Handloom industry in India is an ancient cottage industry. References to the use of handloom are abundant in the recorded details of epics like the Ramayana and the Mahabharata. This industry seems to have flourished between 5000 and 3000 BC. The civilizations of Harappa and Mohanjodaro reveal the use of woolen and decorative embroidery in handloom. The industry as we understand it today is constantly associated with Indian rural economic scenario ever since.

The Handloom industry being a part of the Indian culture and tradition, it is one of the oldest cottage industries in India diffused widely through the country. The artisans of India are famous for hand spinning, hand printing and hand typing. They are accustomed to the art of weaving as a hereditary occupation. The industry transcends sectarian linguistic and communal barriers. The industry is providing direct employment to 12.5 million people in Indian decentralized sector. Further the industry generates indirect employment to others like loom manufactures, dyers, twisters, processors, etc., thus one in every 60 in the country is engaged in this industry in one way or the other. The Handloom weavers produce textiles from a third of nation’s cotton product and over 60 per cent of the exported is next only to agriculture.

The handloom industry generates production at low capital cost, mostly using indigenous raw material and utilizing local skills, widens entrepreneurial base, facilitates balanced regional growth and prevents the migration labour to the metropolitan areas\(^1\).

**PRODUCTION OF HANDLOOM FABRICS**

There are several processes involved in the production of handloom cloth, which can be broadly categorized as pre-loom and post-loom activities. Besides weaving, winding, sizing, warping and beaming are the pre-loom activities while bleaching, printing, calendering and finishing are the post-loom activities, which have

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to be done in a systematic process. Some of these handloom products may be directly sold soon after weaving and some other products required post-weaving process to find market.

The process of weaving takes certain period of time which the weaver has to perform with much attention, care and patience. A simple mistake can spoil the material within no time. Further, the favour of suitable climatic conditions is essentially required. The production of handloom fabrics shows its due influence and impact on the socio-economic lives of the poor weaver labourers.

**MARKETING OF HANDLOOM FABRICS**

Marketing of Handloom cloth is done by weavers themselves, master weavers, middlemen, co-operative societies and also by marketing organizations, like Apex Weavers Co-operative societies, All India Handlooms Fabric Marketing Co-operative Societies and sales and showrooms of Handicrafts and Handloom Export Corporation etc., Further there are organizations directly or indirectly supporting the marketing facilities of handloom fabrics for both domestic and export purposes. Some of these organizations are, National Handloom Development Corporation (NHDC), Association of Corporations, Apex Societies for Handlooms (ACASH) and Marketing Development Assistance Scheme (MDA). They are expected to safeguard the interests of handloom weavers by releasing them from the clutches of the middlemen and improving the standard of living by providing enough employment opportunities and facilities to them to market their products at competitive prices.

Presently government policies are increasingly influenced by the globalization processes and are related to WTO-induced trade regimes. As the controls on exports get liberalized and domestic markets open up, the handloom scenario in the country is likely to undergo drastic changes in terms of skills, inputs like designs, market trends and changing demands therein. The question is whether these changes include the interests of weavers who are still practising their traditional skills and knowledge. Many policies and schemes are being implemented by government for the benefit and welfare of handloom weavers and for the progressive growth of handloom industry
which has been providing livelihood for many people directly and indirectly. Yet, the handloom industry is still staggering in crisis. Hence an attempt is made in this study to examine and analyse the production performance and marketing of handlooms fabrics as well as various problems and constraints that come across in the process of weaving fabrics on handlooms and in marketing the woven fabrics, more particularly the problems of the weavers are studied.

STATEMENT OF THE PROBLEM

The handloom sector plays an important role in the economic development of the rural poor in the state. It contributes significantly by generating more employment opportunities and providing bread to the rural poor. It absorbs more than 4 million people in its fold. Realizing its importance, a plethora of measures is undertaken by the government in order to promote the handloom sector.

Unfortunately the situation in Andhra Pradesh is not in favour of handloom sector due to multifarious reasons. Despite several measures taken by the government by the way of institutional support and direct financial assistance to the handloom weavers, they have been in miserable state due to myriad problems and are sustaining continuous losses. These problems include improper supply of raw material, price hike in yarn, lack of proper marketing facilities, lack of market awareness and promotion, lack of proper financial resources, involvement of middlemen, competition from mill and power loom products, lack of modern technology, lack of prompt and timely support from the government and other allied agencies and so on.

It is a well known fact that the handloom weavers in some parts of the state are starving to death and even commit suicides, due to lack of facilities as well as disproportionate earnings corresponding to their labour, in the weaving activity. The standard of living of the weavers is significantly low and they are leading miserable and pitiable life due to unemployment and underemployment. This situation prevails everywhere in our country. Prakasam District, which is chosen for detailed research study, is no exception to this situation. This pathetic condition of handloom industry in Prakasam District demands thorough investigation into the problems and measures
to plug the loopholes and find remedies to the problems confronting handloom weavers.

PRESENT STUDY:

At present the state of Handloom weavers in Prakasam District is at stake and the weavers are panic stricken with miseries since they are facing acute production and marketing problems. A majority of them are struggling hard to survive and labour weavers have become bonded laborers. Prakasam District in Andhra Pradesh has much economic importance as high concentrated handloom fabrics are produced there. As the handloom industry is established in a larger scale in Prakasam district and most of the people in this district are weavers, an organized study is required. And the fabrics are being exported to various countries. But the condition of the weavers is pathetic. The weavers in Prakasam District are facing multiple problems in the production and marketing of their fabrics. Competition of mill or power loom products, unfavourable climatic conditions, as well as their poverty and under employment also have added fuel to the fire of the miseries

OBJECTIVES:

Keeping in view the above problems, this study is proposed to carry on with the following objectives.

1. To evaluate the progress of Handloom Industry in Andhra Pradesh
2. To analyse the socio-economic conditions of the sample handloom weavers.
3. To assess the adoption of technology and production of Handloom weaving.
4. To observe the marketing facilities of handloom fabrics in the study area.
5. To study the problems of Handloom weavers in the study area.

SCOPE AND LIMITATIONS OF THE STUDY:

The present study is confined to a general survey of some broad aspects regarding the socio-economic conditions of the weavers and the general problems faced by these weavers with regard to technology, production and marketing of handloom fabrics. For this purpose, a sample study of 305 weavers is made out of an estimated 11,982 weavers' households in Prakasam District in Andhra Pradesh as per
the census records of the year 2001-2002. Though the sample is limited to about 3 per cent owing to certain constraints, the samples are drawn in such a way as to reflect the characteristics of the total population. Hence, the resultant conclusions in the study can be treated as having universal application.

**METHODOLOGY:**

To obtain a comprehensive analysis the methodology mentioned below is adopted employing the following sample design.

**SAMPLE DESIGN:**

The basis of the study is sample survey. Stratified survey method is used while drawing the samples. Prakasam District is divided into three revenue divisions, namely, Kandukur Division, Markapur Division, and Ongole Division. In every division two mandals are chosen where weaving is highly concentrated. They are, Kanigiri Mandal and Pedacharlapalli Mandal from Kandukur Division; Bestavaripet Mandal and Markapur Mandal from Markapur Division; Chirala Mandal and Vetapalem Mandal from Ongole Division. Again two villages from every mandal are selected by stratified random sampling with proportional-allocation techniques.

Village wise list of the households of the handloom weavers is obtained from the office of the Assistant Director of Handloom & Textiles, Ongole, in Prakasam district. Using simple random sampling technique 15 per cent of the households in each weaver's village is selected for the study. Thus the study is confined to 305 handloom weaver households in Prakasam District.

Weavers' households in this universe have been divided into independent weavers, master weavers, and weavers under middle men, co-operative weavers and labour weavers. The number of sample weavers for all the classes is limited to 305. The universe and sample design in the study area is given below:
Table.1.1
THE UNIVERSE AND SAMPLE DESIGN OF STUDY AREA

<table>
<thead>
<tr>
<th>S. No</th>
<th>Revenue Division</th>
<th>Selected Mandals</th>
<th>Selected Villages</th>
<th>Total No. of Weaver Households in the Village</th>
<th>Sample (15%) weaver Households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kandukur</td>
<td>Kanigiri</td>
<td>Yadavalli</td>
<td>30</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Vagupalli</td>
<td>87</td>
<td>13</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Pedacharlapalli</td>
<td>Talakondapadu</td>
<td>211</td>
<td>32</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Marrikuntapalli</td>
<td>44</td>
<td>7</td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>2.</td>
<td>Markapur</td>
<td>Bestavaripet</td>
<td>Bestavaripet</td>
<td>41</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Nekunambad</td>
<td>38</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Markapur</td>
<td>Markapur</td>
<td>287</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Puchakayalapalli</td>
<td>54</td>
<td>8</td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>63</td>
</tr>
<tr>
<td>3.</td>
<td>Ongole</td>
<td>Chirala</td>
<td>Jandrapeta</td>
<td>482</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Epurupalem</td>
<td>68</td>
<td>10</td>
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<tr>
<td></td>
<td></td>
<td>Vetapalem</td>
<td>Vetapalem</td>
<td>624</td>
<td>93</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Desaipeta</td>
<td>74</td>
<td>11</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>186</td>
</tr>
</tbody>
</table>

DATA BASE:

The study is based on both primary and secondary data. The primary data are derived from the responses of the sample handloom weavers to the pre-designed schedules. Proper care is taken to explain to the weavers all the aspects in the schedule and elicit truthful and unexaggerated feedback from them. The schedules are pre-tested before conducting the field survey. Secondary data are collected from the offices of the Development Commissioner for Handloom, New Delhi and Government of Andhra Pradesh. Supporting data collected from published and unpublished sources like reports, books, journals, periodicals and minutes of the meetings. The literature on the subject available in the libraries of Sri Venkateswara
University, Tirupati; Indian Institute of Handloom Technology, Venkatagiri; The Commissionerate for Handlooms and the Director of Handlooms and Textiles, Hyderabad; Andhra University, Visakapatnam and CHIP (NGO), Chirala are also utilised.

**TOOLS OF ANALYSIS:**

Suitable and appropriate statistical tools and mathematical devices like averages, percentages, and the analysis of variance, student's "t" test, Chi-square test are employed while tabulating, analysing and interpreting the data.

**SCHEME OF THE STUDY:**

To present a comprehensive analysis the study is organized in Eight Chapters

**First chapter** introduces the problem of the study, that is, on Handloom Industry. Besides, methodology adopted and objectives proposed for the study along with sample design as well as scope of the study and organization of study are presented in this chapter

**Second chapter** is divided into two sections. Reviews on various dimensions of handloom industry are discussed in section-A and profile of the study area, i.e. Prakasam district is picturised in section-B

Progress of the handloom industry is studied to evaluate the present status of the handloom industry in Andhra Pradesh, in the **Third Chapter.**

**Fourth chapter** provides the glimpses socio-economic profile of the sample weavers.

**In chapter five,** an attempt is made to understand the technology implementation in the production of weaving industry.

**Sixth chapter** deals with marketing of handloom fabrics in Prakasam District.
Chapter Seven analyses the problems of handloom industry in Prakasam district.

Chapter Eight presents a brief summary besides observations along with suggestions and conclusion.

REVIEW OF RESEARCH AND DEVELOPMENT IN THE SUBJECT

Sahai Biswambhar reported (1956) that the problems of handlooms are due to the competition from powerlooms and mills. He felt the need to employ modern techniques of production and design, government should establish training centers for the benefit of weavers where they are concentrated and materials like, design books and related instruments have to be made available.

National Council for Applied Economic Research conducted a survey in 1958 on the Economics of Handloom Industry in Mysore State. The study pointed out that the earnings of weavers were relatively low and much less than the average standards of living. It was also pointed that the earnings in the urban centres were considerably higher than those of the rural centres in 1964.

Chakaraborthy S.M. (1982) remarked that the handloom quality of products was declined, due to the high rates of raw materials. The weavers were using cheap quality dyeing colours. As a result of this the consumers prefer mill made cloth so as weavers community lost their livelihood. To overcome this situation, government should supply raw materials at subsidized rates, with quality and in right time.


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2 Sahai B Handloom Weaving Industry, in North India, Agra's University, Agra, 1956 p. 208
members of weavers co-operative, relating to income and other socio-economic living conditions.

Bharat R.K., (1988) has conducted a survey on marketing of Co-operative Handloom Textile - APCO, and has identified some of the areas where in special care is needed for marketing the handloom products.

Srinivasulu K (1994) made an attempt to study the Handloom weavers struggle for survival in Chirala village in A.P. He has pointed out that the handloom sector has been seriously threatened by the severe competition from the powerlooms, the survival of the handloom sector and handloom weavers has been imperiled by sharply rising prices of yarn, dyes and chemicals.

Srinivasulu (1996) reveals the reasons of the crisis of the handloom industry through policy and performance. He focuses some reasons. Suicides are one clear sign and outcome of the crisis in the handloom sector. The other major sign is the dramatic decline of the number of handlooms in the state. There are several reasons mentioned in the literature for the crisis in the handloom sector. First there is the competition from the powerlooms. The importance of powerlooms has increased since 1960s. In the middle of the 1990s, according to the statistics of the Ministry of Textiles, about 56 per cent of the cotton fabrics was produced by powerlooms, about 36 per cent by handlooms and the rest by mills, if other fabrics are also included, the percentages are, 69.23 and 8 respectively. In reality however, it is likely that the share of handloom cloth production is much lower than these figures indicate, since a considerable quantity of powerloom production may enter into the statistics as produced by.

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Shailaja, Naik and Padhya (1996)\(^9\) have found in their study that the odds against handloom weaving in northern Karnataka are many. Lack of adequate raw materials, middlemen, inadequate marketing facilities and lack of training and financial assistance are among them. This calls for imaginative remedial measures. This sector of the Indian handloom industry can flourish if a suitable technology is made available to the weavers in the state. It would generate a positive response from them. The exquisite workmanship of the Andhra Weavers will get its due recognition only with the revival of this sector by putting it on a sound footing. The State Government has to play a crucial role in this task.

Prabhakara Sharma and Joglekar (2002)\(^10\) have emphasized that the area under cotton cultivation in India is the largest in the world. India has the second largest spinning capacity after China in hand weaving sector and a long tradition of producing some of the finest and costliest fabrics in the world. India is the biggest yarn exporter with the share of 28 per cent of the world market and is known for the quality of its fine count cotton yarns. Through the contribution of the state handloom to the Indian culture as well as to the national exchequer presents a satisfactory picture. An insight into the socio-economic and working conditions of the weavers is tough one. At present, most of the weavers are leading miserable life for which the main reason is due to improper technology and also the fruits of the industry are actually grabbed by the middlemen.

Mubarak Ali (2004)\(^11\) has emphasized that the handloom industry is today in doldrums. The weaving community is feeding the finch in every aspect of their working life, be its production or marketing or finance or anything else. The community has been today pushed to the mercy of the government. The government


has been taking necessary efforts to help the industry in every possible way in its revival process.

**FINDINGS / SUGGESTIONS.**

The majority of respondent weavers in the district belong to the age groups of 15 to 65 years and even two couple of weavers aged about 75 to 85 years. The handloom industry in the District is in the hands of mostly, adults and the aged. Out of sample respondent weavers male weavers constitute 93.11 per cent and female weavers are 06.89 per cent. Thus men constitute greater proportion than women.

Among the sample weavers, illiterates constitute 31.48 per cent and those with Primary education are 41.64 per cent, 25.57 per cent have Secondary education and 1.31 per cent only are graduates. Thus the weavers are with low educational standards. The respondents have the average family sizes of 04.02. The average family size of independent weavers, master weavers, and weavers under middlemen are greater than that of others. A large number of households belong to the size of 3 to 4 (54.10 per cent) persons and next 5 to 6 (22.95 per cent) persons as family members.

All the sample weavers originally come from weaving community back ground and so have taken up weaving as their occupation but of them 61.64 per cent have opted this profession as an inheritance, 14.43 per cent opted this due to unemployment and remaining weavers, that is less percentage chose only to earn money, for self employment, due to lack of education and lack of investment capacity.

The overall sample survey reveals that the highest percentage of all categories of weavers get annual income of Rs. 8,000/- to Rs - 10,000/- and least percentage of them earn the highest annual income of Rs. 32,000 and above. In case of master weavers the range of annual income is between Rs. 12,000 and above 32,000. Weavers get more surplus amount during busy season and suffer with deficit during normal and slack seasons.
Weavers in the study area, constituting 43.28 per cent live in Terra houses, 32.13 per cent own and rented thatched houses and 24.59 per cent only have their own or rented Pucca houses. Most of the independent and master weavers are living in their own pucca houses. Some of the weavers under middlemen, and labour weavers are living in own as well rented terra houses.

As regards to looms of the total 48.52 per cent comprising of independent weavers, weavers under middlemen and cooperative weavers have only one loom each, 14.42 per cent of weavers have 2 looms except labour weavers. The labour weavers (31.14 per cent) do not have own looms. In case of master weavers, they are the only category of weavers who are highly distributed respondents by number of looms with the highest number of looms from 2 to 13 looms, though they are less in number of all in the study.

Regarding possession of assets, as it is observed, of the total sample respondents, 62.10 per cent have houses of their own and 11.82 per cent possess lands, while 17.93 per cent only possess own looms and equipment. Among all the categories of weavers, very least percentage have live stock and others. The average value of assets of a weaver is Rs. 15,029/- but the amount could not reach all categories of weavers except master weavers. The average value of assets of master weavers only amounts to Rs. 46,000/- where as other weavers are not able to reach even to the range of to Rs. 12,000 on average.

The weaving hours, as observed from an indepth field survey, per 22 sq - meters of production by different types of weavers for different type of products, range from 45 hours to 81 hours. In the case of Cotton, Silk, Zari, Polyester Saris and Dress or CECO materials, the weaving hours range from 69 hours to 81 hours, whereas for other material like shirting, lungees and pattimarpoo cloth, it ranges from 45 to 55 hours.

The high range of profitable product is found to be as the product of the Master weaver, Independent weaver and Co-operative weaver. But in case of weavers under
middlemen and labour weavers it is observed that they are not able to weave good profitable product due to lack of working capital and own equipment. In this case the analysis of variance among types of weavers is large and significantly different.

The operational costs of various products for different types of weavers are almost all, the same. The operational cost per 22 Sq. meter cloth, in case of Silk Saris, Zari Saris, Polyester Saris, Dress Materials and CECO materials ranges from Rs. 1360 to Rs. 1635, but in case of Cotton Saris, Shirtings, lungees and Pattimarpulu cloth, the range is from Rs. 250 to Rs. 840. The operational costs are same to all types of weavers.

Weaving is a traditional activity in the study area. As regards to training programmes it is observed, of the total 305 respondent weavers only 25.25 per cent have undergone training programmes. Of them 7.21 per cent have taken technical training, 8.52 per cent have had design development training, 9.52 per cent have had dyeing techniques training, but it is to be noted that 74.75 per cent of weavers have not been provided training in any one of the programmes. So the study evidently reveals that all the sample weavers belong to weaving community and by birth they imbibe the art of weaving. Master weavers are also providing training if any weaver needs it.

The weaver can not wait for the sale of products for a long time. A weaver spends 7 to 10 days to produce a fabric and wait for another 30 days to sell it and thus his precious labour time and his working capital is held up. This is the problem of an Independent weaver and a Master Weaver. Some times Co-operative weavers face this problem. But the Weaver under Middlemen and Labour weavers are getting wages or advance payment from his master weaver.

In the area of study, 157 (51.48 per cent) weavers have subscribed membership in Co-operative societies. Out of them only 18 (11.46 per cent) weavers sell their product to co-operative societies. The remaining are non co-operative members, so they do not have relation with the society.
As regards to mode of purchase of yarn, 46.15 per cent of respondents comprising of Master Weavers, Independent weavers and Cooperative weavers purchase on credit, while 24.36 per cent on cash and 24.36 per cent both cash and credit. Least percentage of (5.13 per cent) co-operative weavers purchase yarn from agencies. In the opinion of the all categories of weavers except weavers under middlemen and labour weavers, to purchase Yarn directly from market is the best source. Regarding price fixation of a product, cost should be considered. The dependency on price fixation and type of weavers is significant.

Independent weavers, Master weavers and Co-operative weavers opine that they are not getting reasonable profit due to lack of government involvement (24.36 per cent), and competition from power loom products (24.36 per cent), middlemen involvement (19.23 per cent), lack of marketing facilities (15.38 per cent) and very low percentage consider that the cost of production is high and the wages of labour also at higher level.

The Profit / Loss of a product depends on sufficiency of working capital. If the working capital is more, the profit will be at higher level. The profit range per 22 sq.-metre of a cloth of different products is Rs. 140 to Rs. 645/- . The highest profit is acquired from Zari Saris at Rs. 645/- . The least profit is gained from Silk Saris at Rs. 140/-. In this case the relationship between total costs and sale price is calculated. The relation shows positive. When the cost of a product increases, then the sale price also increases.

Hike in price of yarn increases from 12 per cent to 29 per cent during 1997-2005. The same change has not been in wages as well as price of the product. In price of the product, variation is 14 to 21 per cent only. Most of the weavers need fixed capital investment which ranges from Rs. 10,000/- to 20,000/- and working capital range is less than Rs. 10,000 (46.88 per cent) and Rs. 10,000/- to - 20,000/- (31.15 per cent). It is observed that the size of weaving activity in Prakasam District is very
limited. In production, the major problem that is being faced by all categories of weavers is mainly climatic conditions and power shortages.

There are no proper promotional methods in the handloom sector in Prakasam district and no weavers’ group can give advertisements. Very low percentage of weavers would attend the fairs and exhibitions to expose their products. The weavers face the problem of competition from mill and power-loom products on one side and lack of promotional techniques on the other. This creates critical situation to weavers.

Most of the societies are not in a position to supply raw yarn and to provide marketing facilities for its member's product. These co-operative societies have failed to provide continuous work to the members. So, the members of society are compelled to yield to the temptations of middlemen or master weavers. Because of this the weavers have not been in co-operative fold. Of the fascinating factors for weaver under middlemen and labour weavers were firstly, lack of own equipment, secondly, advance payment of middlemen. So the middlemen are attracting weavers by giving advance payments and providing equipments. Consequently, the labour weaver or weaver under middleman is under the shackles of his master.

In recent years, many of weavers ended their lives due to various problems. Some of them starved and some committed suicides. According to the ranking given by the respondents to the above disaster, lack of Government assistance, competition from power loom products, creditors force, middle men involvement etc., are the major causes for these miseries and crisis.

The weaving activity is profitable for some weavers, whereas for others it is not affording adequate profits due to many reasons. Most of the weavers are unable to maintain a good standard of living. Poverty is a common prevalent among weaver households.

Most of the Handloom weavers in all areas are living below poverty line means that there is no proper pucca house, no healthy food, and no clothes. There is
no working or fixed capital investment, not even some piece-meal of projects such as, a workshed-cum-housing and project package schemes are not being provided. They merely perpetuate the existing conditions. There have not been any needed plans on basic requirements of the produce. Facilities such as house, land, food, water and electricity need to be provided in many places. On the other hand, power-looms are getting more usable support from the Government in procuring house, land, food, water, electricity. Natural calamities like, heavy rains or floods or cyclones frequently occur in places like Prakasam district. So the weavers need at least pucca house with continuous electricity. The Government should understand and provide pucca houses under the schemes mentioned above or State Government programmes like "INDIRAMMA" schemes to establish pucca houses, continuity of electricity and drinking water facility. This is very essential need for a weaver. Moreover most of the weavers have looms of their own while some others do not have. So the Government should provide moderate working capital and looms to loom less weavers. This may help weaver to weave independently.

The fixed capital on handloom industry in this district is higher than the working capital. This peculiar situation of fixed capital being greater than the working capital in the handloom industry arises due to the fact that the working capital has been scarce. This is due to the non availability of institutional sources for the weavers to secure finance towards working capital. The weavers depend more on their own sources for the fixed capital. This infers that the weavers with own capital alone are able to setup own looms. For the working capital, the weavers depend on their own sources, moneylenders and also friends and relatives. Very few institutional sources are there to provide working capital to the weavers.

There are more advantages from fly shuttle from fly shuttle frame looms than the fly shuttle pit looms. The installation of frame looms with jacquards should be encouraged by the support of Government by giving cash credits, wherever the weavers have adequate accommodation in their houses. In addition to that, periodical adequate technical guidance has to be provided by the Government through the office
Assistant Director for Handlooms and Textiles to cope with latest designs and tastes of the consumers.

Cotton is the primary material to produce the fabric. Weaving is a rural and semi-urban production activity and weavers have to go far to get their yarn. Moreover yarn prices are steadily increasing. The availability of hank yarn is necessary in which the basic material from which weaving is done. It is a serious issue because it is controlled by spinning mills, which see more profit in large volume cone yarn. Secondly, since hank yarn is tax free and has subsidies, enormous amounts are diverted to power-loom and to mill sectors. There is a big shortage of yarn for the weavers.

In this case the Government should take a forward step, first to decentralise spinning units in villages where handloom clusters are set up. The units should be enabled to have direct linkage between farmers and weavers, which essentially decrease the cost of yarn and thus the cost of handloom products. Since, the cost of setting up the units is of high investment for a producer, the Government should provide financial assistance or subsidy and support.

Since Co-operative Societies help in maximizing the benefits for weavers in the entire chain of production and marketing, their present condition is a cause of concern. The Co-operative system has utterly failed in selling finished products as the handloom Cooperative system is riddled with corruption and political interference. Many handloom weavers in Prakasam District, though they are not members of these Cooperatives, still make better profits as they all join together forming private limited companies.

The advantages of private limited companies over the Cooperative Societies are: firstly, there is no political interference, secondly, the members of the company are themselves in the responsible position and are partners in the board of company. So they can guide the company in better ways obviously resulting in fine profits, which they share among themselves. Thirdly unlike a Cooperative Society, the private
limited company is not restricted to a particular area and a product marketing company has no limitations or boundaries. Finally, as they maintain clear trading and profit / loss accounts and balance sheet, there is good source of getting loans from commercial banks and other financial institutions. So the weavers though not belong to any co-operative society can make a better living with higher gains than the weavers in co-operative society.

So the Government should give a thought to this and not only stop utilising co-operative societies as primary sources for routing Government funds and schemes but should also seek a better-way for making all the weavers to avail all their schemes, funds and also motivate them to form Independent Private Limited Companies, joining weavers of adjacent mandals.

The weavers in the district also face many problems in marketing of the handloom cloth. These problems are due to the seasonal demand for the handloom cloth, the existence of intermediaries, lack of storage facilities and lack of finance to wait for the reasonable price. All these aspects with regard to marketing need considerable attention by the Government. It has to maintain stocks by purchasing the finished cloth immediately after the production, enabling the weavers to continue the activity. Necessary marketing finance should be provided so that the weavers can wait for the reasonable price. APCO helps the cooperative weavers in marketing their products. Other weavers sell their products either directly or to the dealers. However, the weavers do not have their own marketing outlets which can improve their bargaining power.

Handloom products require more visibility. This means better and wider market network, one of exhibitions organized with the support of Government do not suffice. Presently, handloom products are available only in a few places. It is necessary to expand and to develop the market beyond the upper reaches. The view that is domestic demand for Handlooms has no prospects of growth. So the Government should announce to schools and all Government employees to wear
weekly at least one day handloom products, to provide and support good growth to the market.

In case of export, to the W.T.O agreement, on textile clothing there is going to be more free export and import of handlooms and textiles. The handloom sector, as a traditional area, can claim some special packages or discriminatory measures. To protect this kind of production, options and policy measures need to be worked out either by independent institutions or by the Government.

The Handloom product designs and varieties are not today's piece but very ancient. So they need to be protected. Protection options include development of handloom fabrics, markets and registration under Geographical Indications Act. However, more discussion is required on this, if handloom has to come up with design that suit the market preferences and are still to be protected against theft.

During the last 10 years, the budget allocation of Government of India for handloom industry has been decreasing gradually and continuously. The revision is always downward varying between 10 to 20 per cent.

For the last five years the Handloom weavers have been facing crucial problems. Starvation deaths on one side and suicides on the other. Adding more to this misery, the Government of India reduced the budget which had already allotted. So the Government of India should open eyes to provide Budget Revision, enhancement of programmes at least in the years to come and to implement new schemes with proper attention, in view of the weavers’ healthy benefit.

The perception that handloom is an industry dependent on government subsidy needs to go, particularly given that over 80 per cent of the weavers in the State are under master weavers and without any access to government welfare schemes. There is also a need to have an independent handloom policy; now it is part of the National Textile Policy.
Similarly, there is no regulatory mechanism to control prices of raw material such as yarn, dyes and chemicals. Credit facility also needs to be strengthened. Only with such policies can the handlooms survive.

Product or design development should emphasize each region's strengths - for example, tie-and-dye ikat designs of Pochampally or handloom silk saris of Dharmavaram. Projecting an identity for each region can play an important role in capturing larger markets and avoiding infra-industry competition.

It is well known that the wage structure in the handloom industry is very disparate, and depends on factors such as the product and the production channel (cooperative or master weaver). A coherent labour and wage policy is essential if successful marketing practices are to translate into stable livelihoods for the primary producers.

Not only is the handloom industry disparate, but it also has to fight for market space with the mills and powerlooms. This creates imbalances, particularly when powerlooms imitate handloom products in total disregard of the Handloom Reservation Act. Thus, a regulatory framework consisting of civil society and producer groups and state representatives is important particularly given the varied and often clashing interests of the different players. If handlooms and traditional powerlooms are to be revived, a change in the government's thinking is crucial.

There have been several new developments in the Indian economy over the last two decades that need to be taken seriously, and new strategies to deal with the situation have to be worked out. It is such changing conditions that have to be emphasized, rather than simply repeat the dominant perception that the handloom industry has always been on a path of decline, etc.

The needs of the handloom sector as an industry have to be addressed keeping in mind the diversities obtaining at the ground level and the problems faced by primary producers, rather than developed in a top-down fashion. A number of policy
recommendations are based on aggregate data, which do not reflect the radical diversity in forms of organization, production patterns and types of product in each region.

The needs and entitlements of the industry such as credit and yarn support, need to be further examined and analysed. Detailed research into yarn production, yarn availability and the major agents and factors in this process is necessary. Similarly, an objective and detailed assessment of the structure of weaver cooperatives is necessary. Such evaluative exercises will indicate forms of cooperatives suited to responsible functioning among primary producer families, and what the functions of such entities would be. It is also necessary to realize that while specific issues such as product reservations and the hank yarn obligation are vital ingredients of the textile policy and must be systematically pursued, the impact of wider economic reforms (such as industrial and trade policies) on the handloom sector also require research. Only a holistic approach to these interlinked issues will provide an impetus to the growth prospects of the handloom industry.

CONCLUSION

It is hoped that everyone will agree that the handloom industry under the informal sector is one of the major industries that needs immediate care and attention. The handloom sector is next only to agriculture in respect of employment potential and with this declining trend in the handloom sector the problems of unemployment will aggravate.

While the country is depending equally on all the three sectors, i.e., handloom, power loom and the mills to meet the clothing needs, the declining trend in handloom sector is certainly an unhealthy phenomenon. If this trend is allowed to continue then the country with the population increasing at 1.2 crore every year has to suffer for want of cloth.
So the planning people of Andhra Pradesh should realise the importance of handloom sector and allocate the required funds for the upliftment of rural handloom weavers to avoid starvation deaths and the decline in handloom industry.