CHAPTER - V

FINDINGS, CONCLUSIONS AND SUGGESTIONS
The State of Jammu and Kashmir assumes a special significance in the field of silk production. It is the only traditional univoltine belt in India, capable of producing silk of standard quality. The salubrious climate of Kashmir is conducive to univoltine and bivoltine sericultural activities. As a result of this favourable situation the cocoons produced from these races are far superior to the multivoltine ones produced in the rest of the country.

It is however, disheartening to note, that silk industry of Jammu and Kashmir, which has seen a glorious past has been on the decline. No other state in the country presents such a striking picture of co-existence of abundant potential of high grade bivoltine silk and abjectly poor performance of the silk industry. Seized with this phenomenon, government and other concerned agencies initiated a series of measures from time to time to help this industry come out of this rut. In this context, a recent step taken by the State Government is demonopolisation of the silk industry (1983). Following this, sericulture is expected to regain its past glory. However, much depends upon the returns generated by sericulture and silk industry. It is, therefore,
very important to examine the returns generating capacity of the silk industry of Kashmir, with a view to chalk out the future strategy to make this important industry economically more viable.

Against this backdrop, the present investigation has been undertaken to examine the state of costs and returns of silk production in Kashmir. The study focuses on the managerial aspect of the industry under study as it is generally believed that mismanagement of its affairs is largely responsible for its poor performance. The study also attempts to probe objectively into other factors that help or obstruct the proper development of the industry.

In consonance with the objectives of the study and to give a proper direction to it, a set of working hypotheses has been evolved for further verification. With a view to substantiate these hypotheses, both primary as well as the secondary data has been used. Based on the objectives, hypotheses and methodology outlined the entire analysis in the present study has been organised in five broad chapters. In an attempt has been made in the present chapter to recapitulate the major findings of the study to draw conclusions.
On the basis of these findings appropriate suggestions having policy implications have been made.

Summary of Findings and Conclusions

Chapter first of the study brings to light the fact that India has registered an unprecedented growth in the field of silk production. The enormous strides of the Government under various plans have put India second in the global silk production, next only to China. The progress of the silk industry in India was remarkable during the sixth plan period, when it underwent qualitative and quantitative expansion. Unfortunately, Kashmir, once renowned for her silk in the world, has ironically shown a downward trend in the silk production. A probe into its past history reveals that the silk industry in the State had once a haytime. The production had reached around one lakh of raw silk during the pre-independence period and it used to be the major industry in the State. The industry has suffered serious set back during the post-independence period and ever since continues to deteriorate. While the states which lagged far behind Jammu and Kashmir marched ahead substantially in the silk production due to their well planned
development, the silk industry of Jammu and Kashmir remained in doldrums, and is on decline.

One of the main conclusions emerging from the second chapter is that sericulture is an activity of low investment and high source of income and employment, particularly, for those rearers who manage mulberry gardens effectively and carry out silkworm rearing scientifically. For assessing the impact of effective management of mulberry gardens and silkworm rearing on income and employment generation the rearers have been classified into progressive and non-progressive groups. Progressive rearers receive the highest returns due to their effective maintenance of mulberry gardens and scientific management of silkworm rearing compared to non-progressive rearers as they manage their mulberry gardens poorly and carry out silkworm rearing unscientifically. It has been observed that effective management of mulberry gardens and silkworm rearing calls for the use of adequate inputs and improved equipments. Obviously, therefore, the cost of production is higher in the case of progressive rearers compared to non-progressive rearers. However, it is followed by substantial increase in the net returns in case of progressive rearers. On an average, progressive rearers have received a return of %2.93 for every rupee spent, whereas non-progressive rearers have received %1.97 for every
rupee spent. It has been found that the progressive rearers earn a net income of ₹12133 per acre and the net returns on their family labour and management work out to ₹14992 (per acre) per crop of spring only. Non-progressive rearers earn a net income of ₹3079 per acre only and the returns on their family labour and management are ₹4650 (per acre). This shows clearly that sericulture becomes highly profitable after effective management of mulberry gardens and silkworm rearing.

The mulberry garden owning rearers can easily rear two crops per acre, one in spring and other in autumn. This may result into an income of about ₹16000-20000 per acre per annum in case of progressive rearers and about ₹4000-5000 per acre per annum for non-progressive rearers, subject to the availability of leaf and the rearing methods used. However, the second rearing (Autumn) has not been started so far, by the rearers on a large scale; only a small portion of rearers go for second rearing. The aforesaid income ranges can be very low if there is any deviation in the use of necessary inputs and in the management practices. However, this income range would be much higher if large number of buyers from inside and outside the State of Jammu and Kashmir
participate in auction sales of cocoons. Since open auction of cocoons in Kashmir started recently in 1998, the number of purchasers from outside the State was very less. The purchasers will prefer cocoons of Kashmir, because of their superior quality and the rearers of Kashmir will receive higher price as compared to present price of Rs. 50 to 60 only per ko. The price paid for inferior quality of cocoons in Karnataka ranges from Rs. 30 to 100.

In addition to higher income generation, sericulture generates more employment. It has greater potential for absorbing family labour, which otherwise would have remained unemployed or grossly underemployed. It has proved to be a suitable indoor domestic activity for women folk who feel reticent about outdoor economic activity. Moreover, the application of effective management practices has its bearing upon employment generation as well. The employment generation in case of progressive rearers has been higher by 1.94 times than that of non-progressive rearers. This is because of the fact that, the effective management of mulberry gardens by progressive rearers gives them better leaf yield and they rear almost double seed per acre as compared to non-progressive rearers. This makes their process of sericulture
activities larger, resulting into the generation of more employment besides higher income.

The findings of this study lead us to the conclusion that sericulture has become highly remunerative after the demonopolization of the industry in the year 1983. It has been observed, that effective management of mulberry gardens and silkworm rearing is a very important non-physical input for success of sericulture. Mere physical inputs like good quality leaves, silkworm eggs, improved equipments and others do not automatically ensure cocoon crops unless the whole process is managed effectively. It was also observed that the age of the rearer, their rate of literacy and the size of holding exert a strong influence on the adoption of effective management practices.

Chapter third portrays the picture of the costs and returns from silk production by the silk producing units in Kashmir. It amply demonstrates that the silk producing enterprises of Kashmir are incurring heavy losses and a large slice of their capital invested is eaten away every year. The losses in these units have been increasing at an alarming rate. The chapter exposes that in case of Kashmir Filatures
the input-output ratio decreased from $1 : 0.99$ in 1980-81 to $1 : 0.53$ in 1989-90 and in case of Rajbag Silk Factory the ratio decreased from $1 : 0.98$ in 1980-81 to $1 : 0.77$ in 1989-90. During the period under review Filatures earned a small amount of profit only in the year 1981-82, when the ratio was $1 : 1.02$. Rajbag Factory managed a small amount of profit during the years 1981-82 and 1982-83, when the ratios were $1 : 1.01$ and $1 : 1.02$ respectively. For the rest of the period under study both the concerns incurred heavy losses. However, Handloom sector performed better, to some extent, as compared to other units. Only in the year 1983-84, it suffered loss, when the ratio remained at $1 : 0.95$. For the rest of the period under review the concern earned small amount of profit and the ratios ranged from $1 : 1.00$ to $1 : 1.08$. But, this performance of the Handloom sector cannot be considered as satisfactory, because this sector too is caught in the dilemma of higher cost of production and lower returns.

It has been observed with dismay that the silk industry on the overall plan has been passing through a phase of low productivity, low capacity utilization and high specific
material consumption. This coupled with continuous losses, has made the industry economically unviable. The silk producing units could survive only because they happen to be under the public sector. Higher cost of production has marred the operational efficiency of these enterprises. Underutilization of plant capacity, higher wages and salaries and other overheads are mainly responsible for the higher cost of production. Obsolete machinery, shortage of raw material and its inferior quality, shortages in power supply, unscheduled breakdowns, disturbances in industrial peace, etc; have largely contributed to underutilization of capacity in this industry. Although there has not been any significant increase in the wages and salaries of the workers and the staff during the reference period, yet due to underutilization of plant capacity a large chunk of workers and employees get their wages and salaries for days together without any work. This increases the cost of production significantly and results into heavy losses for these enterprises. Further, the situation has become messy due to the incompetent managerial skills as well as lack of commitment on the part of the labour force. The management and the labour force instead
of taking these units out of the present rut seem to have joined hands in landing these units into a situation which has proved detrimental to their mutual interests as well as the interests of the State at large.

Chapter fourth has been devoted to examine the managerial effectiveness of the silk industry in Kashmir. It also endeavours to identify the various problems responsible for the ineffective functioning of the management. Various characteristics of effective management pertaining to different areas (General, Financial, Personnel and Marketing) have been examined and analysed in detail. It has been observed that the overall management of the industry under study has been ineffective. Although, inefficiency has been reported in all the functional areas of the management, yet the degree of inefficiency recorded has been higher in the areas of personnel and marketing. It has been found that the management of the industry also possess some good characteristics of effective management, but it has come under the grip of certain constraints, which have made it helpless and resulted into its inefficiency.
The study brings out clearly that shortage of raw material and its inferior quality, political interference, deputation of people on top without required experience of managing business organisations, lack of funds for modernization, over staffing and poor quality of people employed, are the most crucial and critical factors, contributing significantly towards the ineffective functioning of the management. These factors have resulted into an overall poor performance of the silk industry. As a consequence, lower productivity levels, coupled with heavy losses, has become the fait accompli of the industry.

Suggestions:

With a view to put the industry under study on sound rails, a number of suggestions are recommended in the light of the findings of this study. These suggestions are presented in the field of sericulture and silk industry separately.

I. Sericulture:- Following suggestions are recommended in the sphere of the sericulture industry.

1) Production of Improved Seed:

Silkworm seed is the sheet anchor of the sericulture
industry. The local seed produced and distributed to reearers in Kashmir gives lower cocoon yield compared to foreign seed. The import and distribution of foreign seed was stopped in the year 1934, in Jammu and Kashmir. Therefore, the first step towards boosting up of the silk production is to evolve superior varieties of disease resistant silkworm races. These races should suit local conditions. To achieve this end, the research centres in Kashmir be extended all possible help and the scientists be encouraged to go in for a concerted research. In this context the Sheri- Kashmir University of Agricultural Sciences and Technology can prove of great help. However, till such time when we are able to develop improved seed locally, foreign seed should be imported-and distributed to the rearers in Kashmir. This can make the activity of sericulture more remunerative and attract more farmers towards the occupation.

2. **Proper maintenance of mulberry gardens:**

Profitability from sericulture depends largely on the production of mulberry leaf at an economic cost. Hence,
there is an urgent need to produce improved mulberry leaf both qualitatively as well as quantitatively. In this context, it is suggested that rearers should maintain their mulberry gardens properly. A mulberry garden should be properly laid out and fenced and adequately irrigated, fertilized, pruned and hoed at an appropriate time. The rearer should have an intimate knowledge of the input requirements of the mulberry garden. He should anticipate his requirements well in advance and make provisions for the same. It is necessary to follow the norms of inputs and calendar of cultural practices for the garden. Moreover, farmers should plant mulberry trees on the edges of their rice fields and orchards on a large scale. These plants must also be properly maintained for ensuring higher leaf yield.

3. Production of improved varieties of mulberry plants:
The Department of Sericulture should produce improved varieties of mulberry plants in their farms and then distribute them to the rearers. Social Forestry Department be involved in the plantation programme.
The department has got a large number of workers. These workers can help in motivating the farmers for planting better varieties of mulberry plants at a large scale. As a consequence, there will be a higher leaf production and rearers can go in for large scale cocoon production and receive more benefits.

4. **Scientific Rearing of Cocoons:**

Cocoons are the end product of a mulberry farm. The rearers should arrange proper equipments for carrying out silkworm rearing scientifically. Wooden trays must be prepared for shelf rearing and traditional floor rearing henceforth discarded. The equipments and rearing houses be disinfected with adequate formaline and bleaching powder before starting the rearing. The rearers should pay an adequate attention to artificial adjustment of environmental factors like temperature, humidity, light, air and food to create conducive environment for silkworm rearing.

5. **Developing Double Crop Pattern:**

The farmers should be encouraged to raise two cocoon crops— one in spring and the other in autumn. This will
boost up the income of rearers and avoid the loss of mulberry leaves during the autumn. As a consequence, there will be a large scale cocoon production.

6. Extension Management:

Considering the importance of effective management of mulberry gardens and scientific management of silkworm rearing, the Department of Sericulture should establish a network of extension centres throughout the State. It should build up a cadre of extension officers and workers well versed with technical management of sericulture practices. The staff should guide the rearers continuously so that the latter acquire the necessary technical skill steadily and gain confidence in managing their affairs effectively. Besides, they should encourage more farmers to adopt sericulture for boosting up their income. Farmers should be educated and convinced that sericulture is now highly remunerative even as compared to other crops. This in turn, will provide gainful employment to the farmers and ensure large scale cocoon production.
7. **Financing Sericulturists:**

A comprehensive programme of financing sericulturists should be evolved by the Department of Sericulture. A credit plan taking into consideration the requirements of funds for purchase of equipments, construction of sheds for rearing, purchase of other inputs for raising the mulberry crops etc; should be formulated for potential areas. Besides, a scheme of incentives be chalked out for encouraging the progressive rearers. Those who maintain their mulberry gardens properly and carry out silkworm rearing scientifically be provided/honoured with rewards and incentives.

8. **Organised Selling System:**

Cocoon markets in Kashmir be established in such a way that large scale buyers from outside the State can participate. Wide publicity be given about the sale of cocoons in these markets throughout the country before starting the actual sale. The participation of purchasers from outside the State is necessary because silk reeling units in private sector have not yet
started functioning in Kashmir. Besides, arrangements be made by the Department of Sericulture for taking the cocoons of rearers to the markets at an appropriate time. This can result into higher price of cocoons for rearers of Kashmir.

9. Encouraging Sericulture for Employment Generation:

The study draws attention to the fact that sericulture is an important agro-based industry with a considerable potential for income and employment. Therefore, encouraging sericulture development, particularly in the backward areas, can be used as a strategy to provide employment to a large number of unemployed and underemployed rural agricultural labour force.

II. Silk Industry:— Over and above the aforesaid suggestions, the following suggestions are worth consideration in the field of silk industry.

1. Availability of raw material:

Raw material be made available to silk producing units in adequate measure so that labour hours are not wasted
on this account. If raw material produced in Kashmir is not sufficient, then arrangements be made to purchase the same from other states. This would reduce the adverse effects of low production and higher cost, which have adversely effected the operational efficiency of the industry in the State.

2. Modernization Programmes:

There should be an effective strategy for modernization and diversification, coupled with realistic strategy for restructuring the overall technology. Modernization is the means to find ways for making economical and efficient use of the financial and material resources available in the industry. Without the modernization, the performance of the industry cannot be improved and also the much needed increase in the production of raw silk of superior quality will remain a distant dream. The Government can help the industry in a big way by working out short term and long term modernization programmes. Besides, revamping the existing units, new units need to be established. There should be an integrated approach to the development of the silk
industry as a whole starting from reeling of raw silk to manufacture of silk fabrics and proper use of by-products like waste and pupae.

3. Reduction in Silk Waste:
Steps be also taken to reduce the element of wastage to a reasonable degree without disturbing the standards of quality. This will reduce renditta. It is possible only if trained officers are appointed for effective supervision of the production process. The employment of unskilled labour be avoided in future as far as possible. A training programme be organised for the workers. The workers should also be deputed to other centres within the country for orientation purposes. Similarly trained people from outside the State be occasionally invited for expert advise and guidance.

4. Improvement in Quality of Silk:
Steps should be taken to improve the quality of raw silk through proper quality control and process control
measures. A qualitatively good product can capture a large share of the market and achieve economies of scale. It can reduce the per unit overhead expenses and fixed costs.

5. Improvement in Infrastructure:

The Central Government may be requested to pay a special attention to improve the existing infrastructure of this important industry. Apart from providing funds and technical guidance, the Government should permit the import of machinery for the industry with duty free facilities.

6. Purchase of Diesel Generators:

In view of the shortage of power supply in the State, which has largely impeded the working of the silk industry, it is suggested that diesel generators be provided to the silk manufacturing enterprises. Such a step will avoid wastage of labour hours and under utilization capacity of machinery, owing to frequent break down of power supply. As a result, the production will enhance and cost of production per unit will get decreased.
7. Effective Management:

Certainly, an effective system of management can not be expected to operate in the silk industry in view of the fact that the right to manage has been snatched away from the managerial community. Therefore, the overall system of decision making in the industry needs to be changed. The improvement in the system is possible only if the constraints identified in this study are addressed to in right perspective and adequate measures are taken to remove them. The first and foremost strategy would be to depoliticise the processes of control and avoid politicalisation of economic issues. The Government should not adhere to the concept of treating these enterprises as subordinate to administrative ministries. Secondly, management of the silk industry be delinked from the bureaucracy. The silk producing enterprises are basically business organisations and, therefore, in all fairness, they should be given full autonomy to develop a business culture. Further, a proper approach to professionalisation is needed. This is possible by determining the job requirements of various functionaries.
in the silk industry and provide the means to recruit suitable persons from within the Government or outside. They may be given adequate tenures to implement some managerial practices. Moreover, management should ensure planning as a regular feature and introduce healthy managerial practices.

3. Profit Maximisation:

In order to strengthen the financial plight of the silk enterprises it is suggested that the profit planning should be taken in hand. The enterprises should strive to earn profits and generate surpluses. Besides working capital should be increased by increasing current assets at least twice the current liabilities. The prevailing huge stocks of inventory should immediately be disposed off.

4. Advertising and Publicity:

A massive campaign programme of advertisement and publicity should be launched within and outside the country. Attractive sales outlets should also be established within and outside the State to boost the sales.
10. **Better Conditions of Work:**

With a view to improve the performance of the industry, it is imperative that employees be provided with better conditions of work. In this context it is suggested that proper implementation of statutory provisions regarding welfare amenities, proper accommodation, good recreational and educational facilities, adequate medical facilities and clean and subsidised canteen facilities be provided to the workers to raise their morale at work.

11. **Adequate Salary and Service Conditions:**

In order to avoid strained relations between management and employees, adequate salary and service conditions be provided to the working class. Proper tools and equipments be supplied to them. Moreover, a participative work culture coupled with conducive conditions of work should be developed in the silk producing enterprises. In this context the examination of wage structure and service conditions of some successful Central Public Sector Undertakings may be helpful in formulating the future plans. Management
should create a conducive work culture wherein individuals would identify themselves with their organisation and find it psychologically rewarding to confront problems and arrive at solutions for them.

The scholar earnestly believes that the aforesaid suggestions once implemented sincerely and effectively should go a long way in making the silk production more remunerative and putting the industry on right path.

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