CHAPTER 1
HANDLOOMS - A RETROSPECT
CHAPTER - I

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1.1. INTRODUCTION

Since time immemorial, handloom has occupied a significant place in the rural urban technological and social linkage in the Indian economy. It is a sector having the character of an industry. Next to agriculture, handloom is by far the largest economic activity in the unorganised sector in the country. There are about 3.89 million handlooms installed in the country providing full and part time employment opportunities to about 10 million people both men and women workers.

Though it serves as a source of livelihood for millions of people directly and indirectly, most of the weavers are illiterate and their economic condition is below the poverty line. Weavers have not been able to produce handloom cloth at their full potential, due to absence of cooperative character amongst the members of the weavers societies, shortage of financial requirement, lack of proper training and design facilities, lack of raw materials at cheap rates and also lack of efficient marketing setup for raw material as well as finished goods. So far the government of India and State governments have taken various steps to implement projects and programmes for improvement of handloom products and condition of the weavers, but still it has lagged far behind the expectation.
1.2. MEANING AND DEFINITION:

Handloom is totally different from the mill made, semi automatic and powerloom sectors in the area of production, sizing, designing and also stronger than the same type of mill made and powerloom cloth due to double reeds and lower speed of weaving. "The word Handloom derives its meaning from the process of operation by hand of a country wooden structure called loom." Dictionary meaning of the word Handloom is "A weaver's loom worked by hand as distinguished from a powerloom."

Rayudu states that "Loom is a wooden country made structure used for making cloth with the sole aid of manpower. Except the handlooms all other types of looms need power for operation."

The socio economic significance of handloom weaving and its impact upon the life and economy of the people of India can better be gauged in the words of Borpajari that "the loom was, in fact the centre of domestic economy, the only hope of...

salvation in an hour of distress or despair. If rent was in arrears and must be paid or debt presses, it was to the product of the loom worked by the females of the family that the debtor looks to for raising the requisite funds." Such was the position occupied by the handloom industry in the past which had not only met the requirement of cloth but also acted as a source of earning whenever necessity arose.

1.3 EVOLUTION OF HANDLOOM - THE WORLD SCENARIO:

1.3.1 Ancient Period: Human beings started to use animal skins as cloth for their domestic needs during the early stage of human civilization (The period before 9000 BC). With the development of human civilization people began to weave their cloth as substitute for the skins of wild animals. Thus, the concept of weaving had started. "The first loom fabric was probably a crude felt made by compressing loose clumps of fleece from wild sheep. Later prehistoric people discovered that they could make a coarse yarn by rolling plant or animal fibres between the palms of the hands. The earliest known textiles made from yarn were fishing nets."

The idea of weaving yarn into fabric was developed from the art of weaving strips of mats and baskets. People began to weave cloth on simple loom during 5000 - 6000 BC. Weaving had developed in Europe, Asia and South America during 2000 BC. The four natural fibres wool, linen, cotton, and silk originated in

different parts of the world. Woollen in Switzerland and Scandinavia, linen in Egypt, cotton in India and Peru and lastly silk may have been used in China in the 2nd millennium BC. "By the beginning of the Christian Era many basic finishing treatments and methods such as felling, napping, shearing, bleaching, dyeing, printing, and pressing - had been developed."

1.3.2. Handloom in Middle Ages (8 century to 15 century): The period between 800 AD to 1500 AD is considered the middle ages of handlooms. During this period cultivation of cotton and breeding of silk worm technique spread into Europe by the Muslims. Byzantine, Persia, Italy, Spain and Flanders had become great centres for handlooms cloth. In this period the processes of handloom was developed from household occupation to specialised crafts and many guilds and associations were formed by the members of each craft in Europe.

"The finest European fabrics were made from Spanish flax, English wool and Italian silk. By the end of 15th century, the spinning wheel which probably originated in Asia was coming into wide use in Europe."

1.3.3. Handlooms in Early Modern Times (1500 - 1800 AD): Up to the end of 15th century handloom was developed at a high speed but at the beginning of 16th century, it had declined, because of diversification of handlooms into two streams i.e., Handlooms and

7. Ibid.
Machine loom (both power and mill). With the invention of water powered machine patented by Richard Arkward in 1769, designing by Edmund Cartwright of the crude powerloom for weaving cloth mechanically in 1785 and the invention of practical machines for carding fibres, roller printing and also use of steam engine for driving textile machines, handloom was left far behind. Machines replaced human labour and ever since handloom lost its prominence in the world of textiles.

1.3.4. Handlooms in Modern Times: Development of handlooms was progressing at a slow rate as compared to machines. But the invention of John Kay's flying shuttle loom in 1733 increased the speed of weaving operation and its success created pressures for more rapid spinning of yarn to feed the faster looms. Modern looms still weave by repeating in sequence the operation of shedding, picking and beating in. But within that framework there has been considerable development during the 20th century. Till the 18th century the handloom was the sole supplier of cloth in the world. However, this monopoly came to an end with the advent of modern spinning mills. Modern mechanical use in textiles such as spinning, dyeing and weaving has helped directly the handloom weavers for producing yarn from cotton and dyeing. Weavers can start weaving directly by purchasing ready made yarn in different colours from the markets. This therefore has led to increase in production and reduction in cost and period use in production.

No doubt, modern sophisticated machines have been
gradually developed for the production of mill made and powerloom fabrics in different parts of the world at a cheaper rate but still handlooms have maintained its significant place in the production of fabrics and madeups for domestic use.

1.4. HANDLOOM IN INDIA:

From early historic period India was famed for its textiles. This is known from literary and archaeological evidences. Handlooms have occupied an important position in respect to its export to foreign countries from an early historic period. Because of everlasting colour, artistic design and excellent crafts, the handloom fabrics of India had occupied an important place in early civilization of Egypt, Rome and Babylon.

During the 1st century AD, Indian muslins became famous in Rome. Under such names as nebula, gangetika and Ventitextiles. These names were exactly translating the technical name of a special type of Dacca muslin still being made in Bengal in the 19th century. Indian textiles of the medieval period can be studied in some detail from the wall painting of Ajanta.

From the 12th century onwards Indian dyed cotton were exported in bulk to Egypt and many such pieces have been recovered from the sites of urban rubbish dumps, especially at Al-fustat (Misz -al Qadimah) the exceptionally dry climate accounting for their preservation. These are the oldest Indian

patterned fabric surviving.

From the 16th century onward Indian pattern and design of handloom textiles were much influenced by Persia. The influence reached India in the first place through Islamic court fashion, but by the 17th century it had spread to the villages. The history of mordant printing with blocks is complicated and it is not possible to establish with certainty that the former technique was practised in India before the period of Islamic influence. The balance of available evidence suggests that the technique of mordant printing with blocks reached India about 17th century from Turkey.

The policy of the alien government from 1824 of gluttoning the country with machine made cloth from Manchester and Lancashire and which was manufactured out of the raw cotton sent from India, led to the downfall and impoverishment not only of the centuries old and flourishing textile but that of the spinners and weavers as well. Even as late as 1814 India was an exporter of cotton manufactures but by 1836 the exporters of Indian cloth to Britain had sunk to a little under 3 lakh metres, while the imports of mill made cloth to India had risen to 47 million metres.

Establishment of mill made textile was made in the middle of the 19th century. There were 194 mills in the country with 5 million spindles and 40,000 looms by the end of the 19th century.

10. Ibid.
century. The progress was not very encouraging. The Swadeshi movement led by Mahatma Gandhi had given a great impetus and some protection was granted to the textile industry during the period of the 1st World War (1914 to 1919 AD) and this change in policy led to some increase in the production of cotton piece cloths. The second World War (1939 to 1945 AD) created a favourable condition for further development of the industry and with the coming of independence there was a tremendous revival of the craft which had suffered such a crippling decline.

Since independence many places of the country that were famous for their handloom fabrics began to produce them once again and now beautiful and artistic design of materials, sarees, piece goods, broacades etc are made not only for domestic supply but for exporting as well.

1.5 GOVERNMENTS ROLE IN DEVELOPMENT OF HANDLOOM:

Being an unorganised sector and having an extremely scattered production base, handloom has looked to the government for its survival and development. On its part the government both state and central—have rendered yeomen service to this cottage industry in more ways than one. It has from time to time instituted study groups to investigate and come up with solutions for problems facing the weavers. In the development plans of the country it has allocated funds for this sector to strengthen it.

in all respects. Besides, it has over the years helped evolve an institutional set up to cater to the various needs of the weaving community, whether it be rawmaterials requirement, fund problems, marketing needs, training and upgradation of technology and modernisation.

1.5.1. Studies Conducted: Back in 1974, the High Powered Study team on the problems of Handloom Industry, was appointed under the chairmanship of B.Shivaraman, in December 1973. This was in pursuance of the decision of the Handloom Conference held in New Delhi in September, the same year. The terms of reference were as follows:

i) To suggest programmes for development of the handloom industry in the fifth plan.

ii) To suggest measures for the maximum utilisation of the export potential of the handloom sector.

iii) To suggest measures for building infrastructure and providing adequate inputs, particularly finance to the handloom sector and

iv) To review the position regarding reservation and to suggest changes in policy, if necessary.

Many of the suggestions of this group based on their report submitted in July 1974 have already been incorporated by making policy changes where found necessary.

In October 1977 a study group to review the working of the RBI scheme for handloom finance was set up. The study group which submitted its report in July 1978, was concieved in the context of
the various handloom development programmes particularly in the cooperative sector initiated and financed by government of India on the recommendations of the Shivaraman Committee Report. It was felt that the group should make an in-depth study of the problems facing the handloom cooperatives in availing of a larger flow of credit from institutional agencies, keeping in view the higher targets of production and marketing envisaged for the handloom sector during the sixth plan period. The suggestion forwarded by this group is already in vogue today and has helped the sector in having greater access to Bank credit.

The new textile policy of 1985 besides allotting a pride of place to the handloom sector categorically stressed the governments intentions to preserve the distinct and unique role of handlooms. It clearly portrayed the steps the government would undertake in this regard. These include development of the cooperative culture, improving productivity and modernisation, meeting rawmaterials need, protection of handlooms by reserving articles for their exclusive production, improve its competitiveness, promote marketing of handlooms products and strengthen data base by undertaking a census of handlooms. Besides, schemes to improve the working conditions of weavers were to be introduced and the production of controlled cloth was to be transferred to the handloom sector by the end of seventh plan.

In May 1988 the Government of India constituted a committee to review the progress of implementation of the textile policy. In its terms of reference, the committee in particular,
was expected to make an assessment of how far the various measures devised in the policy for protection of handlooms have been effective in achieving their objective. The committee which submitted its report in January 1990 stated that many of the objectives desired to be achieved in the textile policy of 1985 have remained at its worst a dream and at best achieved very limited degree of success. On its part it recommended a new deal for the handloom weavers. It is hoped that this will be implemented soon on a war footing for the benefit of the industry.

1.5.2. Fund Allotment Under Recent Five Year Plans: The central government has been allotting funds under the plans for the development of this sector. The present Eighth Plan has seen a phenomenal increase in the amount allocated to the handloom industry. Rs 850 crores, a quantum increase of Rs 710 crores over the previous plan expenditure marks the mood of the government in keeping with the pride of place given to handlooms in both the New Textile Policy of 1985 and as well as the 20 Points Programme. There is a Rs 230 crores scheme for the production of hank yarn and additionally Rs 250 crores will be spent on welfare schemes like housing, education and training for poor handloom weavers.

In the 7th plan the government had spent Rs 140 crores on the development of handlooms. By the end of 1985, 25 intensive handloom development projects with the coverage of a little more

than 1 lakh handlooms and 21 export production projects with a coverage of about 10,000 looms had been setup. Further, to strengthen the handloom sector 9 new weavers service centres were also established.

The amount spent on handlooms during the first four years of the sixth plan was not very large. Therefore, keeping in view the achievements to be accomplished under this plan in respect of this industry, the government decided to declare 1984–85 as the "Year of Handlooms". The programme envisaged under the plan aimed at bringing 60 percent of handlooms under effective cooperative coverage, increasing productivity through modernisation and renovation of looms, strengthening the technical extension systems for improving the quality and design of handloom products.

1.5.3. Institutional Framework: Keeping in view the development of handlooms in the country Government of India has set up various handloom organisations and agencies in the area of production, marketing, finance and export marketing activities. The establishment of specialised central agencies like the Office of the Handlooms Development Commissioner, New Delhi, Handloom Export Promotion Council (HEPC) Madras, National Handloom Development Corporation (NHDC) Lucknow, Handicrafts and Handloom Export Corporation of India Ltd (HHEC) New Delhi, North Eastern Handicrafts and Handloom Development Corporation (NEHHDC) 13. Kothar's Industrial Directory of India 1986, Kothari Enterprise, Madras, 35th edition, p.7 on textiles.
Shillong, All India Handloom Fabrics Marketing Cooperative Society
Lodge, National Cooperative Development Corporation (NCDC)
New Delhi, National Bank for Agricultural and Rural Development
(NABARD) Bombay and other regional or state level apex bodies and
state level and National federations gave a fillip to the growth
of industrial cooperatives in general and handloom cooperatives
in particular. A brief description of the working of these
organisations is presented in the following paragraphs:

1. Office of the Development Commissioner for Handlooms (New
Delhi): The office of the Development Commissioner for handlooms
was set up in 1976 as a nodal agency for the development of
the handloom industry. This office is headed by the Development
Commissioner for Handlooms, assisted by four Joint development
commissioners and two deputy development commissioners. This
office is charged with the responsibility for development of
the handloom sector. Several schemes have been formulated to
provide assistance to the handloom weavers in the cooperative and
outside the cooperative fold. As a result, a sound infrastructure
has been laid leading there by not only to quantitative
and qualitative improvement in production, but also to better
standard of living of weavers. It has subordinate offices,
functioning under its administrative control viz 23 weavers
service centres spread all over the country and 3 Indian
Institutes of Handloom Technology each at Varanashi, Guwahati
and Salem and Regional offices for enforcement of the Handloom
(Reservation of Articles for Production) Act 1985.
2. Handloom Export Promotion Council (HEPC) Madras: Handloom Export Promotion Council, Madras registered under section 25 of the Indian companies Act 1956 and limited by guarantee, has been set up with the principal objectives of finding methods and means for boosting export of Indian Handlooms abroad. In order to promote the export of Indian Handloom Fabrics, the HEPC has been undertaking the following activities and its effects have been very encouraging:

i) To conduct market studies in different parts of the world.

ii) To create awareness of Indian handloom products in foreign countries.

iii) To maintain and keep the standard of Indian handlooms in exports.

iv) To disseminate information about International market, trends, and consumer preferences.

v) To set up handlooms exhibitions abroad.

vi) To help exporters in matters of shipping, freight, rates, credit problems and foreign exchange.

3. National Handloom Development Corporation (NHDC) Lucknow: The National Handloom Development Corporation Ltd was set up by Government of India in 1983 to serve the state Handloom Agencies and Apex bodies in ensuring regular availability of essential rawmaterial inputs for use in the handloom sector. Besides, it was also expected to sponsor such steps which can upgrade the handloom sector and promote the welfare of the weaver community.

The corporation is constantly rendering its service in the
areas of yarn supply, dyes and chemical, marketing and developmental activities which include exhibitions on appropriate technology, national level seminars, workshops, promotional publicity etc.

NHDC's activities are not limited to the supplies of inputs, they also render important services in the field of marketing. It has established till now four National Marketing Complexes at Jaipur, Cochin, Calcutta and Quilon where showrooms of different states are lodged under one roof. This is not only cost effective but is advantageous to the buyer and seller. These alongwith National Handloom Panoramas and National Advertising Campaigns go a long way to promote and popularise handlooms.

\textbf{4. North Eastern Handicrafts and Handlooms Development Corporation (NEHHDC) Shillong:} The corporation was established in 1977 at Shillong for the promotion and development of Handicrafts and Handlooms in the North Eastern region comprising of Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Arunachal Pradesh. Along with other objectives, the corporation ensures to promote sales through sales emporia, exhibitions etc, all over the country and out side the country.

The corporation has established five emporium one each at Guwahati, Shillong, Madras, Delhi and Bangalore under the name of "Purbashree". In addition to participation in individual

exhibition at Bombay, Madras, Imphal, Agartala and Delhi, the corporation also joins in the National Handloom Expo organised by Development Commissioner of Handlooms at Bombay, Delhi, Bangalore, Lucknow and Calcutta.

Handicrafts and Handlooms Exports Corporation of India Ltd (HHEC) New Delhi: The Handicrafts and Handlooms Export Corporation of India Ltd is a wholly owned subsidiary of the State Trading Corporation of India Ltd (STC) under the administrative control of Ministry of textiles, Government of India. HHEC came into existence in June 1962 with the twin objectives of export promotion and trade development of handicrafts, handloom fabrics and madeups besides ready made garments. HHEC also undertakes exports of gold jewellery under the scheme providing for advance supply of gold by overseas buyers.

"HHEC's procurement network of 15 offices reaches all corners of the country. Today HHEC is the largest exporter of handknotted carpets and handloom fabrics from India. It has offices in New York, Hamburg, Paris and Tokyo which provide immediate service to exporters. HHEC has the biggest collection of handloom fabrics, handknotted carpets and handicraft products, developed with the help of local designers and its association with the world's best designers."

6. All India Handloom Fabrics Marketing Cooperative Society Ltd
Delhi: The All India Handloom Fabrics Marketing Cooperative Society Ltd Delhi is a National Level Cooperative Society registered under the Multi Unit Cooperative Societies Act 1942. The Fabrics Society has set up 31 retail outlets popularly known as "Handloom House" in important cities of the country for marketing the goods procured mainly from primary cooperative societies. The Fabrics society has also set up its sales unit at Kuala Lumpur, Singapore and Mauritius and Export Promotion offices at New York and Hamburg (West Germany). In order to give an impetus to marketing of Indian Handlooms in Japan, the Fabrics society has set up in December 1987 a joint venture company with M/S Sumitomo corporation, Japan and M/S Shuno Apparel Inc. Japan for opening 100% export oriented garment factory in the free trade zone of Madras.

National Cooperative Development Corporation (NCDC) New Delhi:
The government of India established in 1956, the National Cooperative Development and Ware Housing Board, under the Agricultural produce development and warehousing corporation Act 1956. The Board has since 1963 been converted into National Cooperative Development Corporation under NCDC Act 1962. The functions of the NCDC are to plan, promote and develop cooperative societies by extending financial assistance. "In order to supplement the efforts of the Government of India, NCDC

has sponsored various schemes for development of handloom cooperatives for strengthening the share capital base, creation of pre and post loom processing facilities, construction/renovation of showrooms, godowns and establishment of handloom worksheds. In addition to the above, the corporation also provides assistance for the setting up of technical and promotional cells in the apex societies and also for undertaking feasibility studies and preparation of project reports.

8. National Bank for Agricultural and Rural Development (NABARD)

Bombay: The National Bank for Agricultural and Rural Development Act was passed by the Government of India and Reserve Bank Of India in 1981. According to this Act, NABARD was established on 12th July 1982 for the development and welfare of rural areas and its related activities like agriculture, small scale industries, cottage industries, handicrafts and village industries. The bank provides loan and financial assistance.

Based on the recommendations of the task force on Handlooms, the National Bank for Agricultural and Rural development decided in December 1983 to provide refinance assistance for modernisation, acquisition of looms, construction of worksheds and installation of new looms. Under this scheme refinance assistance is provided to state cooperative banks.


regional rural banks and state governments for the development of handloom in the area of production and marketing.

1.6. RECENT DEVELOPMENTS - ITS IMPACT ON HANDLOOMS:

During the past few years both the world scenario and our national scenario has witnessed unprecedented changes. At the International level, the end of the cold war brought about by the dissolution of the erstwhile Soviet Union leading to the emergence of the Commonwealth of Independent States (CIS) and the end of the Eastern Bloc because of the ending of the Warsaw Pact, has dealt a death blow to the major rupee trade agreements for India. This clearly means the culmination of a market where substandard or shoddy goods could be dumped because agreements were made at the government level and the terms were for mutual benefit so as to protect each others' industries which were producing good which were not globally competitive or for some other bilateral consideration. Naturally, this is going to affect the handloom industry as well.

Another scenario is the emergence of the European Common Market which will come into existence by the end of 1992. And so is ISO 9000, a new set of international quality standards that acts as a passport for manufacturers who wish to trade with European Companies or even compete with them in other markets.19

Though handlooms are out of quota restrictions (except in USA), will now find it not so easy to penetrate this new regime because

of its high standards and stiff competition and will demand the creation of a new quality consciousness in the handloom industry.

The New Economic Policy has invaded and taken by storm the Indian economy. Devaluation of the rupee and making the rupee partly convertible will certainly make handloom products more attractive in the world market by making them price competitive. But what has been increasingly observed is that developed country markets are now becoming more and more sensitive to quality and style rather than to price alone. This is one of the reasons why we have been loosing out in European textile markets. Hence, the writing is clear on the wall that increasing handloom exports will not be simply a matter of depreciating the rupee.

The Indian economy has been liberalised and this liberalisation will imply increased competition. Most competition occurs in the area of value added. The value added are through marketing and technology and the handloom sector will have to gear itself to meet this value added challenge. Reliance on subsidies, catering to old market niches and using obsolete technology will no longer help it to survive and grow. Government protection by including 22 articles under the 1985 Handloom Reservation Act, for exclusive production by handlooms will certainly be of immense help. However, the government has so far not been successful in making the Act operational in an effective

manner. It appears that the potential will is lacking otherwise the same could be included in the 9th schedule of the Constitution and thus keep it above any legal challenge in future.

The New Export and Import (Exim) policy announced in March 1972 should be a shot in the arm for handloom exporters. The policy makers have made necessary provisions, recognising the vital role of imports in promoting existing import-linked exports on a competitive basis as well as in generating higher value added exports especially to the richer and growing markets of the world. Import of hank yarn, services of international designers, technology inputs can all be imported if it is linked to handloom exports. What these policy changes imply is that from an active internationalist policy in the foreign trade regime, the government is now setting up the broader macro-economic parameters and letting the market decide the exact volume and value of foreign trade.

The Eighth Plan is full of promises for the handloom industry. The Planning Commission has stated that the eighth plan (1992-97) for the handloom sector, would ensure job generation, supply of hank yarn at reasonable prices, reasonable wages for weavers, establishment of silk yarn bank, setting up of marketing infrastructure and export schemes of publicity and exhibitions, training and upgradation of technology, welfare schemes and enforcement of the Handloom Act 1985.

Setting up of integrated handloom villages at places where weavers are concentrated has also been envisaged in the plan. Further, with a view to providing marketing assistance, infrastructure facilities would be developed at villages / taluks / blocks / districts/ metropolitan cities/ and important tourist places all these auger well for the handloom industry. What remains to be seen is how far all these changes are going to affect handlooms directly and indirectly and how the industry is going to exploit the existing and emerging opportunities with their strengths. Further, what it will do to meet the dangers and challenges in the environment, besides overcoming its weakness and shortcomings.

1.7. REVIEW OF LITERATURE:

Reviewing literature on handlooms was found to be a tough ordeal. Being at the lowest segment of the textile industry, the sector has not received adequate attention. Its unorganised nature has posed many hurdles before researchers working on this cottage industry based on primary data. It was observed that hardly any work of a national character could be found amongst the literature reviewed. However, regional studies have been conducted at the state and district level. It must be mentioned that Central Government Committees appointed to investigate various aspects of the industry have indeed, done a comprehensive job. These reports have also been criticized, but given the spread of handloom weavers over the length and breadth of the country, largely unorganised, the committees must be credited for
having done the daunting task.

22 Venkataraman (1937) was one of the pioneers to have worked on this industry in the erstwhile Madras Presidency and Bombay Deccan. The study highlighted the economic problems faced by the weavers. Bishambhar (1956) worked on handloom weaving exclusively in north India, Raghunath (1959) concentrated on this sector in Madhya Pradesh, Aloysin (1960) worked on handlooms in Malabar and south Kanara districts, Abdul Zahir (1967) studied the weavers of Varanasi and Krishnamurthy (1969) who worked exclusively on cotton handlooms in India, have all looked into the different aspects affecting handlooms in different parts of

the country. The stress has been on the general low economic standard of weavers, poor level of productivity, absence of modernisation and the greater need for government patronage.

Rao (1973) in his work on handlooms in India had covered extensively the position regarding looms. Veeranna Basavantappa (1976) had made extensive study in Bijapur district of Karnataka on both handlooms and powerlooms. He had observed that the condition of powerloom weavers was far superior to that of handloom weavers. Arulanadam (1980) in his work on handlooms of Tamilnadu dwelt upon the general economic condition of weavers. Though Tamilnadu has strong cooperative base and accounts for a large part of handloom exports yet the weavers were under constant competitive threat and pressure from the powerful powerloom sector. Rao (1984) made a case study on the cooperative sector of the handloom industry in Mehaboob Nagar district of Andhra Pradesh. His findings were also indicative of

the poor economic condition of the weavers. Mahapatro (1985) had researched on cotton handlooms in Orissa. His findings were similar to many of the former research findings in other states. Subramaniam, et.al. (1985) had studied consumer behaviour regarding handlooms products. The place of work was Vishakhapatnam city and the findings highlighted the fact that certain categories of handloom fabrics are widely popular among consumers compared to mill made fabrics. Das (1986) who had made a study of handloom industry in Assam, found low membership and politics in handloom cooperative societies as major impediments. Problems faced by the weavers regarding finance, marketing, rawmaterial, and loom modernisation were also highlighted. Sarngadharam (1987) had made an interesting study on the impact of handloom weavers cooperative societies on the weavers in Kerala. He observed that weavers under the cooperative fold benefited much compare to the independent weavers but he found that the weavers cooperatives themselves also needed revitalisation so as to become more efficient.

34. Das, N.C. op.cit.
35. Dr. Sarngadharam, 'Social conditions of the handloom weavers in Kerala: A comparative study between the members and non members of handloom cooperatives,' Research Bulletin of the Institute of Cost and Works Accountants of India, July 1987.
Rayudu (1988) made a comprehensive study of textile cooperatives in Andhra Pradesh. He has dealt with handloom cooperatives at length covering historical perspective, present condition and steps for better organisation and management of handloom cooperatives in the state. Socio-economic conditions of women workers in handloom units in Panipat (1989), a study conducted by the Labour Bureau, Government of India, found that women did not get the status and benefit of a regular worker. Besides, they were paid less than men and the overall working conditions for them were not satisfactory.

Besides these items of literature reviewed, the work done by the Government appointed committees can not be overlooked. These committees have worked on different aspects of handloom industry on a national basis. The particulars are not being mentioned here as it has already been covered previously.

1.8. DESIGN OF THE STUDY:

1.8.1. Statement Of The Problem: Handlooms are the most ancient industry in India. It is the largest in the unorganised sector and ranks only next to agriculture in employment generation. It is largely in the cooperative fold and accounts for 27 percent of textile production in the country. Despite all this the industry is perennially short of raw material supply. This is partly


because this sector is accorded step-motherly treatment and partly because hank yarn of the specific counts are not available or siphoned off to the powerloom sector.

There is also a chronic shortage of finance for this sector and in spite of the findings and suggestions of the Hate Committee, the state of affairs has yet to improve to a satisfactory level. Similar is the situation regarding the availability of infrastructure for production of handlooms. Further, the level of technology in the industry in most parts of the country is deplorable with certain skill levels reaching a point of obsolescence.

The industry in the recent past has been a victim of acute competition from the other textile sectors. The result being loss of livelihood for the poor weavers and recently, the news of starvation deaths. As if this were not enough, insult has been added to injury by the court order making the reservation of production of 22 textile items exclusively for this sector null and void.

Further injustice has been done to this industry. Handloom products which were till recently (Feb.1990) free from all restrictions have been brought under quota restrictions by the United States’ Government. Reason being that powerloom products were exported in the guise of handloom products by scrupulous elements and the flow could be detected only after the penalising action by a foreign government. There is fear that this may be followed by other governments as well. The brunt has thus to be borne by the poor weavers for no fault of theirs.
The Textile Policy 1985 gave pride of place to the handloom sector and much was expected. But the expectation were belied as was revealed by the report submitted in 1990 by the Abid Hussain Committe set up to assess the implementation of the 1985 Textile Policy.

Will the state of affairs improve for the Handloom Industry and the poor weavers? Who is responsible for the condition, Government, Management or Weavers? What needs to be done to improve the lot of weavers, the production problem faced by them and the marketing of their products especially in markets abroad need attention and detailed analysis.

1.8.2. Reasons For The Study: Having seen the problems facing the industry, this study was attempted for several reasons. It was felt that ample scope for employment generation existed in this sector if appropriate measures could be taken. This would be a blessing to a country where unemployment levels are high and the population is growing at an explosive rate.

Since handloom weaving is done in rural, backward and farflung areas in general, improvements affected in this industry will have its beneficial effects in such parts of the country.

Handlooms still preserve our tradition and traditional skills. Preservation and development of this ancient cottage industry will preserve our ancient culture and tradition besides achieving economic goals.

The growth of cotton handloom exports in recent years has been phenomenal. In fact from Rs 367.86 crores earned during
1990-91 the foreign exchange earning rose to Rs 665.00 crores during 1991-92. This reveals the scope which exists and a country so much starved for hard currency could do well to nurture this industry to promote its export figures further.

The urban / metropolitan centres in the country are experiencing rush from the rural and semi urban areas for better living standards, jobs, thrills of big city life, etc. If the lot of weavers could be improved in the backward areas this flow can be checked to some extent. Thus attaining better growth of these backward areas and stoppage of flow of rural population to already crowded and poorly maintained towns / cities.

1.8.3. Objectives:

The objectives of the present study are:

i) To study the production of handlooms in the country and identify the problems affecting its production along with the industry's ability to meet prospective demand both indigenous and foreign.

ii) To explore the productivity in the handloom industry with an eye to increase productivity and thus become more competitive in the export market.

iii) To analyse the major constraints facing the domestic marketing of handlooms and to suggest ways and means to overcome them.

iv) To examine the trends in the exports of handloom products during the last decade so as to determine possible future action.
v) To suggest an export strategy for the 90s through strategic analysis.

vi) To undertake a case study of the handloom industry in Manipur, where handlooms are produced by a large number of weavers in order to assess ground level production and marketing problems to help evolve the above mentioned export strategy.

1.8.4. Methodology:

i) Sources of Data: The study was essentially based on secondary data collected from different sources. These sources were Handloom Export Promotion Council (HEPC) Madras, National Handloom Development Corporation (NHDC) Lucknow, Office of the Development Commissioner for Handlooms, Ministry of textiles, Government of India. Different Libraries were also consulted for the purpose of the study. However, the study conducted in Manipur was based on primary data collected from various primary weavers cooperative societies and through discussions with officials of different state level agencies related to handlooms.

ii) Period of Study: The emphasis has been on the decade of the 80s. But the beginning of the 90s has also been covered. The field study was conducted in 1991.

iii) Sampling Technique: The structured random sampling technique was adopted in selecting the societies to be studied. A pilot study was conducted to test the suitability of the prepared tool for collection of data. Necessary changes were incorporated before the tool was finalised.
iv) Sample Size: Out of the population, a sample size of 10 percent was selected for study. This figure came to 117 weavers cooperative societies of which 17 societies were found to be defunct. Hence, the present study is based on 100 weavers cooperative societies.

v) Tool Used: Structured interview schedule was used for collecting the data. The President/Secretary of the primary weavers societies were interviewed and their replies were duly recorded.

1.8.5. Framework Of Analysis:

Secondary data collected were filed chapterwise and later analysed. The analysis involved quantitative data being first tabulated and then analysed with the help of different statistical and quantitative tools. The tools used were Percentage growth rate, Analysis of Variance (ANOVA), T-Test, Discriminant analysis, Regression analysis using linear, semi-log, double-log and exponential smoothing, Elasticity coefficient and correlation coefficient. Different Computer graphs, pie diagrams and charts have also been used where found suitable to make the presentation more clear and attractive.

Primary data collected from the societies of Manipur were also analysed in a similar fashion. In both cases information which did not lend itself for quantitative analysis were dealt with separately.

1.8.6. Chapter Scheme:

The entire thesis has been covered in the below mentioned
seven chapters.

The first chapter deals with the historical background, evolution and development of handloom industry. It also covers the design of the study, delineating the statement of the problem, the objectives of the study, methodology, framework of analysis and chapterisation.

The production of handlooms with respect to volume value, quality and design forms the basis of the second chapter. Besides, the production problems faced by the industry has been clearly portrayed and suitable remedial measures suggested.

The third chapter attempts to study the productivity factor in this industry. Both loom productivity and weaver productivity along with its ramifications on exports have been analysed.

The export marketing of handloom products to different countries of the world, grouped into six regions, forms the theme of the fourth chapter. The chapter covers the critical analysis of export performance during the 80s region wise and suggests measures to further boost exports. The present status of marketing of handlooms in India has also been critically examined.

The fifth chapter analyses and projects the export trend of handlooms for the 90s on the basis of the variations in exports experienced during the 80s. In the chapter is also given an outline of the strategy for the 90s. Besides, an indepth study
of the region wise and product wise variation in handloom exports has been performed from a strategic perspective.

To strengthen the arguments for the formulation of an export strategy for the 90s, particularly in view of the fact that India's major export earnings are bound to depend on the export from small and indigenous sectors, a case study of the handloom industry in Manipur has been undertaken. The sixth chapter encompasses the entire gamut of activities affecting the handloom industry in Manipur.

The findings of the present study and suggestions to improve the performance of handlooms in the domestic market and in markets abroad, forms the essence of the seventh and the last chapter.