INTRODUCTION
CHAPTER-I

INTRODUCTION

In India hand weaving of textiles, is the largest artistic activity in the talented traditional art sector providing direct and indirect employment to about 2.5 Crore persons, along with families as a way of living, next to agriculture, both in terms of employment and value of output. Handloom sector occupies a place of eminence in preserving the country's heritage and culture and plays a vital role in the economy of the country. The share of employment provided by the Handloom industry in the total decentralized sector is about 5.5 per cent, contributing about 22 per cent of the total production of the textile industry. The exports of cotton Khadi and Handloom products during the last decade were worth of about Rs.1491 Crores. As per Handloom census, the total numbers of the looms in the country are 38.90 Lakhs, out of which 36.90 Lakh looms are owned by household and 2.0 Lakh by non-household units. About 102 Lakh weavers, both full time and part-time are engaged in the sector. On an average 60.29 per cent of the weavers are women while the percentages of weavers belonging to Scheduled Caste are 12.5 and Scheduled Tribes are 20.05 engaged in weaving as a livelihood. Average production per loom per day is 5.12 meters and average wage earning per month per household is Rs.715. About 20.28 per cent of the full-time weavers are covered under the cooperative fold.

The most important social built up was that, like any other art forms such as literature, poetry, singing, dancing, action, drama, music, sculpture, carvings, paintings, drawings, pottery, jewelry arts and other skillful talented intelligent artisans, these Handloom weavers also needed some kind of appreciation, encouragement and financial support since ancient times. Textiles are in-separable in the development course of civilization. The ancient rulers and administrators felt its need, next to food as a part of life and high level importance was given. However, the simple living, high thinking and courteous behaviour of weavers, who are mostly immersed in work and confined to their own field, never got exposed to trades and business sector and hence simply obliged the commands of business people to market the products made by them. Being unaware of the real cost and market value of their creations, they were exploited by traders and thus, slowly entered into poverty.
Mahatma Gandhi having realised the potential of this art as a base of civilized world, used it as weapon against British ruling, **Khadi** now a livery of fashion. Jawaharlal Nehru called Khadi, during the era of struggle for Independence, the livery of freedom. That was in the context of the freedom struggle when the Father of the Nation gave the message of Swadeshi through the implementation of his programme of Khadi and Village Industries.

Weaving profession provided a higher income to the artisans far better than agricultural sector, during freedom movement and also for some years after independence as a good source of assured employment. In the case of Handlooms, Khadi and village industries, the level of expenditure are expected to be somewhat higher than in the Second Plan (III plan report). In the Handloom sector, provision has been made for the introduction of ‘take-up motion attachments’ and ‘semi automatic looms’ and also for continuing the limited programme introduced at the beginning of the Second Plan for conversion on a cooperative basis from Handlooms to Powerlooms (II plan Report) The provision for Handloom sector has been increased to Rs.241 Crore for 2006-07 from Rs.195 Crore in the year 2005-06. Besides, a scheme on the lines of Technology Upgradation Fund Scheme (TUFS) in the textiles sector was introduced for the Handloom sector to provide interest subsidy on term loans (IXth plan report).

In Andhra Pradesh, the second largest state in the country, weaving has for centuries been one of the major activities and currently provides full-time employment to 3.67 Lakh persons and part-time employment to 85,000 persons out of 7 Crores population of the state. Andhra Pradesh weavers are supreme artists, because of their creative urge, inherited skills, and expert knowledge of color chemistry proud of the past after independence. Handmade fabrics and the intricate technology was acclaimed that it is equivalent to present day computer technology string by string in the opinion of software professionals expressed in April 2007 at Chirala, and organized a blood donation camp as a symbol of unity. Andhra Pradesh houses larger number of Handlooms in the country occupies second position after TamilNadu. It has survived through many hardships of colonialism, exploitations and industrialization. Even today the decentralized Handloom textile industry alone meets nearly one third of the total cloth requirements of the country.
The decentralized sector plays a pivotal role in meeting the clothing needs of the country. The working group for the textiles and jute industry for the IXth Five Year Plan observed that, the share of the Powerloom sector for the year1995-96 works out to 53.40 per cent as against the 6.66 per cent by the mill sector, about 22.95 per cent by the Handloom sector and 19.56 per cent by the hosiery or knitted sector. The remaining about 1.43 per cent is accounted for by Wool, Silk and Khadi sector. (55)

Andhra Pradesh is one of the leading states producing cotton and it has a very large traditional base of handloom industry. Pochampally ikat sarees made from silk and cotton base as well as Kalamkari printing styles have been famous and had been exported traditionally, from ancient times. Cooperative movement in Handloom sector and strong handloom marketing had developed this industry during 1960s and 1970s. However, with growing Powerloom sector all over India, the demand for Khadi and Handloom fabrics, other than traditional fancy fabrics was found to be decreasing. A large number of handloom weavers who were producing simple fabrics like Dhotis, plain Sarees and plain cotton fabrics started finding it difficult to make Handloom weaving economically viable. With the effect the decline in Handloom sector started in Andhra Pradesh somewhere in the middle of 1970s.

Due to the impact of socio-political situation in the State, these handloom concentrates could not convert themselves into Powerloom concentrates. Very large number of traditionally Andhraite weavers migrated to the neighbouring states like Maharasthra, Gujarast and Tamilnadu to find employment and trade. Today, Ichalkaranji, Sholapur, Bhiwandi in Maharasthra and Surat –Vapi belt in Gujarast have a very large concentration of Telugu speaking weavers either working as Powerloom weavers or running their own Powerloom operations. This migration need to be recognized as definite loss of human resource for the state and to be checked by providing some livelihood for these artisans.

In the post-independence period the Government adopted a number of measures designed to protect the Khadi and Handloom sector. These include a freeze on expansion of loomage in the mill sector, reservation of items solely for the production in the decentralized sector etc. though these measures and many welfare schemes protected the weavers as temporary remedies but, couldn’t reveal a
permanent solution to the actual problems of the sector. For example, the Handlooms (Reservation of articles for production) Act, 1985 no. 22 of 1985, could not fulfill the purpose of it, down to implementation stages.

The report of the working group on handloom sector, 1999, mentioned that the traditional handloom sector has been enjoying the advantage of the protected market and has been receiving the best attention of the policy planners. The structural weakness of this sector still remains and therefore, any sudden withdrawal of such assistance presently in the form of subsidies may perhaps end up in an exposure to the vibrant market mechanism and lead to a mess.

Therefore, in the wake of WTO Agreement, whereby production has to be highly regulated to the market needs, it is suggested that withdrawal of subsidies may be in a phased manner, and the Khadi and Handloom sector should be geared up to meet the challenging requirements of the market. The High-powered committee, 1996 also mentioned that the Handloom sector has many opportunities for growth. It is expected that with increasing population and prosperity, the domestic and international market size will expand. (55)

With the Globalization of Indian markets and liberalization policies, Khadi and Handloom sectors have an important role to play in advancing exports and preventing onslaught of imports. Thus, there is an urgent need for the support to undertake this task. The important areas where the support is needed for this industry are, the information on technical, managerial, techno-economic, techno-commercial, socio-economic, details of products which are in demand in domestic and foreign markets, awareness of Azo-free and Eco-friendly dyes and chemicals, etc.

At present such mechanism to feed this information to this sector doesn’t exist. It is felt that in the absence of this support the Khadi and Handloom sector may face utmost hardships leading to its collapse. Thirty percent of India’s export now comprises textiles and garments. With the signing of General Agreement on Trade and Tariff (GATT) deal the quota requirements for textiles including garments came to a closure. By the end of year 2004, all the quotas were removed and the Indian textile and garment industries had to stand on their feet and face stiff international
competition. If the Indian textile industry is to compete successfully, it must immediately adopt positive measures to control all the stages of production to comply with the mandatory requirements of the foreign buyers.

Table 1: Xth five year plan Government of India 2004 (tex.min.)

<table>
<thead>
<tr>
<th>S. No</th>
<th>Industry/sub-Sector</th>
<th>Unit</th>
<th>2002-03 Actual</th>
<th>2003-04</th>
<th>2004-05 Target</th>
<th>Achieve Upto Nov.04</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2002-03</td>
<td>2003-04</td>
<td>2004-05</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Small Scale Ind.</td>
<td>Rs. crore</td>
<td>311993</td>
<td>330000</td>
<td>351133</td>
<td>429548 369000</td>
</tr>
<tr>
<td>2</td>
<td>Khadi Cloth</td>
<td>Rs. crore</td>
<td>443</td>
<td>474.75</td>
<td>451.93</td>
<td>311.51 425</td>
</tr>
<tr>
<td>3</td>
<td>Village Industries</td>
<td>Rs. crore</td>
<td>6126.30</td>
<td>6377.10</td>
<td>6263.98</td>
<td>10886.45 8000</td>
</tr>
<tr>
<td>4</td>
<td>Coll Fibre</td>
<td>600 tons</td>
<td>363.70</td>
<td>410</td>
<td>364</td>
<td>400 290</td>
</tr>
<tr>
<td>5</td>
<td>Handloom Cloth</td>
<td>Mill. Sqm</td>
<td>5880</td>
<td>6200</td>
<td>5518</td>
<td>5500 2828</td>
</tr>
<tr>
<td>6</td>
<td>Powerloom Cloth</td>
<td>Mill. Sqm</td>
<td>24080</td>
<td>25046</td>
<td>25000</td>
<td>30000 25000</td>
</tr>
<tr>
<td>7</td>
<td>Raw Silk</td>
<td>MT</td>
<td>16319</td>
<td>19000</td>
<td>15942</td>
<td>17920 N.A.</td>
</tr>
<tr>
<td>8</td>
<td>Handicrafts</td>
<td>Rs. crore</td>
<td>15665</td>
<td>20356</td>
<td>20356</td>
<td>26774 19358</td>
</tr>
<tr>
<td>9</td>
<td>Raw wool</td>
<td>Mill. Kg</td>
<td>52.10</td>
<td>53.60</td>
<td>53.00</td>
<td>55.10 50.00</td>
</tr>
</tbody>
</table>

With the onset of Globalization from the year 2005, international trading is totally free from quotas. In that event only those which are efficient and competitive will survive. With the rapid changing scenario on International and National commercial front and globalization and commercialization making rapid inroads, there is urgent need to give a boost to exports and to meet Global competition not only in the International Market, but also in the domestic market. It is not only the product, but also the marketing strategies and target consumers needed to be paid attention in order to withstand the competition successfully.

1.1 HYPOTHESES

The Khadi and Handloom industry has an edge over the Powerloom and mill sectors in its ability to commercially produce the goods in small volumes, quick switch over to new designs and creation of exquisite designs, which cannot be made on Power looms. Hence, a multiple methodology was used with a multidimensional, microlevel exploratatory approach to the problem with the following hypotheses in focus.
NULL HYPOTHESIS: $H_0$ is true

1. There exists no significant difference between the promotional marketing strategies followed by the private traders and Government organizations in the Khadi and Handloom sector of Andhra Pradesh.

2. There exists no significant difference between the aggressive marketing techniques and consumer awareness regarding the Khadi and Handloom products.

3. There exists no significant difference between the quality control measures followed and consumer satisfaction.

One of the major reasons for present crisis in the sector was that, there are no proper linkages between the market requirements and the production centers. Also, lack of market intelligence was the major problem due to the decentralized nature of the industry. Many scholars had surveyed and studied the Khadi and Handloom sector focusing on the historical developments, economic aspects, role of cooperative societies marketing aspects etc. but less focused area was to identify the proper linkages between the market trends, consumer tastes, production and product as important elements.

1.2 PURPOSE OF THE STUDY

Copious secondary sources helped to understand the structure of Khadi and Handloom industry of Andhra Pradesh. A holistic study of the industry covering both Khadi and Handloom sector was needed, specifically with respect to marketing strategies and consumerism. Similarly, all the three important elements of these sectors namely weaver (producer), trader (seller) and consumer (buyer) along with their interlinked socio economic relationship were studied on one platform as a whole.
1.3 OBJECTIVES

Inspite of the inherent weaknesses, the Khadi and Handloom products call for commercial intelligence for aggressive marketing. Thus, the researcher gave a holistic approach to the Khadi and Handloom sector of the State of Andhra Pradesh, India with the following objectives:

The major objective or the aim of the study was:
To study the Khadi and Handloom industry of Andhra Pradesh focusing the marketing strategies and consumerism

The specific objectives of the study were:
1. To study the structure and present day scenario of the Khadi and Handloom Industry in the state of Andhra Pradesh.
2. To assess the role of the Government, Non-Government and other organizations working in the Khadi and Handloom industry.
3. To study the working conditions and socio-economic status of the weavers of the sector.
4. To study the present marketing strategies and distribution channels of the Khadi and Handloom industry.
5. To analyze the consumer awareness and consumer behaviour towards Khadi and Handloom products
6. To study the linkages between the producers, traders and consumers of the Khadi and Handloom sector.

1.4 Limitation
The study was limited to the selected traditional Khadi and Handloom centers of Andhra Pradesh, India only.