

## **CHAPTER-II**

# **The Evolution and Development of the Handloom Industry**

"Our problem being to form the future, we can only form it on the materials of the past; we must use our heredity, instead of denying it."

- T.S. Eliot

The Handloom is the most important industry of India in terms of providing employment to backward and down trodden people, maintaining the heritage and culture of the country, contributing in export sector. From the origin and past glory the handloom industry may be better termed as a time-honored cottage industry, no other country in the world has preserved and upheld this ancient craft in such pure form as India does.

The evidences reveal that handloom industry is the most ancient industry of India and played very significant role in country's economy from very long time. Many historians and excavation work presented the old picture of hand weaving.

### **2.1 Evolution of Handloom Industry in India:**

The western imperial Gazetteer of India described that, India is the oldest cotton producing centre of the world; it was famous in the world for its craftsmanship in cotton weaving and dyeing. In the art of cloth printing also India had earned a name for itself.

The age old handloom industry in India has passed through several historical and political developments. In this chapter an attempt has been made to study the origin, historical growth and development of handloom sector.

**Indus Valley Civilization:**

As an excavation work was under taken at Harappa in 1921, the spindles and spindle whorls found during the excavations indicate that spinning of cotton and wool was very common in those days.

**Vedic Period:**

In the Rigvedic Period spinning and weaving became highly advanced occupations. In this era the art of dying and embroidering was also started. In that time a woolen thread called "Varna Sutra" is mentioned in the later Samhitas and Brahmanas.

**Mauryan Period:**

Before the Christian era, the popularity of Indian Printed cotton fabrics had spread all over the world. As the Great Greek which instead of fruit, produces wool of finer, better quality than that of sheep, and of this the Indians made clothes. It is believed that this period marks the stabilization of costumes design in India.

**Moghul Period:**

When the Mohammedans came India in 711 A.D. they were surprised by the Indian painted and printed cotton fabrics. The famous ancient Indian fabrics include Mulmul Khas (King's Muslin), Jamdani (figured muslin), Banarasi brocade, Chand-tara, Dhup-chhaon, Mapchar, Morgala, Bulbul chashm, Doshala, Kasaba or Chaddar, Rumal, Kashmir Shawl, Kanikar, Jamawar, Amilkar, Kashida, Phulkar, Bagh, Makmal and other fabrics.

The Moghul poets have described the scintillating muslin and brocades by various name like Abe-ravan (running water), Shabnum (morning dew) Sarbatt (Sweet as Sherbat), Bakt-hawa (woven air) etc. In Arab countries it was famous as 'Abe hayat' and in Greece as 'Ganjetica'. Many Historians like Bernier, Tarvenier, Voltaire and Daniel Defoe have spoken about the beauty, sensitivity and uses of Indian handlooms.

As De Robertson had said that, gold and silver was brought in loads of India from other countries owing to her textile industry. Indian muslins and chint were the rage amongst fashionable women in Rome, Dacca, and Paitan were the noted centers respectively for muslin, chintz and pitambara.

**British Period:**

As early as 1813, Indian cotton and silk goods could be sold for a profit in the British market but at a price 50-60% lower than the cost at which the British goods could be produced as such, to be able to dump the cloth produced by their Lancashire and mills in India and to prohibit Indian exports to England. Britishers took resort to various positive and even brutal measures, including a heavy duty of 70-80% Advalorem on Indian fabrics.

During 1813 to 1830 India was converted into an importer of cotton goods from England. As if this was not enough, the British rulers even resorted to the barbaric act of chopping off the hands of Indian artisans. Nevertheless this traditional craft of India is alive even today. The Indian artisans have stood the test of the time and have kept this great craft alive despite various hardships they have had to face. This is enough to prove that this traditional craft possesses inherent vitality and great potential. The maintenance of our cultural heritage demands that this traditional art of our country should be preserved.

The other historians also consider that India is the birthplace of cotton manufacture, and it is as old as our human civilization. From that time the hand spun yarn and the hand woven cloth has been handed over from one generation to other generation.

**2.2 Development of the Handloom Sector through Government Programs during Pre and Post Reform Period:**

The government of India initiated many promotional programs for the growth and development of Handloom Industry, the year wise launch of programs are given in table 2.1.

In 1928, the first time government's attention was drawn on Agriculture by the Royal commission. The Commission recommended the need for the development of village industries on co-operative lines. Because that time it was necessary for the survival of rural industries to face the increasing competition from the organized sector. But till 1934 no step was taken in this regard, only the government of India announced a decision to provide subsidies for the states by paying a sum of Rs.5 lacs.

**Table : 2.1 Government Programs for the Development of Handloom Sector**

<b>Year</b>	<b>Programs</b>
1941	The government of India appointed a fact finding committee and it recommended the formation of an All India Handloom Board.
1945	The government of India Constituted Handloom Board for the development of Handloom Industry.
1948	Govt. of India passed the cotton Textile (control) orders in which the mills were prohibited from producing certain varieties of cloth.
1949	Excise duty was imposed on mill cloth of medium and course to superfine varieties in order to collect revenue.
1950	The govt. reserved a whole variety of items for the exclusive manufacture by handlooms, and mills being legally prohibited from producing these items.
1945	The govt. of India constituted Handloom Board for the development of Handloom Industry.
1952	All India Handloom Board was reconstituted with more functions.
1953	Government adopted Khadi and other handloom industries (Additional Excise Duty on Mill Cloth) Act, 1953.
1955	Recommendations of Karve Committee: the freezing of both mill and power loom output at existing level.
1956	Textile Policy: The 90 percent loss Guarantee Scheme was introduced.
1956	Indian Institute of Handloom Technology was established at Varanasi in 1956, for research promotion, improvisation of production technique and invention of new designs, etc.
1957-58	The RBI scheme of finance was devised for the removal of inadequacy of finance.
1960	The Union Minister of Commerce and his other Cabinet members frame some measures for the development of handloom sector.
1961	The Census of India - 1961 made a study on 'Handicrafts and Artisans of Madras state" And it endeavored to examine the conditions of handloom industry in Tamil Nadu.
1974	The Planning Commission appointed a high power study team, named Sivaraman Committee Team.
1964	The Government of India constituted the Handloom Export Promotion Council for the development of cotton handloom Industry.
1975	In Oct. 1975, the previous reservation Order, Originally issued in 1950, was updated and reintroduced in favor of Handloom Industry.
1976	Two schemes viz. Intensive Development of Handlooms and Export Oriented Projects were started by Government in 1976.
1978	The Government of India came out with a textile policy, which was mainly aimed

	to reformulate the controlled cloth scheme.
<b>1981</b>	Textile policy - laid down the fresh expansion of capacity of power looms to be regulated such that by the end of 1984-85. The growth is restricted at 5 percent of the base year during the same year the Indian Institute of Handloom Technology at Gauhati was also proposed to be established.
<b>1985</b>	On 6th June 1985 the Government of India came out with a New Textile policy which basically differs from the earlier ones.
<b>1989</b>	Government of India introduced market development scheme in levy of Rebate and Share Capital Contribution Schemes.
<b>1990</b>	Abid Hussain Committee was organized on Handlooms.
<b>1992</b>	A Mill Gate Price Scheme was introduced by Govt. of India.
<b>1997</b>	Meera Seth Committee recommended an export oriented strategy. In the same year, Urban Haat scheme was also set up.
<b>1995</b>	Scheme for marketing of Handloom products through Exhibitions and fairs (District level Fairs/Festivals, Craft Melas etc).
<b>1999</b>	A committee under the chairmanship of S. Satyam was organized.
<b>2000</b>	A very comprehensive Scheme namely Deen Dayal Hathkargha Pratsahan Yojana (DDHPY) has been launched to provide assistance to handloom weavers.
<b>2001</b>	In New Delhi National Center for Textile Design NCTD was set up to promote the traditional and contemporary design to enable the textile industry.
<b>2002</b>	The Govt. of India started "Reimbursement of CENVAT on Hand Yarn, when the excise duty was imposed on Yarn. In the same year An Integrated Handloom Training Project (IHTP) was introduced for the skill up gradation of weavers.
<b>2006</b>	Handloom Mark has been launched for making a guarantee symbol for handloom product, in Indian and abroad.
<b>2007</b>	The Geographical Indications of Goods (Registration & Protection) Act 1999 has been taken up by office of development commissioner for handlooms.
<b>2010</b>	In this year the photo identity cards (PICs) have been issued for the handloom weavers.
<b>2011</b>	Financial Package for the development of handloom sector has announced by finance minister.

A Fact finding committee was appointed in 1941 by the Government of India. The formation of an All India Handloom Board was recommended by this committee and the Board was constituted in 1945 to look after the raw materials, the administration and marketing. The all India Handloom Board was functional till 1947. In the same time a yarn supply scheme was also

started for providing the supply to handlooms, power looms and other textile sector in various states.

With the effect of Industrial Revolution, textile mill sector and power loom had started producing a large number of quantities of cloth with short period, and the increased number of textile mills, power looms and their huge production created unemployment and underemployment among the handloom sector. But the biggest problem was that the price of power loom and mills products was so cheaper than the handloom products. For the removal of this problem, the Government of India had set-up a 'Handloom standing committee in 1948, and a Handloom Development fund of Rs.10 lacs was also placed at the disposal of the committee.

In 1948, the then Chief Minister of the composite Madras state C. Rajagopalachary, created a reservation policy for handloom products. Thus the notification of cotton control order 1948 under section 3, of the Essential Commodities Act was issued. By this Act certain items like sari and dhoties were legally prohibited from producing by mills, and these items were exclusively reserved for handlooms with effect from 1950.

In the early 1950's the problems of the industry worsened due to some national and International reasons like that modification of United States stockpiling program, larger availability of consumer goods including mill cloth and anti-inflationary measures taken by the government. The government launched a program of assistance for rehabilitating the industry to enable it to play its rightful role. The programs are as follows:

- i. Setting up of an All India Handloom. Board with comprehensive functions.
- ii. Levy of an additional excise duty on mill made cloth.
- iii. Appointment of a textile enquiry committee to make detailed enquiry into various sectors of textile industry viz., the mills, power looms and handlooms with a view to determining the place of each in the national economy and their inter relationship, and
- iv. Enforcement of certain measures directed towards ensuring and assured market for the products of handloom industry, for example, restriction on the production of dothies by mill industry to 60 percent

of average monthly packing on this variety of cloth during the 12 months ending in March 1952, prohibition of piece dyeing of dhoties and saris by mills etc.

All India Board was reconstituted in 1952 for the development of Handloom Industry on co-operative lines it was started with more functions like, to advise on the problem of Handloom Industry and to examine the schemes for the improvement of the Industry, and the govt. of India implemented several policies and program for the improvement of the Industry.

In 1953, Indian Government adopted Khadi and other handloom industries (Additional Excise Duty on Mill Cloth) Act 1953, and it provided levy on mill cloth, it is also known as Cess Fund. The main objective of this was, to enhance, assist and develop the handloom industry for the marketing, production and quality control. The RBI scheme was also announced in this time for the development of handlooms by supply of yarn and in return purchase of cloth.

The Kanungo Commission report was submitted in 1954. The recommendation of this report was a progressive conversion of handlooms into power looms through organized effort over a period of 15 to 20 years. The Handloom Board however did not agree on this recommendation.

In 1955, the Planning Commission appointed a committee 'the village and small scale industries five year plan committee,' popularly known as Karve committee. The committee recommended the state wise plan of utilization of resources and this embarked for the encouragement of village and small industries and the other recommendation was to freezing the mill and power loom's output at existing level.

In 1957, The Bureau of Economics and Statistics, Bombay conducted a sample survey on the cotton weavers industry in Bombay. The survey recorded the types of handloom establishment.

In 1959, an another survey (survey of Handloom, in Karnataka and Sholapur) was conducted by the National Council of Applied Economic Research, New Delhi, and it was jointly sponsored by All India Handloom Board and the Ministry of Commerce and Industry. It elucidated the

organizational structure and the size of co-operative and non co-operative handloom sectors, it pointed out the need for giving encouragement to the handloom industry in those areas.

During the same period, the census of India-1961 made a study on "Handicrafts and Artisans of Madras State". It endeavored to examine the conditions of handloom industry in Tamil Nadu, it examined how far the Gandhian village concept is being maintained in Tamil Nadu and to what extent the craft has to be sustained on a competition basis, this study consists of two parts, namely individual handicrafts on some specified handicrafts and village-wise list of crafts. A brief note on important handicrafts like handlooms weaving practiced in the state was also found.

A decade later, "The Report of the working Group on Handlooms" was prepared by the Ministry of commerce, Government of India. It classified the handloom weaver based on the established looms. It suggested that less capital and labor intensive type of handloom industry is most suitable to India.

In 1960, The Union Minister of Commerce and other cabinet Ministers outlined some important measures for the development of handloom sector. The measures were:

- i. The existing All India Handloom Board will make a statutory body.
- ii. Spinning mills were asked to allot 25% of the yarn produced by them at cost price to the handloom industry.
- iii. Handloom Industries should produce controlled cloth (Janata cloth).
- iv. Government will undertake, if necessary, semi legislative measures on reservation of handloom cloth.
- v. Government issued cash subsidy to handloom industry.
- vi. And arrangement would be made to provide adequate credit to handloom sector.
- vii. Unfortunately, the changes could not accured during third and fourth five year plan periods. And later the planning commission appointed a high power study team, to analyze the problem of Handloom Industry.

In 1965 The Handloom Export Promotion Council, registered under the companies Act, 1956, was constituted by the Government of India as the

nodal agency for export promotion efforts related to the cotton handloom textile.

The Handloom Export Promotion Council provided a wide range of services, these are as follows:

- i. Dissemination of trade information & intelligence;
- ii. Publicity abroad for Indian handloom products;
- iii. Organization of business missions/buyer seller meets and participation in international trade events.
- iv. Consultancy and guidance services for handloom exporters.
- v. Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade;
- vi. Dealing with trade complaints pertaining to handloom exports.
- vii. Liaison with the commercial agencies abroad for augmentation of handloom exports.
- viii. Facilitating product diversification and adaptation to meet modern market requirements.
- ix. Providing impetus to modernization of handlooms for the export market.
- x. Provision of design inputs to promote export of handloom products.

Earlier mentioned, about a High powered study team, is also popularly known as Sivaraman committee team, and was appointed in 1974. This committee attempted to study the problems of handloom sector.

The committee had drawn the following objectives:

- i. To expand the co-operative coverage of handlooms to 60 percent by the end of 1980-81.
- ii. To start a number of export-oriented production centers with a view to improving the quality and design of the handloom cloth.
- iii. Decentralized power loom should not be treated as hostile to handloom.

In 1975, the previous reservation order, which was issued in 1950, was updated and further in 1980, the development commission approved by the government for handloom sector, presented many schemes as follows-

- i. Implementation of progressive schemes for modernization scientifically to obtain higher productivity.
- ii. To bring all weavers under co-operative fold.
- iii. To enhance financial and technical support.
- iv. To control yarn prices.
- v. And to produce 3 meters of cloth per loom per day.

In 1976 the Government of India started two Schemes viz. Intensive Development of Handlooms and Export Oriented Projects. This scheme was suggested by High Powered committee on Handlooms.

In 1981, a new Indian Institute of Handloom technology at Guwahati was also proposed to be established along with the strengthening of existing infrastructure in other IIHTs and weavers service centers.

During the same year, The Textile policy 1981 stressed that special efforts would be made to ensure availability of sufficient yarn to fulfill the requirement of Handloom sector, but unfortunately no major deviation was made by this revised policy.

In 1984, The Association of Corporations and Apex Societies of Handlooms (ACASH), New Delhi was registered under the societies Registration Act to co-ordinate and promote marketing in the Handloom sector. It operates as a nodal agency for supply of handloom goods to be purchased by central Government Departments, Agencies, Public Sector undertaking etc. ACASH is also involved in helping the promotion of handloom exports like it organized National Handloom Expo namely "India Weaves 2004" at Dilli Haat, New Delhi, and also organized Handloom fairs and shows in Delhi and many agencies from various part of the country participated and achieved the benefits.

During the fifth plan period, priority has been accorded for the development of handloom through the 20 Point Economic Program. In accordance with the Sivaraman Committee recommendations and the schemes included with the 20 Point Program, the Government of India has decided:

- i. To revitalize dormant-handloom co-operative societies and set up co-operative coverage from the present level of 30% to 60% by the end of fifth plan.
- ii. To support the apex institution by way of share capital in order to enable them to play a more effective role both in production and marketing.
- iii. To empower and intensify the activities of the weavers service centers at the state level.

In 1985 Handloom Reservation of Articles for Production Act, was enacted by the Government, under section 4(1) of the Act an Advisory committee has been appointed to recommend articles for reservation. As per the recommendations of the committee, 22 items of clothing were reserved for handlooms through a notification issued on August 4, 1986 under section 3(1) of the Act.

According to the Indian Textile Journal, the growth of the Handloom sector during the fifth and sixth plan periods are summarized in the table.

**Table : 2.2**  
**Progress of Handloom Sector During Fifth and Sixth Plan**

Sr. No.	During 5th plan as on 31.3.80.	During 6th plan as on 31.3.85
<b>No. of Handlooms</b>	30.20 lacs	30.20 lacs
<b>Total Production of handloom fabrics</b>	2900 million mtrs.	3600 million mtrs.
<b>Handloom brought under the co-operative fold</b>	13.17 lacs	18.00 lacs
<b>Share capital assistance to apex societies</b>	Rs. 11.25 crores	Rs. 11.30 crores
<b>Share capital assistance to handloom development corporation</b>	Rs. 6.76 crores	Rs. 10.62 crores
<b>Rebate</b>	Rs. 9.23 crores	Rs. 43.00 crores
<b>Subsidy on Production of Janatha cloth</b>	Rs. 36.03 crores	Rs. 225.09 crores
<b>Modernization of looms in (no.)</b>	-	1,18,000
<b>Processing facility</b>	Rs. 7.15 crores	Rs. 9.15 crores
<b>Credit received from financial institutions</b>	Rs. 147.22 crores	Rs. 696.00 crores
<b>Market turnover of state Apex co-operative of HDC</b>	-	Rs. 460.00 crores

Source -

- *Indian Textile Journal, No.1, 1985.*

The most comprehensive textile policy of independent India was the New Textile Policy of 1985. This new policy almost allowed all sectors to grow according to their inherent strength. The new policy outlines the following steps:

- i. Development of handlooms through co-operatives, central and state level corporations.
- ii. Greater emphasis on modernization of looms and provision of technological and other inputs to raise productivity, quality and finish of products.
- iii. Special efforts to ensure the availability of yarn and other raw materials through the operations of National Handloom Development Corporation (NHDC).
- iv. Encouragement for the production of mixed blended fabrics on handlooms.
- v. Protection to handloom sector under the Handloom Reservation Act.
- vi. Fiscal measures to improve competitiveness of handloom.
- vii. To improve the marketing of handloom products, strengthening the infrastructure of marketing complexes, organizing the training of marketing personnel and intensive publicity.
- viii. To strengthen the database and better planning in the handloom sector and a census of handloom was to be undertaken.
- ix. Welfare schemes for handloom weavers such as contributory thrift fund scheme and work shed- cum housing scheme were to be introduced.
- x. The entire production of control cloth was to be transferred to the handloom sector by the end of the Eighth five-year plan.

In 1990, Abid Hussain committee was appointed to review the textile policy of 1985. The important aspects of the committee were given below:

- i. Focused on the weavers rather than looms.
- ii. Area-based promotion to enhance weaver's earnings and productivity.
- iii. Result-oriented institutional infrastructure.
- iv. Searched for new organizational forms for target oriented handlooms.
- v. Stepped up plan provision for handloom promotion.

Mill Gate Price Scheme was introduced in 1992-93; the objective of this scheme is to provide all type of yarn to the handloom weavers' organizations at the price available at Mill Gate. National Handloom Development Corporation (NHDC) a Government of India undertaking is the only agency authorized to implement the scheme and the Government of India is bearing the entire expenditure under the scheme. The yarn is being arranged by NHDC from the mills as per the requirement of the user agencies.

The scheme benefits the following Organizations and their member weavers.

- i. All Handloom Organizations of National/State/Regional level.
- ii. Handloom Development centers.
- iii. Handloom producer/exporters, manufacturers registered with the Handloom Export Promotion Council or any other Export Promotion Council under the ministry of Textiles.
- iv. All approved export houses, trading houses, star trading houses for production of handlooms items.
- v. Members of recognized, approved handloom associations.
- vi. NGOs, fulfilling CAPART norms;
- vii. Any other agency, with the approval of the Development commissioner for Handlooms.

In 1997 another committee was appointed, which is known as Mira Seth committee, which was strongly recommended for export-oriented strategy for the survival of handlooms, this committee also recommended for the reduction of items reserved for handlooms from 22 to 11.

Under the chairmanship of S. Satyam in 1999 a committee appointed for the welfare of handloom weavers. The recommendations were:

- i. Cone yarn to be converted to hank yarn by weaver to meet the requirements of handlooms i.e. removal of hank yarn obligation of mills to handlooms.
- ii. 50 percent of weavers to change over to weaving for exports.

- iii. Conversion of third tier of handloom weavers producing plain and low cost items to first tier handloom units producing commercial items or into third tier of power loom weavers with semi automatic looms.
- iv. Strengthening of the existing welfare schemes with no addition schemes.
- v. Research and development design intelligence, testing, training and HRD support would be provided by Weaver Service Centers and Indian Institute of Handloom Technology.
- vi. Establishment of marketing complexes in the main commercial centers.
- vii. Removal of the Handloom Reservations Act.
- viii. Setting up of IT booth for weavers.
- ix. Excise duty exemptions available to handloom sector at the fabric stage to be phased out.
- x. Strengthening of the database with regard to the handloom sector.

In 01.04.2000 Deen Dayal Hath Kargha Protsahan Yojna (DDHPY) has been launched to provide assistance to the handloom weavers in an integrated and comprehensive manner. This centrally sponsored plan scheme entails approx, Rs. 257 crores of central assistance during the 10th plan period. The schemes aims at taking care of basic inputs, like looms and accessories, working capital loans, product development, infrastructure support, institutional, support, supply of equipments; and marketing support both micro and macro levels to the handloom organizations.

Earlier most of the schemes were aimed at benefiting the weavers under the co-operative fold only. The DDHPY envisages covering weavers under both in co-operative and non-co-operative fold.

The national and state level organizations, primary societies, self-help group etc. are eligible to get benefit of the scheme. The scheme emphasis on purchase and modification of looms, design support to facilitate product diversification, enhance productivity and marketability of handloom products.

The sharing of grant portion of this centrally sponsored Scheme, between the central and the states is in the ratio of 50 : 50 except in the care of North Eastern states, Sikkim, Jammu & Kashmir, Uttarakhand and Himachal

Pradesh were the funding pattern is in the ratio of 90 : 10 , agencies where 100% members are from SC/ST/Minorities/women, the funding pattern is the ratio of 75 : 25, and the assistance for marketing incentives under the schemes, however, is in the ratio of 50: 50 between central and state Government in respect of all the states.

In 2001 National Centre for Textile Design (NCTD) was set-up in Handloom Pavilion, Pragati Maidan, New Delhi to promote traditional & contemporary designs to enable the textile industry, particularly the Handloom sector, to be responsive to the rapidly changing market demand.

The main objectives of this scheme are:

- i. To link weavers to the market and provide him with adequate tools to respond to the rapidly changing market situation and demands.
- ii. To link all people belonging to textile industry with the developments in other fields.
- iii. To give weavers, workers and designers greater exposure and access to national and international markets thereby giving them a better livelihood and avenues for more sustainable developments.

In 2002, the government of India started a scheme "Reimbursement of CENVAT on Hank yarn, when the excise duty was imposed on cotton and cellulosic spun yarn packed in plain reel hank form, govt. formulated this scheme, so that the handloom weavers should not be adversely affected.

Under the scheme, Government of India reimburses the excise duty paid by handlooms organizations, while purchasing the cotton and cellulosic spun yarn packed in plain reel hank form plus 0.50% of the cost of yarn net of excise duty as administrative charges.

An Integrated Handloom Training Project (IHTP) was introduced in 2002 by the Government of India for the comprehensive skill up gradation of weavers and allied workers working in the handloom sector. The scheme after approval has been circulated to the states on 19.12.2003 for implementation.

To impart training in modern management and Production techniques, dyeing practices, marketing of handloom products etc. the office of the development commissioner for handlooms has been operating training programs for human resource development in the co-operative sector for the

benefit of handloom workers at different levels through institutions like National council for co-operative Training, National co-operative Union of India and National Handloom Development corporation.

The main target of this training program is to develop consciousness on the latest techniques in dyeing, printing and processing of Handloom fabrics and awareness among the members and the functionaries of the Handloom co-operatives about their rights and duties and to inculcate in them the spirit of co-operation.

Weavers' service centers and Indian Institutes of Handloom Technology IIHT constitute Research and development wings of the office of the development commissioner for Handlooms 24 weavers' service centers and 4 India institutes of Handloom Technology have empowered the handloom industry by providing technically trained manpower, development of new designs, improvement in weaving and processing techniques, up gradation of skill etc, in all over the country.

The Handloom Industry is the most ancient cottage Industry of India. Its preservation for posterity will ensure continuation of our cultural heritage. Research and Development is an essential ingredient for any industry to keep pace with the fast changing developments on account of the increasing global interest in Indian Handlooms. Hence, undertaking Research & Development in this sector is very essential. The main objective is to assist weavers through the supply of input support marketing of their products and to improve their living and working conditions, under the research and development programs assistance was released to different weavers. Service centers, National Handloom Development Corporation, institution engaged in Research and Development work including professional and voluntary organizations etc. for undertaking R & D Projects for the development of Handloom sector.

The Ministry of Textile announced the following schemes in the 11th five year plan (2007-12) by merging the different schemes of 10th five year plan.

The office of Development commissioner for Handloom has been implementing the "Development of Exportable products and their marketing scheme (DEPM)". From 1996-97, with a view to imparting assistance to the handloom agencies for building up development and marketing of export

worthy handloom products. This scheme covers development at exportable products, publicity of the product and the international marketing there of:

The main objectives of this scheme are:

- i. Identification of suitable handloom agencies for the development of exportable products.
- ii. Up-gradation of skill and design capabilities of weavers to weave exportable products.
- iii. Publicity through media campaign abroad to the Indian handlooms.

Integrated Handlooms Development Schemes (IHDS) is a centrally sponsored plan scheme by merging the essential components, with or without modifications, of the four schemes i.e. Deen Dayal Hathkargha Protsahan. Yojana, Integrated Handloom Cluster Development Scheme (IHCDS) Work Shed-cum-Housing Scheme and Integrated Handloom Training Project (IHTP).

The objectives of the IHDS are:

- i. To form Handloom weavers group,
- ii. To assist weavers for becoming self-sustainable,
- iii. To orient Marketing, Designing and Managing the production, To facilitate credit from banks.

Diversified Handloom Development Scheme (DHDS) is also sponsored by central Government and it also aims to provide skill up-gradation of handloom weavers through training, workshop, exhibition, design development, documentation of traditional designs and linkages between various agencies in the handloom sector to enable the weavers to improve productivity and meeting the market requirements. Some other marketing related schemes of the Govt. of India are as follows:

Through Marketing Promotion Program the Development commissioner assists the state Government in organizing National Handloom Expos, Special Expos, Craft Mela, and District level events in different part of the country.

And in the other program namely marketing development assistance is being implemented on 50:50 matching financial assistance being provided by central and state Govt.

This Scheme envisages providing fixed amount to handloom agencies like U.P. Handloom Corporation, UPICA, U.P. Export Corporation, Apex Organization as well as primary handloom co-operative societies.

One other program is Project Package scheme the objective of this scheme to provide financial assistance to the weavers i.e. S.C., S.T., women and minorities, and below poverty line community. This is being implemented on 50:50 matching basis by central and state Government.

The handloom mark, launched by Prime Minister Dr. Manmohan Singh on 28th June 2006. The main objective of this mark is to show the guarantee about genuinely handloom products, in India and abroad. Individual weavers, master weavers, handlooms co-operative societies, handloom corporations, retailers and exporters are the intended beneficiaries under the program.

The Geographical Indications of Goods (Registration & Protection) Act 1999 provides legal protection to geographical indications of goods etc., and prevents unauthorized use of these by others.

This office of Development Commissioner for Handlooms under the marketing and export promotion scheme provide financial assistance to register handloom items in order to give protection under the Act through the state government/handloom agencies authorized by the state government.

This program has been taken up by office of Development Commissioner in 2007. In Uttar Pradesh two items namely Banarasi Sari and Banarasi Brocades are registered under the geographical indications Act 1999.

Photo Identity Cards (PIC) to the handloom weavers on 23.12.2010 have been delivered to the state governments concerned across the country for onward distribution to the eligible weavers and allied workers concerned.

The Finance Minister announced to provide Rs. 3000 crore for implementing the financing package for this sector on All India Basis in budget announcement on 28.02.11. The revival, Reform and Restructuring package for handloom sector has been approved with the total financial

implication of Rs. 3884 crores, out of which government of India's Share is Rs. 3137 crores and the share of the state government is Rs. 747 crores.

Hank yarn and finance is the basic need of handloom industry and to meet cheap credit and cheap hank yarn, the government of India approved a 'Comprehensive Package' for handloom sector. And this Scheme will be implemented by two existing plan schemes i.e. integrated Handlooms Development Scheme (IHDS) for the availability of easy & cheap credit and cheap Hank yarn will be provided by Mill Gate Price Scheme And along with this for easy credit accessibility to weaver the assistance will be provide by govt. assistance which are as follows:

- i. Margin money assistance- @ Rs. 4200 per weaver to individual weavers by the govt., so as to make them to access fresh loans from financial institutions.
- ii. Interest Subvention of 3% per annum : Interest subvention of 3% per annum for 3 years will be provided by the government, and it will easy to get loan for weavers and co-operative society at subsidized rate of interest.
- iii. Handloom weaver credit card scheme (WCC) scheme: It is found that mostly weavers are taking loans through informal channels and get exploit by them The WCC scheme will provide adequate and timely assistance from the banking institution to the weavers.
- iv. Credit Guarantee through Credit Guarantee Fund Trust for Micro and small Enterprises (CGTMSE): It is also proposed to provide a credit guarantee cover for working capital/term loan assistance through banks/MLIS.

## **State Level Policies for the Development of Handloom**

### **Industry:**

Apart from above policies, Uttar Pradesh Govt. also initiated some developmental programs for the development of handloom sector in the state, the major are :

**New Cluster Scheme for Handloom Industries for the development of small industries in clusters launched in certain selected industrial areas:**

This schemes is started for the purpose of productivity enhancement of the weavers and also its purpose is` to provide easy credit to the handloom weavers This is a package of free training, single table clearances and loans through state financial corporation at lower rates of interest.

**Up gradation of skills and technology in the Handloom sector:**

In the past few years, supply of low quality yarn as well as inadequate attention to the upgradation of technology have contributed to the gradual decline of this sector. Emphasis laid on the use of superior technology and improvement of skills of the vast workforce employed in the sector. The government provides the capital required for technology replacement through the various self employment schemes currently being implemented in the state.

**Five Year Price, Quantity Preference Policy in Place of Existing Annual Policy:**

The marketing of goods produced, is one of the major problems faced by the handloom industries, the major problems faced by this industry is the absence of standardized quality and recognizable brand name, and the present system of extension of policy on a year-to-year basis will be replaced by a five-year facility so that the industry assured government purchases for a relatively stable period and hence is able to concentrate a productive work rather than being saddled with uncertainly.

**Equity Participation by state Government in Private Marketing Companies:**

The state promotes establishment of marketing companies for the produce of handloom industries in the private sector. If these companies undertake the responsibility of quality standardization and development of brand names, then the state will participate in such companies of up to 10 percent.

**District Industries centers to Help Small Industries in Accessing Information and latest Technologies:**

The District Industries center assists the entrepreneur in establishing linkages with new markets. These centers also provide information on the latest available technologies.

We have discussed in this chapter that government made many policies and promotional programs for the development of handloom industry. As there is need to protect this type of industry, which has the great potential to providing employment to the masses.

