CHAPTER NO- IX
SUMMARY, FINDINGS AND SUGGESTIONS

An attempt has been made in this chapter to give a summary of the important chapters alongwith findings and suggestions of this research work.

9.1 Summary:

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 a economic crisis.

The textile industry has been divided into two:
1] Organised Sector [ Which includes all the mills ]
2] Unorganised and decentralised sector [ Powerlooms & Handlooms ]

Powerlooms which belongs to decentralised sector plays a significant role in providing employment, producing varieties of textile products and to a great extent in earning valuable foreign exchange for our country. There are approximately twelve lac powerlooms concentrated more in rural and semi-urban areas in India. All these looms together contribute 37.30 % of the cloth manufactured in our country.

These small countrywide scattered powerlooms provide employment to 6 million people, mostly from the rural and semi urban areas.
These powerlooms are concentrated in the following cities in India. Panipat, Salem, Ichalkaranji, Bhivandi, Malegaon and Solapur.

Solapur is famous for textile industry in general and Jacquard chaddar Industry in particular. There are two composite textile mills, twelve spinning mills and 28795 powerlooms [ in 1993 ] and more than 20,000 handlooms in Solapur. Variety of products viz. Towels, Greycloth, Bedsheets and world famous Jacquard chaddar etc. are being manufactured on these powerlooms in Solapur.

The chaddar industry has contributed valuable foreign exchange to the country's economy through exports. In the year 1993-94 chaddars worth of 1092 million Rs. were exported. In 1991-92 it was just 371.55 million Rs. Thus on the expert front as well it has been playing a vital role. This unique industry in recent years has been facing many problems.

As this industry belongs to decentralised and unorganised sector of powerlooms, no reliable statistics data regarding, the number of powerlooms, variety of products, output, actual problems being faced by this industry or future prospects are available with any Govt. agency/association in Solapur.

The research therefore felt the need for providing all the above said information with organised effort which would help this Industry develop.

Considering the vital role played by the chaddar industry for the industrial development of Solapur and its contribution in terms of employment generation and foreign exchange to the industrial economy of the country, the present research work intends, to study the
"Development Problems and Prospects of Chaddar Industry in Solapur" with following objectives:

9.1.1 Objectives Of The Study :-
1. To study the organisational pattern, problems and Government policy towards Textile Industry in general and Powerloom Sector in particular.
2. To study the historical background and growth of industries in Solapur City.
3. To know the various phases of development of chaddar industry in Solapur.
4. To identify problems in respect of yarn, working capital, marketing and other production related problems of chaddar industry in Solapur.
5. To study the economics of chaddar manufacturing with particular reference to its cost elements and to identify the most feasible and viable size of the units.
6. To explore the possibilities for increasing its market potential in domestic as well as in international market.
7. To suggest the necessary measures for the effective growth of chaddar industry in Solapur.

9.1.2. METHODOLOGY

In order to study the first four objectives secondary sources of data were used.
To study the economies of chaddar manufacturing and the problems of chaddar industry, the data was collected through the Intensive Method of Interview Technique aided by structured schedule.

**Sampling and Selection of Powerlooms:**

The study area of the present research work is Solapur in India in no other place chaddars are manufactured on such a large scale. The Jacquard chaddar in Solapur has taken its name on the international map and therefore dominated the textile economy of Solapur.

In order to select the sample for this survey random and purposive sampling methods were adopted at different stages 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.

In the second stage, in order to have the operational classification of these units into different sizes viz. Small, medium and large, the researcher selected '400' powerloom units, at random and contacted the concerned owners to know the number of looms owned by each one of their family members but operating under one roof.

Thirdly with the purposive method, out of '400' powerloom owners a sample of '90' owners was selected on the basis of number of looms owned by them.

This process led to identification and classification of the units into large, medium and small as follows:
<table>
<thead>
<tr>
<th>Size of the unit</th>
<th>No. of looms owned</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></td>
<td></td>
<td>90</td>
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Forthly, a structured schedule duly modified with a pilot survey, was prepared for the survey. (App.No. 1)

Fifthly, with the intensive method of interview technique the survey was conducted between July and December 1991.

Of these 90 owners '6' declined to give the information. The sample of 84 owners had 1525 looms [owned by these entrepreneurs] representing 10% of the total 914 entrepreneurs available in Solapur in 1991.

An attempt has been made in the following paragraphs to give a brief idea about the Development, problems and prospects of the Chaddar Industry and its Economics, discussed in depth in chapter No. 5, 6, 7 & 8 respectively.

An idea about the Textile Industry in general and powerloom sector in particular and the Industrial Economy of Solapur has been given in chapter No. 1, 2 & 3 respectively.

9.1.3 Development of chaddar industry in Solapur:

In the first section of the chapter the history and origin of Jacquard chaddar is given as follows.
Jacquard chaddar is a unique product manufactured in Solapur. As stated in Chapter no. 3, it is this Jacquard Chaddar popularly known as Solapur chaddar, has taken the name of Solapur on the International map.

As no office or agency had any information about the history and origin of this Jacquard chaddar, the researcher collected this information through the personal interviews of the chaddar manufacturers and the office bearers of the powerloom Association.

Solapur Spinning and Weaving Mills (Juni mills) is the oldest mill in Solapur. It had a technical Institute on the same lines as the current day, research and development. It is said that it's superintendent Mr. So's with the help of one of the workers Allauddin first produced the Jacquard chaddar which is now popularly known as 'Solapur chaddar'. In this respect Solapur owes a lot to Juni mill for giving it a quality chaddar.

Around 1947, this mill was closed down resulting in to a serious setback to the textile working community in Solapur. In order to solve their employment problem, the skilled labour from Juni mills purchased the old powerlooms of the said mill and started manufacturing variety of products on these looms. Jacquard chaddar is one of the products manufactured on these powerlooms.

The pioneer of Solapur chaddars Mr. K.G. Kshirsagar was working under Allauddin master right from 1918 to 1946 in Juni mill. After Juni mill was closed down he started manufacturing chaddars on his own in 1948. His contribution to the development of chaddar industry is vital.
The tradition continued when his son Mr. Rangnath Krishisagar started Kshirsagar Textiles. On similar lines many of the June mill workers started their own units manufacturing chaddars resulting in a rapid growth of this industry since 1953.

In the following paragraphs the researcher has given an idea about the reasons why it is called Jacquard chaddar. In order to produce large figure designs, many exports and technicians developed variety of machines. But the machine/technique developed by Mr. Jacquard a French technician (photograph of Mr. Jacquard App.No. 5A in Chapter No. 5) proved be very effective in producing quality chaddar with large figure designs. It was this machine used for the first time by Mr. So's for manufacturing chaddars in Juni mill. Ever since then chaddar manufactured on such machines have been named after Mr. Jacquard.

The unique characteristics of Jacquard Machine and unique features of Jacquard chaddar have been discussed in the next few paragraphs of the said chapter.

The closure of Juni mill and the government policy of differential excise duty led to proliferation of powerlooms manufacturing chaddars. Its ever growing demand in domestic and international market and the various factors viz. favorable geographical location and climatic condition in Solapur, cheap labour easy availability of the required raw material, low cost of production, contributed to the rapid growth of this industry in Solapur from 1980 to 1990. Therefore with the increase in the member of powerlooms installed the number of looms
engaged in the manufacturing of chaddar too increased. These figures are given in Table No's 5.1, 5.2, 5.3, 5.5 and 5.6 in the said chapter. However since 1991 this Industry is passing through an economic crisis because of the various problems discussed in Chapter 6.

The Jacquard chaddar [Solapur chaddar] has been exported to many countries viz. Saudi Arabia, South Yemen, Peoples Republic of Oman, Dubai etc. In the year 1989 chaddars to the tune of Rs. 95.30 million were exported. This figure has increased to Rs. 1092.96 million in 1993-94.

It is ever increasing. The role of the District Powerlooms Cooperative Societies Federation in the development of chaddar industry is discussed at the end of this chapter.

9.1.4 Problems of chaddar industry:

In the chapter No. 6 most of the problems being faced by Chaddar Industry are discussed, which are as follows:

1] Irregular supply of yarn the important raw material.
2] Fluctuations in the prices of yarn.
3] Fluctuations in the prices of colour and chemicals.
4] Unscientific management
5] Underutilisation of capacity.
6] Inadequate working capital.
7] Inadequate no. of powerloom service centres.
8] Labour problem.
9] Faulty marketing system.
10] Weak bargaining power.
11] Problems related with export
All the above said problems have been quantified and presented with all its implications.

9.1.5 Economics of chaddar manufacturing:

The manufacturing process of chaddar along with all cost elements have been presented in the first half of this chapter.

In the second section the details about the comparative cost of production of three varieties of chaddars viz. Janata, Deluxe and Mayurpankh, manufactured in three different sizes of units viz. Small, medium and large has been discussed.

After having deducted the cost of sales from the market price of chaddar prevailing at that time the resulting profit margin has also been given in this chapter.

The ideal size of the unit which would be most feasible and viable has been identified through above analysis of cost of production at the end of this chapter.

9.1.6 Prospects of chaddar industry:

The chaddar industry which has seen so many ups and downs in the last 50 years is having very good market potential in domestic as well as international market. This is what has been discussed with facts and figures in the chapter no. 8.

The important measures required to be undertaken for increasing export potential are also discussed in the said chapter at the end.
9.2. **Findings**

Following are the findings of the study:

1. It was found that most of the chaddar manufacturers in Solapur had either 4 to 12 or 16 to 28 looms. The owners having 32 or more powerlooms were very limited in number.

2. Manufacturers who had 4 to 8 looms were operating the same themselves, whereas units having more than 8 looms were found to be operating with the hired labour.

3. There are thousands of unregistered powerlooms in Solapur of which there is no record with any office.

4. It was found that 85% of the looms in 1990 were engaged in the production of chaddars. However, this figure has declined to 73% in 1993.

5. It was found that most of the looms installed after 1991 were used for manufacturing towels instead of chaddar.

6. Among the different varieties of chaddars manufactured, most of the (527 out of 1525 sampled) manufacturers were found to be manufacturing Mayurpankh as their major product.

7. Majority of the manufacturers from small and medium size (37 and 24 respectively) were buying yarn from the agents who were found to be harassing them in the season particularly when the prices were high and the supply was irregular.

8. It was found that the fluctuations in the prices of yarn do exert influence on the prices of yarn and marketability of chaddar.

9. In August and September every year the Chaddar Industry faces the problem of shortage of yarn in comparison with other months in the year.
10. Out of sampled '84' respondents, 79 (94%) were working in only one shift, thus not utilising its full capacity.

11. It was found that out of 1525 sampled looms [ owned by '84' respondents ], 1452 [ 95 % ] were more than 10 years old.

12. Most of the manufacturers/owners were either illiterate or under educated.

13. 99 % of the units under study were managed with proprietorship background, many of whom were thus found to be not keeping any record regarding cost, volume, profit etc.

14. It was found that the Reservation Order reserving 22 items including chaddar for the handlooms has created confusion in the minds of the chaddar manufacturers.

15. Almost all the manufacturers except '7' market their chaddars through the agents. Only '7' had their own outlets/showrooms for marketing their products. This ill designed marketing system doesn't earn them good profits.

16. Out of the total cost per piece of chaddar 70% is incurred on yarn and dyeing.

17. Among the different sizes of the units, medium size units having (16 to 28 looms) were found to be more feasible and viable in terms of cost of production and profit earned.

18. It was found that there is no 'Export House' in Solapur which would encourage chaddar manufacturers to export their chaddar.
19. There is only one powerloom service centre for about 30,000 powerlooms which falls short of its requirement in Solapur.

20. Only 2.5% of the total number of chaddars manufactured in Solapur per year are being exported.

21. It was found that the chaddar industry is having good export potential for its products in Holland, Belgium, Sweden apart from the countries where it is being exported today.
9.3 Suggestions

1] Yarn Bank:

The establishment of a yarn bank will stem the problem of irregular supply of yarn that too at reasonable prices. Such a bank has already been set up for the handloom sector in Tamilnadu and is known to control unreasonable fluctuations in the yarn prices.

Moreover like Ichkaranji [In Maharashtra] arrangements must be made to maintain the prices at the same level for fifteen days particularly during August, September every year.

2] Working capital in time:

To solve the problem of working capital 'Co-operative Bank' of the chaddar manufactures should be established to look into the working capital needs of this Industry.

3] Modernisation:

The chaddar industry in Solapur is equipped with second-hand, discarded and outdated loom of Juni Mills. The output and the efficiency of these looms is definitely not up to the required quality standards.

There is an urgent need to modernise this industry to improve the quality of the chaddars. More than anything, if modernisation does not take place in this sector, a segment of the textile industry will lag behind and create an imbalance to the detriment of the industrial economy of Solapur. Finance required for this modernisation should be made available to them by IDBI and other banks.
The process of manufacturing chaddars may be broadly classified into three stages i.e. pre-weaving, weaving and post-weaving.

All these processes need immediate modernisation.

4] **Product Modification:**

As the Jacquard chaddar has to compete with shawls/scarves and blankets in different states, it needs product modification with new features and uses to be introduced.

The chaddar with few modifications in the yarn content, design, size can be introduced as:

- a] Furnishing material
- b] Mats
- c] Table top
- d] Namaz piece or a wall hanging.

In order to compete with the shawl, the chaddars with low weight by using fine yarn i.e. 2/32 and 2/40 could be tailored to the need of the people in the north. The required assistance in this connection may be taken from the powerloom service centre. [BTRA in Solapur]

The Govt. of India has been encouraging the Jute Industry and the industries using Jute fiber. The chaddar industry therefore can use Jute blended with cotton which is equivalent to 1/4 yarn and manufacture Damask or Borchado variety on Jacquard looms. As the chaddars manufactured in Solapur have to compete with the chaddars manufactured on handlooms from Panipat, in addition to shawl and blanket in other states, the above said product modifications introduced in the chaddars under the technical guidance of BTRA (Bombay Textile Research Association) Solapur definitely help the Chaddar Industry develop its prospects both in national and international market.
5] Technical guidance / Training to the operators:

Though the workers in the chaddar industry have basic knowledge of working of the looms, they do not have sufficient knowledge to carry out proper maintenance and repair of the looms. The powerloom units also require technical guidance for product development and evolvement of latest designs. The powerloom service centres set up by the Government Research Association [ BTRA ] Solapur, could offer such services effectively.

As regards the training to the powerloom owners and their labourers the same could be offered either by Solapur powerloom Association or by the same service centre.

6] Reasonable Remuneration to the workers:

The remuneration paid to the workers should be increased to such a level that on one side it should motivate workers to be regular to the work and put their best in increasing their efficiency and on the other side should enable the manufacturers get more profits with increased productivity.

7] Marketing:

For the sustained growth of any commercial sector, a strong dynamic and efficient marketing strategy has to be formulated and followed vigorously. Such measures avoid high inventory and help quicker turnover.

Many of the problems like working capital poor financial position are the result of ill designed marketing system. The chaddar industry [ medium and large units ] therefore should organise itself and should try to market their products through its own outlets or show rooms. They should go for modern means of communication for effective marketing of their
products. Exhibitions, sale promotion campaigns etc. before the season can help them promote their products better.

The small units can't afford to spend huge amount on advertisement or other promotional efforts which needs to spent for owned showrooms or outlets. They should therefore try to market their product through Solapur District Powerloom Federation under one brand. The District Co-operative powerlooms federation has been marketing jacquard chaddars for the past many years. However it needs to put in more efforts for exporting their chaddars as well. This is possible only if all the chaddar manufacturers get organised for the same.

This Co-operative societies federation should help its members export its chaddar as well which will help them earn more profits.

8] Export House:

In order to increase the export of chaddars, an 'Export House' exclusively for the powerloom sector in Solapur in general and chaddar industry in particular should be opened. Because at present only 2.5% of the chaddars manufactured in Solapur are exported when there is good export potential for it in different countries where the climate is more or less same as that of our country.

9] Powerloom Service Centre:

In Solapur for a population of almost thirty thousand powerlooms there is only one powerloom service centre. Having evaluated the working of this service centre the Government should try to improve these service centres. Every centre having 5000 powerlooms should have one powerloom service
centre. In Solapur, therefore five more powerloom service centres should be opened which will offer following services:

a] Workshops/Seminar:

Periodical seminars and the workshops should be organised either by powerloom service centers or the Solapur powerloom Association to educate the chaddar manufacturers on new marketing skills, export marketing and for solving technical and other problems of the chaddar industry.

b] Sample Library:

Sample library of representative qualities sold abroad by the local chaddar manufacturers need to be set up at the powerloom service centre or the powerloom Association for the benefit of chaddar industry to know the quality standards required for export.

10] Participation in commodity fairs abroad:

There are International Fabric and House Hold Textile Fairs organised in Europe, USA and certain south east Asian countries. The chaddar Industry would do well to participate in these fairs where business is done on the spot. This will also help the participants/visitors to know the needs and wants of the customer in these countries.

11] SSI Registration:

Majority of the powerlooms have less than 12 looms with small capital investment. The SSI registration entitles some benefits. The powerloom units should therefore register themselves under SSI Act freely in routine course.
12] **Government Policy:**

To foster healthy development and eliminate unhealthy competition and clandestine trade between the chaddar manufactured on handloom [with reservation of chaddar for handlooms] and powerloom sector, a clear-cut policy of reservation of varieties should be made and all the prevailing confusions must be cleared.