CHAPTER IX

SUMMARY AND CONCLUSIONS

Handloom industry was a traditional source of occupation for certain castes in ancient India. In Kerala, the main caste engaged in this industry are Chaliyans. They produced excellent fabrics and marketed them all over India. They organised under caste guilds. Fabrics produced by them were superior and had external markets.

This industry began to decline with the advent of British East India Company. Formerly the yarn requirements were met by handspinning. But when the British colonialists penetrated into our economy they made radical changes in the industry as part of their surplus appropriation. Till the first half of the 19th century British East India Company exported handloom fabrics massively to Europe. After the industrial revolution certain technological changes took place in the handloom industry. Britain could produce cheap mill-made yarn and export it to colonial countries.
India too began to import mill-made yarn on a massive scale. As a result handspinning declined and handlooms started consuming mill-made yarn. British colonialists and indigenous capitalists had started so many cotton mills in the major ports of India. All such changes had far reaching impact on the handloom industry. It lost its independence and subsequently became an appendage to cotton mills. The organised cotton mills gradually captured the traditional markets of handlooms all over the country.

Handloom industry in Kerala is organised in diverse forms. They may be classified as organised under the following sectors.

1. Master weavers
2. Petty master weavers
3. Independent weavers
4. Co-operative societies

The master weaver sector consists of highly efficient individual entrepreneurs capable of changing designs, opening new markets and evolving suitable bargaining techniques. They are rapidly responsive to changing tastes and preferences of the customers. This sector is unlike
the lethargic co-operative sector which lacks any personal initiative in the absence of any personal gain. However, the pattern of development through expanding this sector cannot be recommended on ideological grounds as their activities are based on exploitation of labour and concealing rather than revealing nature of their activities.

Petty master weaver sector consists of those who organise their business with less than 10 looms. This is the distinguishing character of this sector, at least conceptually. In practice it is mostly they who became the part of co-operative sector as their base eroded with the decline of the industry. Independent weavers differ from this sector mainly on account of their operation with only one loom, perhaps with the help of hired labour who work in any of the above mentioned sectors.

The co-operative sector of this industry in fact, does not have an evolutionary history. It stands as a superimposed system by the Government in her attempt to save this industry from total collapse. Naturally, the co-operative sector does not stand on its own feet, but always leaning on the rebate pillars established by the Government. Further, however great the intentions of the
Government behind organising co-operative sector, it stands as a living testimony of rearing a white elephant in the hands of corrupt politicians and bureaucrats.

When the co-operative societies were organised and eventually their operations were co-ordinated under HANTEX, there was the need for a separate institution to co-ordinate the activities of the remaining unorganised segments of the industry. For this purpose Kerala State Handloom Trading Corporation came into being in 1968 which was later to continue its function under the name "Kerala State Handloom Development Corporation". Though this corporation exhibits better organisation and functional efficiency than those of co-operative societies taken individually or HANTEX taken collectively, the effectiveness of its policies are not very much pronounced due to its public sector nature and in its bureaucratic mess.

This study focuses its attention on various problems and prospects of the handloom industry in Kerala with special reference to price, profitability and employment in the industry. This is followed by certain concluding observations.
The handloom industry is part of the textile industry. It is fundamentally different from the mill sector and does not resemble the powerloom sector. So it has to be studied as a separate entity and this is what has been attempted in this work. In the analysis of the development of an industry, one has to take into account the availability of the different factors of production. India has an abundance of human resources with a relative shortage of capital. Western developed economies have always experienced shortage of labour and so, in its development process they tried to substitute capital for labour. India in its process of growth has to make a choice for the use of more labour except wherever this is not feasible. The handloom industry presents a great opportunity for the utilisation of human resources on a large scale. It is an industry which can solve the unemployment problem of India to a great extent.

It is difficult to define this industry in strict economic terms. For instance, it cannot be classified strictly under any of the sectors according to the economies of scale. Some operations manifest the features of a large scale industry whereas others of small scale, cottage or household sectors. The established and rich master weavers
run relatively larger factories. Even then the general features of the industry are closely akin to those of the small scale sectors. Since the total capital requirements are considerably very low, often handloom is considered as a cottage industry. At the same time, considering the features of independent weaver sector, it is a household industry.

Each sector of the industry functions in its own way, though there is considerable interdependence among sectors. The weaver in the co-operative sector who gets yarn from the co-operatives for weaving may also get yarn from the master weavers and do similar works in his loom. Similarly the independent weaver who produces dhoties and towels may sell his finished products to master weavers or petty master weavers. This kind of mutual relationship is a very interesting feature of the handloom industry under study. In this kind of functioning the industry has a source of strength and not weakness.

Handloom industry in Kerala has survived as a traditional industry having its rise before industrial revolution and continuing still as an important sector in the overall economic set up. The reason for this long
period of survival can be seen in the nature of the industry and its workers. The products noted for their quality, workmanship, designs and competitiveness have earned a special niche in the hearts of consumers and this has provided a market which has lasted over centuries. This has not diminished the demand and, as a matter of fact, there has been an increase in the demand for such products within the country and abroad.

It may be seen that price fluctuations of yarns, dyes and chemicals have decreased the profitability in the industry. Along with price hikes the scarcity of raw materials further created problems in the production front. Moreover, the monopolistic position of cotton mills which control production and distribution of yarns restricted the growth of handloom industry.

Under normal conditions, the weavers are able to get at least 5 per cent profit when they market their entire products. Though this percentage of profit is quite satisfactory the weavers are often not able to sell the fabrics due to stiff competition from the mill and powerloom sectors. In this context, co-operative societies and master weavers are compelled to undersell the fabrics below the
normal profit. This state of affairs also cause massive accumulation of stocks in the godowns.

In the State of Kerala, the wage rates are higher than that prevailing in Tamilnadu. So some of the rich master weavers have recently shifted their place of activity to Salem and Erode of Tamilnadu State. From there they are sometimes exporting fabrics to external markets under the label of "Kerala Handlooms".

The majority of the weavers in Kerala Handloom industry are getting an average monthly income between ₹175 and ₹200. This low level of income does not enable the weavers to make both ends meet satisfactorily. Poverty is wide spread among the major weaving castes. The average period of employment in this industry varies from 175 days to 200 days during an year. For the remaining period of the year they are unemployed. The low income and employment levels have badly hit the Chaliya caste more than others. It is because they still keep their caste identity and are unwilling to go for any other job.

Declining profitability and income in the industry often compel the petty master weavers and independent weavers to close down their establishments. When they have
no other means to eke out their living, the only path open before them is joining co-operative societies. It is not the economic security offered by the societies but the subsistence assured to weavers which prompted them to join massively the co-operative societies during the recent past.

The handloom industry studied is multifaceted in organisation and diverse in its working and results. This is one of the industries where the Government has intervened on a large scale to create a co-operative sector. Inspite of this active intervention and encouragement by the Government spread over several decades, the co-operative sector accounts for only nearly 50 per cent of the looms. In Kerala, majority of the societies are either dormant or facing liquidation. Only factory-type societies are functioning satisfactorily. But these societies are accumulating huge stocks in the godowns. Governmental rebates and subsidies are found to be futile. Majority of the working societies are functioning like bureaucratic organisations. They do not have managerial efficiency and marketing skills.

The State Government owes many a crore of rupees to the HANTEX by way of rebate and the HANTEX in turn has to distribute this amount to various co-operative societies.
This has affected the working capital position of the co-operative societies and the level of employment. The politicians who man the top of the societies manage the affairs often to fulfill their vested interests. Misappropriated funds are sometimes routed to illegal channels like black marketing, money lending (blade in the local slang) etc. The misappropriators sometimes make stop gap arrangements to earn an income for the corrupt by using the society's funds in such activities. This is always done under cover.

Based on this study the following recommendations are made:

1. Labour has the feeling of exploitation and insecurity. The weavers are at the mercy of master weavers and co-operative societies who can stop providing yarn which may force them to seek employment elsewhere. Unfortunately there do not exist any social security schemes to protect their income and employment. Government should initiate appropriate social security schemes for the purpose.

2. Since the wage rates prevailing in Kerala is higher than that in Tamilnadu, rich master weavers are migrating to Tamilnadu and exporting fabrics in the
label "Kerala Handlooms". An all India wage policy should be introduced as early as possible in order to control the migration of the industry from one State to another.

3. Many of the master weavers complained that they are not getting sufficient quantity of yarn in right time. Private yarn dealers are creating artificial scarcity and increasing the prices exhorbitantly. So, Government should intervene in the yarn market and should introduce "yarn quota system" to handloom sector at concessional rates.

4. Handloom production, marketing and employment can be considerably expanded, as may be suggested, if we introduce the system of uniforms to school children and employees concerned made of handloom fabrics.

5. The export business in respect of handloom goods is mainly done by private bodies and organisations like the All India Handloom Fabrics Association. The Handloom Development Corporation and the H'NTEX are not getting sufficient orders from the Handloom Export Promotion Council. In this circumstance, it is desirable to set up a joint export promotion wing by
the Handloom Development Corporation and the HANTEX which can devote its attention exclusively to canvassing for foreign orders. It will be necessary to provide adequate financial backing for such a joint export promotion wing to make it functionally competent.

6. Publicity, salesmanship and advertisement on modern lines require urgent attention in order to capture market for this industry within the country and abroad. The vernacular newspaper, Vivith Bharathi and every media should be fully utilised for popularising handlooms.

7. Being a traditional industry, it protects ecology and ensures full employment of human resources. It is in conformity with the emerging idea of creating and protecting self-contained villages keeping everything in check and balance of the nature's order.

8. Propagation of Khadi and Village industries is the crux of Gandhian economics. If the people boycott the mill-made cloths, handloom industry can be revived and employment to millions ensured.