



*Chapter 12:*

## **PROBLEMS OF THE HANDLOOM INDUSTRY**

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The handloom sector in India operates within the larger textile industry. Today powerlooms dominate textile production in India and have encroached upon the handloom sector's traditional market. The steep rise in the yarn prices, diversion of raw materials to the powerloom sector, improper marketing techniques, negative impact of globalization etc. have led to even suspension of production in some areas, destroying the livelihoods of weavers and laying off handloom wage workers. Several new developments in the Indian economy have deteriorated the situation further. The nature and causes of the contemporary crises are discussed in this chapter.

### ***Poor Socio-Economic Condition of the Associated Population and Disruption in Occupation Caused by Partition of Bengal:***

The age-old tradition of the handloom industry of India suffered severe oppression and setback during the British rule. Even after the independence, the concerned industry had to face the sufferings of partition of Bengal. For example, during partition, the tradition of weaving of saris, which was shared between east and west sectors of Bengal, was extremely disturbed and the division of the state for administrative purpose proved fatal. Most of the weavers were displaced and were homeless. Even after they were able to manage shelters for themselves for survival, they were plagued with problems like unemployment, poor economic condition, crisis of migration and consequent rehabilitation in an unfamiliar environment, social alienation and cultural differences.

Even today, more than 60% of the weavers who were surveyed by the author claim to be migrants from erstwhile East Bengal. They have carried their skills along with them and are engaged in the current production process but have failed to recognize themselves at par with the native population. These people are mostly illiterate or are educated only upto a very basic level. Thus, the lack of unity among the weavers coupled with their ignorance of the benefits of organised production acts as major causes for the dispersed nature of the industry and exploitation of the poor weavers by the wealthy ones and the mahajans. The living conditions of the weavers continue to be dismal and they are sometimes even denied of essential social infrastructural facilities.

### ***Organisational Disorders of the Handloom Industry:***

Handloom industry is a major employment generator in the non-agricultural sector of rural India. However, in Nadia district, the industry is primarily a household one, where almost every single member of the family is engaged in the production process. The weavers are mostly poor and fail to avail hired labour from outside. Being members of the same family, most of the workers remain unpaid and thus there is insufficient wage generation at different levels of production. Besides, production pattern is mostly dispersed and decentralized. The weavers are unorganized and lack the necessary financial support, infrastructure and are unaware of the marketing strategies, which would otherwise been available if they were organized under a cooperative or similar societies. A few wealthy moneylenders and the master weavers dominate the scenario. They decide on the type and amount of production. The hired weavers, who are abundant in number, are paid only fixed wages which are quite low. They are thus exploited by the mahajans and master weavers and are unable to enjoy the real profits obtained by selling their products.

### ***Problems in Procurement of Yarn:***

Non-availability of sufficient yarn in the form of hanks has been one of the major problems of the contemporary handloom industry of the Nadia district. Though the mills are supposed to supply about 50% of their total yarn production in the form of hanks to handlooms, it has always been around 20-24%. In addition, there has been gross mismatch between the figures of cloth produced by the handloom sector and the hank yarn received by it. This occurs due to the marketing of powerloom cloth as handloom cloth which is very widespread and takes place with official connivance. Besides, a large amount of yarn in the 20s and 40s count is exported without taking into consideration of the requirement of the domestic market. There is a complaint among the weavers that the N.H.D.C. provides yarn to the weavers only after an advance of 25% of the total amount is provided, which, most of the weavers are incapable to afford.

### ***Technological Issues and Lack of Diversification of Products:***

Hand-weaving is mainly related to cultural heritage, ancient tradition and human skill. It involves indigenous technology and is labour intensive in nature. As already discussed earlier, handlooms can be divided into *primitive looms*, *pit looms* and *frame looms*. In the attempt of technological upgradation, it became common to convert pit looms into frame

looms. Although frame looms are capable of weaving greater volumes than pit looms, they occupy more space. They are also not easy to operate due to increased vibrations while weaving. They cost much more than the pit looms, which are more space saving and health friendly. Besides, pit looms are only capable of making saris of finer counts with intricate designs, that can fetch the weavers higher values for their products. In some areas, handlooms are also converted to powerlooms for immediate benefits. These conversions in the name of modernization or technological upgradation rarely have the welfare of the weavers as their main goal.

The conservative attitude of the weavers and their lack of knowledge about the current fashion and trend of the market lead to insufficient diversification of the products. This hampers the demand and sale of the handloom products and impedes improvement in the standard of living of the associated population. Added to this, the unwillingness of the investors to take risks and to provide incentives to the weavers also affect the situation negatively.

Again, the handloom designs are not well protected. Though there is a recent proposal from the government to patent Tangail, Baluchori and similar handmade saris, it has not yet been implemented and design duplication by the powerloom sector continues.

### ***Credit Needs and Overdependence on Mahajans:***

The current credit facilities available to the weavers are far from satisfactory. The banks and similar financial institutions are less in number and have lengthy and complicated procedures of availing loans. Even those loans made available through cooperatives rarely reach the section that is in real need. The total scenario is dominated by the master weavers and the mahajans who also tend to control a number of cooperative societies and corner a substantial amount of institutional credit. Most of the weavers are found outside the cooperative fold engaging themselves for the master weavers and the mahajans. In the existing scenario, the local master weavers or the mahajans provide consumption loans and advances, which, over time, render the weavers totally indebted.

### ***Competition from the Powerloom Sector:***

Despite all regulations, there is a phenomenal growth in the number of powerlooms especially in the last three decades. In addition to the new powerlooms, in many instances, handlooms are being converted to powerlooms to gain immediate benefits. These are easy to operate and do not require particular skills of weaving. Their production capacity is more than the handlooms and the technology is not labour intensive. Thus, the conversions sometimes render the weavers, especially the hired weavers, jobless. The typical handloom designs are easily replicated by the powerlooms and the products are then sold in the market at a cheaper rate. The common people fail to realize the differences in between the two products and prefer the cheaper varieties. The demand and sale of the handloom products are thus adversely affected and the poor weavers suffer the consequences more.

### ***Failure of the Marketing Organisations:***

There is a significant mismatch between production and marketing of handloom products in Nadia district. The decline of local markets for handlooms is a reality today. The separation of producers from the market has given rise to middlemen who dominate the existing marketing channels. They know the market well and thus are able to make high profits.

The centralized marketing bodies of weaver cooperatives are also malfunctioning. In spite of constant endeavour from the state and the central government, the marketing organizations have failed miserably to attain their goals. Many of the organizations like Bangasree and Manjusha are running on loss and the outlets are closing down. Tantuja and Tantusree are performing better in comparison with others but they too are plagued with various problems like absence of proper planning, ineffective budgeting, financial crisis and accumulating loss, incapability to pay back debts in scheduled time and delay in payment of weavers' dues, paying additional interests, unfavourable settlement of outstanding dues etc. Other problems include indiscriminate procurement of non-moving stock, overstuffing and shutting down of outlets, limited sales in festive season, ineffective marketing and poor sales performance. Money is lost on canvassing, rebates and putting up stalls at handloom fairs. Sometimes the products are outdated and overpriced. Some products are plagued with rural bias. There is also little access to modern designs and technical inputs.

### ***Unorganized Sale of Products with Limited Export Activities:***

Except for the weavers under the cooperative fold, majority of them are uneducated and poor. They work as hired labourers for the master weavers and are only paid limited wages for their products. They have no control over the sales. The main market for the products of the handloom industry of Nadia district is in Kolkata, from where, the products are sent to other national and even international centres. This market is mainly dominated by the master weavers and mahajans. The small scale weavers sell their products at the local haats at a very cheap rate and are thus unable to realize more profits which are otherwise available in the urban markets. Some sell from their homes while a few have their own shops and others sell their products to the local shops instead of direct selling. In all these instances, prices are again comparatively low. These unorganized weavers fail to channel their products to proper markets and reap high profits. Not only that, most of them, to meet immediate financial crisis and clear debts of mahajans, sell their products to the latter even at losses.

Contrary to this, the cooperative societies support export activities. They have proper infrastructure support, trained weavers, stable financial conditions and constant export orders. The cooperatives are run by educated people and the poor illiterate weavers are unable to participate in this profitable affair.

### ***Absence of Reliable Data:***

Most of the weavers engaged in the handloom sector of Nadia district are uneducated. They lack the knowledge of the importance of providing correct information and data when the government surveys are conducted. Sometimes they also provide incorrect information which creates misconceptions in the minds of the policy makers. Paucity of reliable data with respect to number of looms or number of weavers and related productivity is a major shortcoming of the handloom industry of the district.

### ***Ineffective Policy of Reservation for Handloom Sector:***

Since independence, different types of regulations were imposed both on mills and powerlooms to protect the handloom sector from their unequal competition. Following this, in 1950, 8 items of production were reserved both for handlooms and small powerloom units. However, by 1974, almost 90% of the powerloom units were categorized as small units since they had less than 5 looms. The reservation thus, then, actually benefitted the powerloom

sector than the handlooms. To correct this, in 1985, the Handloom Reservation Act was proposed, reserving 22 items exclusively for the handloom sector. However, this could not be properly implemented till 1993 due to the legal disputes posed by the mill and the powerloom sections. To deal with such situation, the Abid Hussain Committee recommended the inclusion of the Act under the Ninth Schedule of Constitution but this was never considered. Following this, the Mira Seth Committee recommended the reduction of the number of reserved items from 22 to 11 and the act was then implemented. This act came into effect in 1993, but there were severe violations. Therefore, inspite of serious requirements, the reservation acts to protect the handloom sector were never been implemented efficiently. Infact, current reports suggest that the reservation policies are uneconomical in the wake of liberalization and thus have to be phased out gradually.

### ***Failure of Welfare Schemes:***

Numerous schemes were introduced both at the state and the central government levels but most of them failed to perform satisfactorily. In 1993, it was attempted to provide looms to loomless weavers but it was a delayed effort. Again when the immediate concern for the weavers was the procurement of sufficient yarn for current production, policies then were directed towards setting up of CAD/CAM Centres and market complexes. Added to this multiplicity of schemes (the Deen Dayal Hathkargha Protsahan Yojana and the Project Package Scheme are conceptually the same) and duplication of efforts by different agencies have been a major problem for the handloom industry of the district. No serious moves have been made for the proper rehabilitation of the poor and the migrant weavers. The workers of this sector, when in need, fail to avail alternate jobs in related sectors.

### ***Failure of Cooperatives:***

The cooperatives are absolutely essential tools for the sustenance and development of the handloom industrial sector. The cooperative experiment has left its own mark on the industry, succeeding in some places and failing in others. The societies of Nadia District, besides their limited areal extent and insufficient number of members, are plagued by many other problems such as:

- **Problem of Human Resource:** The cooperatives are mainly situated in rural areas. They are financially weak and thus it is not possible for them to appoint trained personnels to look after the management. They have to manage with

unskilled and inefficient staff, which leads to deterioration in the quality of production and performance of the societies.

- **Problem of Production:** Co-operatives face major production problem due to unstable and inadequate supply of raw materials. They get the least preference when it comes to raw materials supply, thus hindering the constant nature of production. These fluctuations lead to increase in the prices of the products.
- **Problem of Marketing:** Some cooperatives are extremely weak in marketing and sales promotion. They lack the finance and the capability to undertake aggressive marketing activities, due to which they are unable to increase sales.
- **Lack of Education among Members:** Members lack the knowledge and required education about working in co-operatives. They are unable to understand the principles and methodology of the co-operatives which affect the performance of the societies adversely.
- **Lack of Support from Higher Institution:** The cooperatives of the study area mostly lack adequate support from the higher institutions and are unable to render much help and guidance to the primary and grass roots level organizations and the poor weavers.
- **Lack of Loyalty of Members and Intervention of the Mahajans and Master Weavers:** Many cooperatives have failed mainly due to the selfish objectives of the members, who use the society for meeting their own needs rather than satisfying the objectives of the existence of such organizations. In many cases, the policies adopted by the cooperative are guided mainly by the gains of the master weavers and mahajans, who control the working of the societies. Illegal and unwanted political interventions also hamper the smooth working of the cooperatives.
- **Other problems:** Other problems that need mention are inadequate supervision and inspection, lack of proper planning, lack of audit controls, problem of finance and so on.

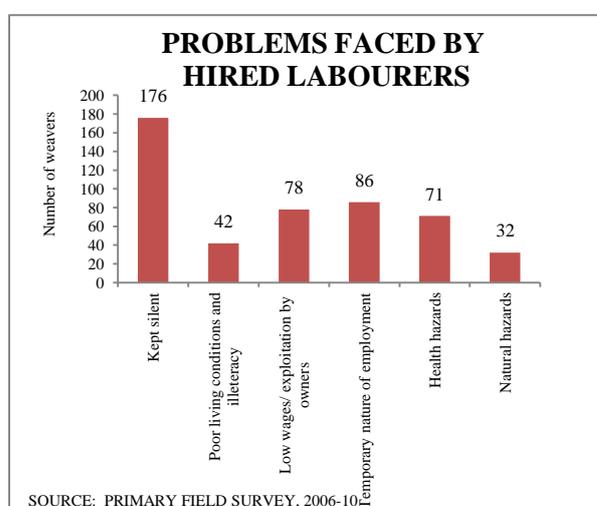
### ***Impact of Globalization:***

With liberalization of country's economy, the modern textile industry has posed serious threat to the traditional handloom industry all over the country and Nadia is no exception. Rapid technological upgradation and automation in modern textile industry has led to high volumes of production of a large variety of quality synthetic and cotton textile items, enjoying competitive advantages over the handloom production in all aspects. The handloom industry, both in co-operative and private sectors, with its vast rural work force, especially of weaver communities, is confronted with challenge of competitive economic environment. The weakening position of handloom sector in the wake of global competition of textile industry has posed a serious threat to the socio-economic life of the traditional weaver communities.

### ***Other Problems of the Handloom Industry as Identified from the Primary Survey:***

The primary survey as expressed in Chapter I in the methodological part of this write-up was conducted for different categories of population associated with the handloom sector. This enabled to identify some critical problems unique to each category.

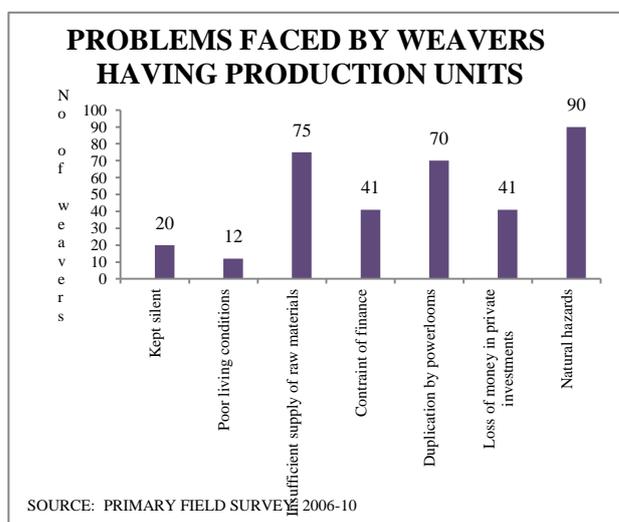
**Fig. 58** is a diagrammatic representation of the problems faced by the hired labourers.



**Fig. 58**

They constitute the majority of the workforce of the handloom industry. They are mostly migrants from erstwhile East Bengal who do not have their own residences. Out of 302 respondents, 176 kept silent about the problems they face regularly. They suffer mainly from temporary nature of their employment, and low wages and exploitation by their employers.

The temporary nature of their employment is due to the variable demand for the handloom products in the market and as such, most of them do not have jobs for more than four months in a year. Hired labourers earn a very low wage of less than Rs. 3000 per month. In spite of that they do not have any option to shift to any other jobs and are severely exploited by their employers. They are mostly out of the cooperative fold and are even denied of some basic requirement to lead a normal life.

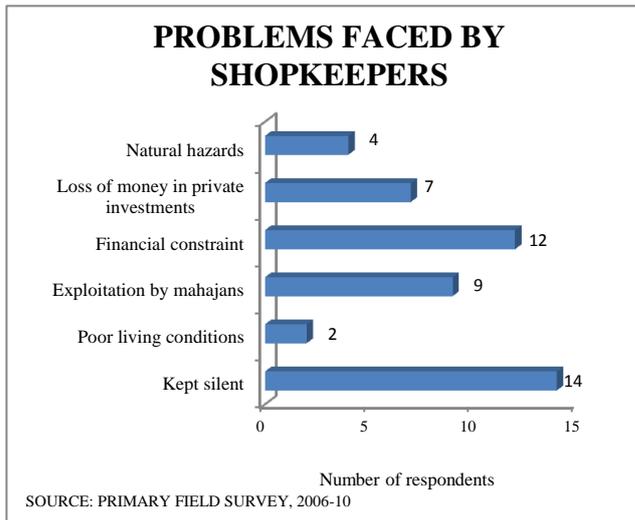


**Fig. 59**

The main problem of the weavers owning the handloom production units are however quite different from those of the hired labourers. **(Fig.59)** They constantly face the problem of disruption of and inefficient supply of raw materials. The designs of their production are generally duplicated by the powerloom sector and the consequent products are sold at a lower rate.

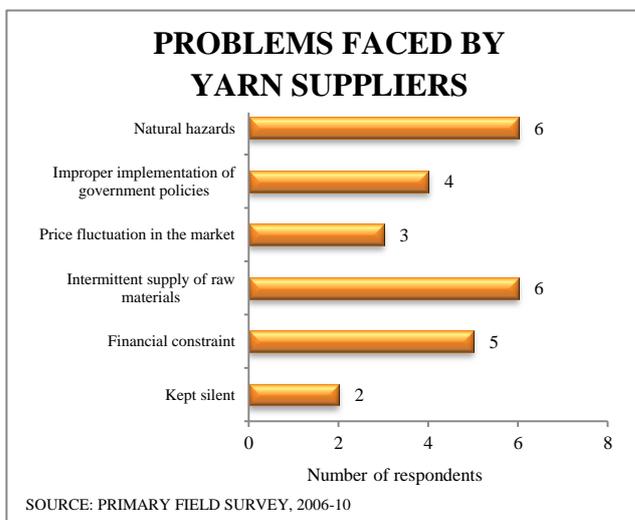
They have financial constraints and a large number of these weavers complained about the loss of capitals when invested in private funding agencies. The natural hazard of flood is another problem faced by this section of population. This hazard not only results in the fall of sale for the handloom products, but poses other serious problems like disruption in production, temporary closure of production units, wastage of finished products and expensive raw materials like yarns and dyes due to water logging, loss of shelters etc. Out of 106 weavers of this category who were surveyed, only 20 kept silent.

The major problems faced by the shopkeepers **(Fig. 60)** selling the handloom products include financial constraints, loss of money in private investments and exploitation by the mahajans. Out of 29 shopkeepers surveyed, 14 kept silent. Most of the shopkeepers have a low level of education and cannot avail the comparatively complicated loan granting procedure of the government financial organizations. Thus they turn to the mahajans for the easy supply of money, but in turn are charged with higher interest rates on the loans.



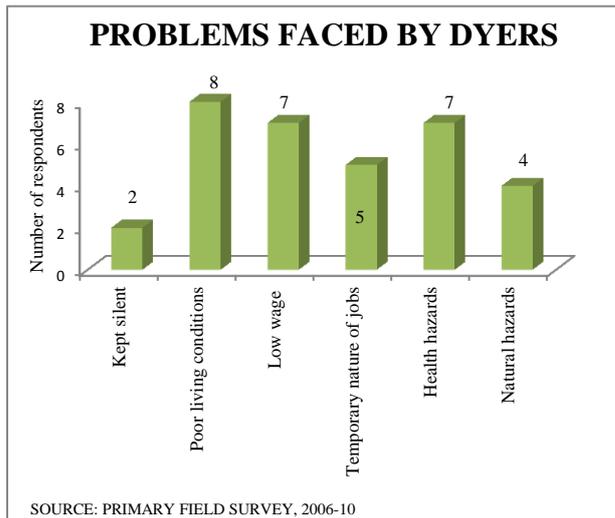
**Fig. 60**

The shopkeepers also complained about the frequent problem of flood hazard. Not only do they have to close their shops or face the problem of wastage of their products, they also fail to avail the insurance amount due to technical complications.



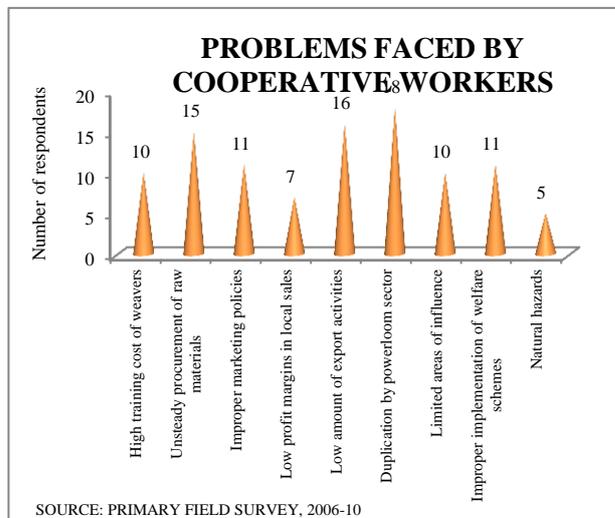
**Fig. 61**

The yarn suppliers and the dyers constitute an inseparable part of the handloom industry of the district of Nadia. Out of 22 yarn suppliers surveyed, 6 of them complained about disruption in the supply of required raw materials, 3 about the price fluctuation in the open market and 5 about the financial constraints (**Fig. 61**). Improper implementation of government policies is another major problem.



**Fig. 62**

Out of 14 dyers surveyed the problems are low wage and poor living conditions. The nature of the jobs of the hired workers is temporary, based on the demand for the concerned products. The workers also face health hazards like skin and respiratory problems, which might be due to the adverse effects of the chemicals used for the purpose. **(Fig. 62)**



**Fig. 63**

The cooperative workers had problems which were quite different in nature. Out of 22 workers surveyed, 18 complained about duplication by the powerloom sector and 16 about low volume of export activities **(Fig. 63)**. However, they also face the problem of high training costs for the weavers, disrupted supply of raw materials, improper marketing policies, limited implementation of government schemes,

restricted areas of influence and the break in the flow of work caused by natural hazards like floods.