CHAPTER - VI

CONCLUSIONS AND SUGGESTIONS
The discussion in the previous chapters has revealed that the:

i) Carpet industry of Kashmir possesses enormous export potential and wide market prospects,

ii) It offers a promise to provide gainful employment to a large number of rural artisans in the tiny sector,

iii) The export potential of this industry has not been fully exploited due to a poor marketing strategy,

iv) The production system of the industry is by and large dominated by old concepts and techniques and lacks customers-orientation in respect of products,

v) The socio-economic conditions of the
carpet weavers are far from satisfactory.

On the top of it, the Government policy regarding the hand-knotted carpet industry in Kashmir has been haphazard. Policy makers have failed to realize the conditions and constraints prevailing in the industry. Neither has the enormous potential of the industry as a foreign exchange earners nor as a provider of employment been properly recognised. Consequently, it has not been accorded its due place of importance in the State's planning.

Immediate measures are called for to remove constraints in the development of the carpet industry in Kashmir. The industry is widely believed to have a potential far higher than its current rate of growth. It has been estimated that given the right conditions the overall level of exports of hand-knotted carpets from the State could rise to Rs 50 crores within the next five to six years. This target is not unrealistic provided the Government initiates proper implementation of the actions designed to resolve the problems confronted by the carpet industry. A number of measures have been suggested in this context and the present chapter has been devoted to the discussion of these multi-facet suggestions. These suggestions are:
1. Establishment of a Carpet Development Board

The magnitude of the task involved in the development of the Industry is such that it requires a body solely devoted to the development of this industry in the State. The scholar, therefore, strongly recommends, the establishment of a Carpet Development Board at the State level, which would be statutory in character. It should be established on the lines of the Central Silk Board with adequate powers to use its funds and appoint its personnel. The proposed Board should be assigned the following functions.

i) The Board, will be responsible for the integrated and accelerated development of the carpet industry in the State,

ii) it shall advise the State Government on all matters relating to the industry such as legislation, plan allocation etc.

iii) it shall formulate short and long term plans for the development of this industry and be responsible for their implementation under the overall superintendence of the State Government.
iv) it shall take all necessary measures to expand production and promote exports attuned to the goals set from time to time based on market appreciation.

The Board should be a compact body with not more than seven members, four of whom, should represent the industry and craftsmen. The establishment of such an agency will go a long way in the development of the carpet industry in the State.

2. DESIGN DEVELOPMENT

Design is a critical component of an oriental carpet. In fact, design is as important as quality in influencing a customer's decision whether to buy or not to buy a carpet.

One of the common criticisms against Kashmir carpets in the exporting market is that their designs lack innovation and variety based on oriental traditions.

To overcome this problem it is suggested that the task of design development should be given high priority by the Government and the industry. The School of Designs should be re-organised and
revitalised. It should fulfil the needs of the local industry and satisfy the needs of the foreign customers. Kashmir should try to introduce more designs based on exact copies of old and antique Persian carpets. These designs need to be collected and codified. Efforts may be made to identify traditional designs from museums and wealthy collectors. New designs based on local traditions and culture could be developed keeping in view the market tastes and trends.

In this connection, it would be beneficial if selected carpet designers are included in market tours so that they can themselves observe the consumer behaviour. To begin with, it is suggested that a few designers should be sponsored by the State Government for being trained in Iran. Besides, the possibility of inviting foreign designers occasionally for guiding the local designers may also be considered.

3. SUPPLY OF RAW MATERIALS

One of the important problems faced by the carpet industry of Kashmir at present is that the right quality of wool and silk is not available in sufficient quantity and at reasonable prices.
To overcome this problem, long term and short term measures are suggested. As a long term measure, the local resources of raw wool and silk should be developed to meet the requirements of the industry. In this connection the establishment of a Spun Silk Mill at Srinagar should receive a serious consideration.

For meeting the immediate requirements of the industry, the Government should procure superior quality silk and wool suitable for carpet weaving, in large quantities from China and Switzerland and then distribute the same on quota basis among the carpet manufacturers and weavers through Raw Material Banks established at different places.

4. **ELIMINATION OF 'TALEEM' METHOD**

It has been observed that the method of converting the design into 'taleem' which is only prevalent in Kashmir, is a complicated, costly, time consuming and hackneyed technique. The scholar firmly believes that the replacement of 'taleem' method by the method of weaving directly from the design will significantly improve the productivity
and job satisfaction of the weavers as well as the quality of the carpets woven,

It is, therefore, suggested that the Government should persuade the manufacturers and weavers to discard the 'taleem' method and to weave the carpets directly with the help of the carpet design itself. To begin with, the State Government may introduce the new method in its training centres and production centres on an experimental basis.

5. **DISCOURAGING THE 'FALSE KNOT' WEAVING**

The use of so called 'double knot' which is actually a false knot is very popular in Kashmir these days and it is responsible for much of the deterioration in the quality. Hence it is suggested that the weavers and manufacturers should also be persuaded to discard the 'double knot' weaving and to use only the genuine 'single knot'.

One of the measures to discourage the production of 'double knot' carpets is to provide less cash assistance against the export of double knot carpets as compared to 'single knot' carpets. Mass media could be used for persuading the weavers
to switch over to 'single knot' weaving. Besides, the Government sponsored training centres should exclusively concentrate on the weaving of 'single knot' carpets.

7. ESTABLISHMENT OF A COMMON FACILITY CENTRE

The quality and appearance of a hand-knotted carpet depends to a great extent on the dyeing and washing techniques adopted in the production process. It has been reported that Kashmir carpets lack in finishing facilities in terms of washing, clipping dyeing and drying.

The modern and better techniques of dyeing and drying of the carpet yarn, washing of the carpet etc., are expensive and can not be afforded by any single weaver or manufacturer.

Taking into account the importance of these types of modern production facilities and their cost, institutional help should be made available by the State Government in the form of setting up a few common facility centres, which could provide modern facility of dyeing, washing and drying to the small carpet manufacturers at reasonable rates.
7. **RESEARCH AND DEVELOPMENT**

Research and Development (R & D) activity should be carried out in the fields of loom layout, raw materials, designs, weaving and other production issues. Better and improved methods of production should be explored soon to increase the productivity. In this connection the production techniques used in other carpet producing countries like Iran, Pakistan and Turkey should also be examined.

**IMPROVEMENTS IN WORKING CONDITIONS**

No social policy regarding the carpet industry has yet been formulated. It needs to be remembered that the hand-knotted carpet industry is skill-based, dependent on the labour of thousands of artisans drawn from poor rural and urban families. The strength of the industry depends upon their skill and application measures. It is sad to note that the socio-economic conditions of this most important asset of the carpet industry are far from satisfactory. No industry can thrive at the expense of human input. Hence all-out efforts need to be taken to ameliorate their lot. Following steps may prove useful to achieve this end.
i) **Discouraging Child Labour**

The extensive employment of child labour in carpet industry has adversely affected their social life in the State. It is, therefore, suggested that Government should gradually discourage and ban the employment of children below the age of 15 years in the carpet industry.

ii) **Non formal Education**

The present educational system does not cater to the needs of the rural and urban poor. Carpet weavers are no exception. They are drawn from such groups. Non formal educational programmes should be specifically designed for the benefit of the carpet weavers in particular and for the rural/urban poor in general.

iii) **Provision of Medical Care**

Carpet weaving has its own professional hazards. It breeds many respiratory diseases. Unhygienic and poor sanitary conditions around the weaving centre add fuel to the fire. The poor weaver falls an easy prey to these deadly diseases and hence need to be protected, by taking all preventive
and curative measures. Government has a positive role to play in this direction. A systematic effort to detect and treat these diseases should be instituted through the official agencies.

iv) Improvements in loom layout

There is a mushroom growth of carpet weaving centres. In these centres looms are installed in dingy and dark rooms with no or poor ventilation and lighting arrangements. This seriously hampers and impairs the health of workers and thus need to be looked into.

v) Employment of Women in Cottage Sector

The induction of female weavers into this craft, though a welcome step, has created some special problems. It is to be watched that these centres do not turn into brothels. Dignity and chastity of young adolescent girls need to be honoured and protected. Hence, they should be encouraged to work on looms, which are exclusively located within their households, instead of dragging them into carpet factories.

9. TRAINING AND DEVELOPMENT

Training and development of human resources is a continuous process. Carpet weaving training
programmes should be made more fruitful and effective. In this connection following suggestions merit consideration.

a) Upgrading of Weaving skills:

The main thrust of the Massive Carpet Weaving Training Programme should be now on the upgrading of weaving skills of young weavers, who have been already trained under the primary training programme. The advanced training for a period of at least 3 years should be imparted in respect of single knot weaving, weaving of high knottage carpets and weaving directly from the design instead of the 'taleem' etc.

b) Training the designers, Washermen etc.

The training of designers, washermen and dyers has been neglected in the past, resulting in the extreme dearth of these services, especially the carpet designers. It is, therefore, suggested that special training programmes should be developed for the training of designers etc. The scholar feels that this task is highly significant and should be performed/executed on priority.
c) **Provision of informal education**

Provision of informal education should form an inbuilt component of the training programmes and integrated with the State-sponsored educational system. The aim should be to impart a general education and an understanding of the physical, social and industry environment.

d) **Proper enforcement of the Standards of Cleanliness etc.**

Standards of cleanliness, ventilation and lighting should be rigorously enforced in all training centres. Effective measures for the periodical medical check ups of trainees would prove beneficial.

e) **Provision of loans and advances to ex-trainees**

Provision of loans to ex-trainees should be made an integral part of the programme, to enable newly trained weavers to set up looms in their own houses. Training centre staff should be required to pass on information about bank loans available for the purpose and help them in documents required.

f) **Raising the age limit of Trainees:**

The minimum age for trainees should be raised from 10 to 15 years. This will accomplish twin
objectives of firstly minimising the incidence of child labour and secondly the trained weavers would be mature enough to start their own looms or form the cooperative manufacturing societies.

10. MARKETING FACILITIES TO SMALL MANUFACTURERS

One of the most important problems of the small carpet manufacturers is that they do not find a suitable distribution channel for exporting their products. In the absence of that merchant-exporters more often than not exploit the small manufacturers on this count. To overcome this problem it is strongly felt that the two leading public sector organisations operating in the State viz. Handicrafts and Handlooms, Export Corporation of India (HEEC) and Jammu and Kashmir Handicrafts (Sales & Export) Corporation (JKHC) could play a vital role in the marketing of Kashmir carpets. These organisations could minimise to a large extent the carpet weavers in the tiny sector being exploited by the middlemen exporters/manufacturers who normally offer to buy the carpets at low prices. Though these two organisations are supporting the small weavers in marketing their products, yet, a lot more needs to be done in this behalf. The
present role is wanting in many respects and hence not adequate and satisfactory.

JKIC should become more export-oriented. Its present policy of concentration on the domestic sales need to be reviewed. Further the various managerial positions should be manned by professionally qualified and competent people. The present practice of running and managing these corporations as Government departments should be abolished forthwith. A professional cadre of skilled managers should be developed. They should replace the bureaucrats. The Corporation should establish its own showrooms-cum warehouses in few selected markets like Federal Republic of Germany, USA, etc. so that closer contacts with the customers are established.

11. ESTABLISHMENT OF MARKETING RESEARCH AND INFORMATION CELL

Generally the carpet manufacturers and exporters have scanty knowledge of market trends and situations. They base their information on selective and subjective bits of information supplied either by importing customers or gathered from magazines. This type of information is usually haphazard and
inadequate. Being ignorant they fail to keep up with market trends in a constantly changing world.

It becomes, therefore, imperative that Government should establish a Market Information Cell which will continuously monitor foreign market developments in terms of market characteristics, price and distribution channels etc. The cell should maintain close contacts with various organizations both within and outside the country. The information collected should be properly documented and disseminated to various manufacturers and exporters, especially manufacturers in the cottage sector. The information wing should be made a focal point in the State to render useful and timely services to the exporting community.

12. POSTING TRADE REPRESENTATIVE ABROAD

There is a need to post a person abroad preferably in London or Hamburg, possessing intimate knowledge of Kashmir carpets. Such a person will be able to establish a close liaison with exporters and European importers. This representative will be assigned the following functions:

a) To collect and disseminate market intelligence regarding prices, imports
from other countries; market trends and requirements in terms of designs, colour combinations, technological advances in the world carpet industry,

b) to keep a close liaison between importers and the exporters,

c) to submit confidential reports on the background of importers regarding their business standing and solvency,

d) to make all possible efforts for promotion of Kashmir carpets, and

d) to collect information about import duties and customs formalities etc.

13. **PRODUCT CHARACTERISTICS AND QUALITY CONTROL**

It has already been stated that Kashmir carpets face a stiff competition and that the consumers are becoming more quality conscious. In view of this, there is an urgency, as well as, need to introduce compulsory quality control in respect of woollen carpets. Further the quality Marking Scheme as prevalent in other States may also be introduced in Jammu and Kashmir State.
Following the introduction of this scheme, a quality marking centre be established with suitable staff. The main job of the centre will be to give the quality certificate after having checked number of knots, design, fastness of colours and the type of yarn used as laid down in the export contract and in accordance with the quality standards.

Effective measures should also be taken to stop the export and production of staple carpets from the State. This is quite essential because staple carpets are going to tarnish the image of Kashmir as a producer of finest quality carpets.

Besides, the carpet manufacturers and weavers in Kashmir have generally a very narrow concept of measuring the quality of a carpet i.e. number of knots per square inch. However, it has been reported that the actual customer evaluates the quality on the basis of a number of factors, like colour combination, design, overall appearance, finish and sheen of the carpet etc. It is, therefore, suggested that a comprehensive concept of quality control should be voluntarily adopted by the manufacturers and weavers as compulsory quality control by the Government can not take care of all these
factors. It should also be remembered that customer preferences for different product characteristics vary from country to country and from time to time. Thus the need for continuous marketing research and dissemination of market information to various manufacturers and exporters in the State, especially in the cottage sector becomes imperative.

The scholar firmly believes that the real customer-orientation, based on sound marketing research and strict quality control, is essential for carpet industry in Kashmir to achieve a real growth.

14. SALES PROMOTION

Sales promotion acts as a bridge between advertising and personal selling. It helps in not only removing the customers dissatisfaction about a particular product of a particular manufacturer but it also helps in creating a brand image in the minds of the consumers and the users.

Inadequate promotional campaign has retarded the tempo of growth of carpet industry especially in emerging importing countries. In a bid to stimulate sales, the Government should resort to a variety of
activities such as improving the product, extending the channels, and increasing their services. Promotional activities include advertising and publicity. The Government has to launch effective campaign on all fronts, besides considering the following, to help boost the export volume and value of carpets.

i) **Publication of Brochures**

The Directorate of Handicrafts/JKHC should publish attractive coloured brochures and catalogues with a comprehensive description of Kashmir carpets.

ii) **Preparation of a Documentary Film**

A coloured documentary film on Kashmir Carpets should be prepared for wide circulation in the foreign countries.

iii) **Advertisements in Trade Journals**

The advertisements in various international trade journals and other newspapers in the importing countries should be given due importance by the exporters and the various Government and semi-government organisations. Such advertisements should focus the distinctive nature and feature of Kashmir carpets.
iv) **Collaboration with other countries**

The overall promotion of oriental carpets should be generic, focussing on either a product or a range of products. This could be undertaken alongwith the exporters of other supplying countries and the importers in buying countries.

v) **Market Tours and contact Promotion Programmes**

The market tours and contact Promotion Programmes should be arranged more frequently for the benefit of the exporters. The due representation should be given to all sections of exporters from time to time.

vi) **Participation in Trade Fairs**

The JKHC and other trade promotion organisations should make it a point to participate in all important exhibitions and fairs abroad. Individual exporters should also be assisted and persuaded to participate in such fairs and exhibitions. Such types of exhibitions serve as spring boards for generating export business.
vii) **Display-cum-Sales Weeks**

Display-cum-Sales Weeks for Kashmir Carpets should be arranged in different markets. Such displays will help in focussing the attention of the prospective buyers exclusively on the Kashmir carpets.

viii) **Buyer-Seller Meet at Srinagar**

It is suggested that Buyer-Seller meet in the shape of a carpet exhibition should be arranged every year at Srinagar. Efforts should be made to ensure the participation of maximum number of foreign buyers and local exporters in such exhibitions.

ix) **Publication of an Annual Journal**

Publication of an annual journal on Kashmir Carpets on the pattern of 'Carpet-e-World' etc- is also suggested. The said journal will provide an effective forum for exporters and importers to exchange their views.

15. **EXPLORATION OF NEW MARKETS**

Presently the exports of hand-knotted carpets from Jammu and Kashmir are directed mainly to USA, P.R.G and some other countries in Western
Europe. Overdependence on a few markets has been one of the inhibiting factors in the expansion of exports. Expansion of exports will greatly depend on new outlets. The new markets which are worth exploring include Saudi Arabia, Kuwait, Japan, Australia, New Zealand etc.

In this connection, it is suggested that in-depth studies be conducted in these countries to acquire knowledge about the specific requirements of the buyers in terms of designs, colours, sizes, quality etc. for formulation of an export marketing strategy.

16. **PRICING STRATEGY**

The existing intense competition among the carpet exporters is proving very harmful. To overcome this defective practice of selling, review of the present pricing strategy becomes a must. For this purpose, it is suggested that floor prices for carpet exports be fixed and periodic checks on prices be made in selected overseas markets so that high unit value realisation is ensured for our carpets. Besides, prices also need to be related to the best products of Pakistan than to the best products of Iran.
because Pakistan has emerged as the main competitor of Kashmir in respect of finest quality woollen carpets.

17. **CASH COMPENSATORY SUPPORT**

It has been observed that the cash compensatory scheme in respect of export of Kashmir carpets is inadequate and unrationised. In order to make the scheme purposeful, the rate of cash assistance for export of higher qualities of carpets be enhanced from the general rate. Presently the cash assistance of 17 percent on the export of woollen carpets is allowed by the Government of India. The CCS rates for hand-knotted carpets (both woollen and silk) should be revised as follows:

- 5% up to F.O.B. value Rs. 250/m²
- 12% up to F.O.B. value Rs. 400/m²
- 15% up to F.O.B. value Rs. 800/m²
- 20% up to F.O.B. value Rs. 800 and above/m²

It is hoped that the above rates will encourage the production of better quality carpets.

18. **CREDIT AND FINANCE**

The financial requirements of the industry
have been increasing in recent years following the steep hike in labour and material costs. The availability of adequate amount of credit has thus become an important input for the development of carpet industry, which essentially is a working capital intensive industry. In this industry wages and raw materials account for more than 80 percent of the total cost of production of a carpet. As such availability of cheap finance is must.

Hence it is suggested that the industry be treated as a small scale industry for the purpose of obtaining concessional finance and other benefits available to small industries.

Pre-shipment credit at the concessional rates should be extended from the present 18 days to at least 27 days to allow for increased weaving time in case of Kashmir carpets. The present credit limits are also not adequate.

Concessional post-shipment credit on sight bills should be increased from 21 days to 45 days. Besides, present rates of interest charged by commercial banks are very high compared to other countries. In Pakistan carpet exporters get loans
from commercial banks at the rate of 3 percent per annum against export orders. It is, therefore, suggested that similar preferential treatment in the export promotion of Kashmir carpets should be granted by the Government.

19. **AVAILABILITY OF STATISTICAL DATA**

In the completion of this study, the scholar had to face acute shortage of statistical information which seriously hampered the investigative process. The study could have revealed many more facts, had the adequate data been available. The non-availability of data is mainly attributed to the fact of industry being run in an un-organised fashion. The urgency of monitoring up to date information is quite imperative for an industry which has a prominent role to play in the economic development of the State. As such it is highly desirable to create a cell that could keep and maintain proper and adequate statistical information of this industry. Such a cell would help the planners and researchers alike in the formulation of perspective plans and projects to help boost the industry.

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