CHAPTER NO-IV

RESEARCH METHODOLOGY

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The present chapter deals with the research methods that have been followed in this study as follows:

4.1 Introduction:

The Textile Industry has a unique place in Indian economy. It is the second largest source of employment next only to agriculture. Millions of people in India, most of whom live in rural and remote areas depend upon textile industry for their livelihood. Thus the healthy development and growth of this industry is of vital importance to our country, particularly when it is passing through an economic crisis.

The textile industry has been divided into two:

1) Organized sector (which includes all the mills.)
2) Decentralized sector (powerlooms & Handlooms).

Powerlooms which belong to the Decentralized sector, plays a significant role in providing employment, producing varieties of textile products, and to a certain extent in earning valuable foreign exchange for our country. There are approximately 12 lakh powerlooms concentrated more in rural and semi-urban areas in India. All these looms together contribute 37.3% of the cloth manufactured in our country.

The important states where the Textile Industry has flourished are Gujarat, Karnataka, Punjab, Tamilnadu & Maharashtra which altogether account for 87% of the total textile production in India.
As regards the decentralised sector of powerloom, these are concentrated in the following cities in India:- Panipat, Salem, Ichalkaranji, Bhivandi, Malegaon, Solapur.

The small countrywide scattered powerlooms provide employment to six million people, mostly from the rural or semi-urban areas, and indirect employment to another two million people. The following are the salient features of the powerlooms:-

1. Low cost of production
2. Dispersion of Industry in Rural & Semi-Urban areas.
3. No burden on the Central Exchequer and

Apart from these features this industry has proved to be a big source of revenue to Central & State Governments.

While writing about the powerloom sector in India we just can’t avoid the reference of famous textile town of Solapur in Maharashtra. Solapur is number two textile centre after Mumbai. It is famous for Jacquard chaddars. There are two composite textile mills more than ‘12’ spinning mills and 28,795 [in 1993] powerlooms and more than 20,000 handlooms in Solapur. Variety of textile products viz. Jacquard chaddars, Towels, Gray cloth, Bedsheets etc., are being manufactured in Solapur.

The powerlooms in Solapur are owned and run by small owners and spread over in different sizes from 2 units (1 unit - 4 looms) to 20 units. 78% of these powerlooms are engaged in manufacturing world famous Jacquard chaddar. It is an unique product manufactured in Solapur.
The chaddar industry is the part and parcel of powerloom sector in Solapur. The Textile Economy of Solapur is dominated by the chaddar Industry which provides employment to more than one lakh people directly and indirectly. In no other place in India or abroad chaddars are manufactured on such a large scale. The average daily production of chaddars in Solapur is calculated as 2,94,295 pieces.

Solapur chaddar has a very long and interesting history. This unique product which is used as a pullover, has been named after Mr. Joseph M. Jacquard (Paris), the person who having modified the earlier machine invented by Mr. Falcon and Mr. Vaucanson, completed his first model in 1801, to produce large figure designs by using large number of warp threads separately. The said machine has revolutionised figure weaving in every kind of cloth. This machine has been used for more than a century with some modifications for manufacturing ornamentation of fabric in various textile industries all over the world. The Solapur chaddar is being manufactured with the aid of the same machine and therefore won hearts of the people world over.

The chaddar industry has contributed valuable foreign exchange to the country’s economy through exports. In the year 1993-94, chaddar worth of Rs. 1092 million were exported. In 1991-92 the export was just Rs. 371.55 million. Thus on the export front as well it has been playing a vital role.

4.1.a Statement Of The Problem:

Today, Solapur textile industry has a prominent place due to an immense contribution made by Chaddar Industry [which is the part and parcel of decentralised sector], which was once to the credit of the
composite textile mills. However, this decentralised powerloom industry is being managed on traditional lines and with conventional methods. The technology and other aspects of management need a face-lift to make this chaddar industry competitive and professional. Efforts have not been made by the Government or other associations and agencies either, in this direction. Even the records of the powerlooms, the updated information on various aspects and concerned details related to technological changes, production outputs and marketing information system have not been cared for and compiled as desired. The researcher therefore felt the need for an organised effort to provide all the above said information, which will act as a guideline for the effective growth of the chaddar Industry in Solapur.

4.1.b Significance of the study:

The researcher is confident that, this research work will become an invaluable document for the powerloom owners in general and the Chaddar Industry in particular and the government agencies related with powerloom industry in Solapur. It is also hoped that, it will act as a guideline for effective management of powerlooms to the entrepreneurs in this business.

4.2 Objectives of the study:

1. To study the organisational pattern, problems and the Government policy towards the Textile Industry in general and powerloom sector in particular.
2. To study the historical background and the growth of industries in Solapur City.
3. To know the various phases of the development of Chaddar Industry in Solapur.
4. To identify the problems in respect of procurement of yarn, fluctuation in the prices of yarn, working capital, marketing and other production related problems of chaddar industry.

5. To understand the manufacturing process and various elements of cost of chaddar manufacturing.

6. To study the economics of chaddar manufacturing with particular reference to its cost elements in order to identify the most feasible and viable size of the units.

7. To explore the possibilities for increasing its market potential both in domestic as well as international market.

8. To suggest the necessary measures for the effective growth of chaddar industry in Solapur.

4.3 Scope of the study :-

The study area of the present research work was restricted to the city of Solapur. In India Solapur is the only place where chaddars are manufactured on such a large scale in powerloom. As regards the subject it is limited to the Growth, Problems And Prospects and Economics of Chaddar Industry in Solapur.

4.4 Methodology :

In view of the above objectives the present research work was carried out with the help of both primary and secondary sources of statistical information, supplied by the Government office, entrepreneurs, corporate bodies, federations, in the study area i.e. Solapur.

The required information to serve the various objectives stated above was collected in a phased manner as follows:
1. In order to study the textile industry in general and powerloom sector in particular different secondary sources were tapped.

2. The information regarding industrial economy of Solapur city was collected through personnel interviews of the officers in Chamber of Commerce and Industries, Industrial Estate, the DIC, M.I.D.C., the textiles mills, powerlooms association. The secondary sources like annual reports, books, articles available on the subject in different libraries from Solapur, Kolhapur and Pune were also referred.

3. In order to know the Development of the Chaddar Industry in Solapur the chaddar manufacturers as well as the experts from Powerloom Association and Dist. Powerloom Co-op. Societies Federation and the officers from TEXPORCIL, BTRA were interviewed separately.

4. The manufacturing process, problems as well as the cost structure of chaddar manufacturing have been studied by the intensive method of interview technique with the help of a structured schedule. A sample of 90 powerloom owners was selected for the same purpose. The selection of the sample was made on the basis of the number of powerlooms under each unit.

5. The problems being faced by the Chaddar industry were also identified by interviewing the chaddar manufacturers, dealers, officers in the spinning mills, and authorities of the Solapur Powerloom Association and Solapur Districts powerloom co-op. societies federation etc.

6. To study the marketing system and the export potential for chaddar, the required information available with the Powerloom Federation, the Directorate of Powerlooms & Handlooms Co-operative Textiles, the
dealers and the Export promotion council, Mumbai has been collected through interviews.

4.5 **Sampling and the selection of powerloom owners:**

In order to select the sample for this survey the random and purposive sampling methods were used as follows:

Firstly, the researcher contacted the Directorate of Handlooms and Powerlooms Co-op. Textiles, Govt. of Maharashtra, Solapur and collected the list of the registered powerloom owners. It was learnt from the said office that, in 1950 powerloom units with 4 looms or less were given the same privilege as handlooms as a result many powerloom units were set up with installed capacity of 4 looms or less. In 1955 a policy of differential excise duty was adopted, powerloom units with less than '5' looms were exempted from excise duty. This gave a boost to the powerloom industry. Powerloom owners started purchasing powerlooms (4 or less) in the name of their family members.

This phenomenon resulted in mushrooming growth of powerloom units with 4 looms or less owned by different members of family or relatives of the same owner.

It is because of this phenomenon of the powerloom sector it is classified as unorganised sector and therefore it was difficult to classify these units into different sizes viz., large, medium and small. In order to have the operational classification of these units into different sizes, the researcher selected '400' powerlooms owners (entrepreneurs) at random and contacted the concerned owners to know the no. of looms owned by each one of their family members but operating under one roof. Secondly with the purposive sampling method out of 400 entrepreneurs, a sample of '90' entrepreneurs, was selected on the basis of number of looms owned by
the different members of the family but working under one roof/shed. This process led to classification and identification of the units into large, medium and small as follows:

**Table No. 4.1**

**Classification of the Respondents selected for the study**

<table>
<thead>
<tr>
<th>Size of unit</th>
<th>No. of loom</th>
<th>No. of Owners / Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>4 to 12</td>
<td>40</td>
</tr>
<tr>
<td>Medium</td>
<td>16 to 28</td>
<td>40</td>
</tr>
<tr>
<td>Large</td>
<td>32 and above</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>90</strong></td>
</tr>
</tbody>
</table>

Out of these '90' entrepreneurs, '6' declined to give the information. The sample of '84' entrepreneurs had 1525 powerlooms or 381 units representing 10% of 914 entrepreneurs (owners) who owned 27364 looms in 1991. Out of these 914 entrepreneurs 40% each had looms from 4 to 12 and 16 to 28 respectively and only 10% entrepreneurs had 32 and above number of looms.

Therefore 40% each of small and medium size units and only 10% of large units were selected for study.

**Period of the Survey:**

After having prepared a structured schedule, which was duly pilot surveyed the survey was conducted between July and Dec. 1991

**4.6 Limitations of the study:**

1) Jacquard chaddar manufacturing industry belongs to unorganised, sector of powerlooms. This itself poses problems of getting the authentic information about its production process. This has created many operational problems in collection of data with particular reference to its
cost inputs. The researcher had to depend on oral information given by the respondents which needed verification and confirmation thus, costing of labour inputs made it a difficult task.

2) All the respondents were rather reluctant to provide necessary information on the cost of production and the profit margin. However they were motivated to rationalise the information given by them.

Inspite of these limitations the present research work is a successful effort in analysing, the problems and economics of chaddar industry in Solapur. This will definitely provide a proper framework for further policy implications for the development of this neglected but employment oriented decentralised sector of powerlooms in Solapur.