can be made sustainable by providing institutional credit accessibility, financial restructuring, and literacy schemes. Market linkages need to be re-vitalized by modernization, e-commerce, and branding initiatives. Mediating role of Government plays a key role in offering policy support, financial support, and rehabilitation schemes.Facilitating active membership, reinforcing cooperative legislation, and encouraging youth participation can contribute to increased sustainability. Displaced weavers must be assisted through financial rehabilitation, alternative cooperative structures, and employment based on skills. These actions will secure livelihoods, avert financial hardship, and safeguard the handloom heritage.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

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