



*Chapter 1:*

**INTRODUCTION**

# INTRODUCTION

## *1.01 Statement and Genesis of Research Problem*

India's passage to industrialization has been significantly based on the cotton textile industry, which has different components- the mill segment, the handloom segment, the "Khadi" segment and the powerloom segment. Handloom industry is largely household based, carried out with labour contributed by the entire family. According to current estimate there are about 4.6 million handlooms in the world, out of which about 3.9 million are in India. The major handloom states in India are West Bengal, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Kerala, Assam, Orissa and Manipur. Taken together, these states account for about 75% of the handloom production in India. Out of these states, in Kerala, Tamil Nadu and Orissa, the industry has attained a matured status, whereas in others, as in West Bengal, it is still a cottage industry. Most of the Indian handloom products are for domestic consumption. According to the Directorate General of Handlooms, only 1.3% of the working looms produce for export markets.

At the time of India's independence in 1947, West Bengal occupied a pivotal position in the industrial sector of the country. However, with time, it gradually lost its supremacy and headed towards economic doldrums but for a remarkable phase of agricultural development which began in 1980's. This phase also brought a significant growth of rural industries along with it. Presently, rural industries stand next to agriculture in terms of employment generation. West Bengal ranks second in India in terms of absolute number of household industry workers.

The Economic Census of Government of India states that the number of rural manufacturing units of India increased sharply from 0.34 million in 1980 to 0.48 million in 1990 and 0.53 million in 1998. The employment also went up from 0.87 million people in 1980 to 1.25 million people in 1990 and 1.58 million in 1998. The National Sample Survey Organization reported that the share of workers in rural manufacturing was highest in West Bengal and increased from 16.15% in 1993-94 to 16.7% in 1999-2000, of which the handloom workers constituted a significant share. This picture should encourage the State Government to take up more and more entrepreneurial role in rural small scale manufacturing industries.

A **handloom** is a simple machine, made mainly of wooden or metal frame, that is manually operated and by which weavers create fabric by interlacing the warp and weft threads. By providing tension on the warp threads, a hand loom helps the weaver create the cloth quicker. In the present economic scenario of India, when the dependency on foreign capital and technological knowhow is always increasing, the **handloom industry**, comprising both of cottage and small scale industries, offers a sustainable model with low energy consumption, moderate to low capital costs and extensive skill base. The handloom products are an important component of the export basket of the country contributing substantially to the export earnings even in this era of global competitiveness. Handloom weaving has a long tradition of excellence and craftsmanship. The industry has also adapted itself to modern trends, changes in fashion and keen competition from the powerloom sector. Infact, the strength of the handloom industry lies in introducing innovative designs which cannot be replicated by the powerloom sector. Given sufficient support from the government, the handloom sector can serve a huge internal as well as international market.

The **Nadia district** of West Bengal occupies an important place in the field of handloom industry of the state as well as that of the country. Although the agricultural sector acts as the backbone of the district's economy, handloom industry also plays an important role in this regard. It contributes significantly in employment generation by providing direct and indirect employment to about 2 lakh people of the district. Infact the weavers of the handloom industry of Nadia accounts for 6.96% of the total workers and 60.99% of the total industrial workers of the district. Nadia also accounts for 19.7% of the total Primary Weavers' Cooperative Societies (PWCS) of West Bengal and 21.9% of the weavers of the state under registered PWCS. However, inspite of having an age-old tradition, good future prospects and several measures taken by the government, the weavers of the district are not in favourable condition and their misery continues due to various reasons like interrupted supply of raw materials for production, price hike of yarn, lack of proper marketing facilities and promotional schemes, lack of market awareness among weavers, insufficient financial support, involvement of middlemen, competition from powerlooms, limited area under the support of cooperative societies etc. Except for a few producing centres like Fulia, Santipur and Nabadwip, which have active support from the cooperative societies, this adverse situation prevails everywhere and demands thorough investigation into the problems and suggestions for plugging the loopholes. These factors initiated the thinking for undertaking

the present research work. The study shall unravel not only the status of the handloom industry but also its impact on the economy of Nadia district in West Bengal.

## **1.02 Review of Literature**

The available literatures regarding the relevant issues like origin, growth and present status and working pattern of the handloom industry in India, Bengal and Nadia, the different schemes and programmes undertaken by the government for the betterment of the industry, the performance of the cooperatives related to the industry, the problems and future prospects of the industry were consulted to gather required information and understand the background and necessity of the present study and also for adopting techniques for further analysis. Different books and reports consulted for the study are:

### **Books:**

James Taylor, in his book '*A Descriptive and Historical Account of the Cotton Manufacture of Dacca in Bengal*' (1851) discussed that in the pre-modern phase, the textile industry of Bengal reached to a great height. Products were sent to different parts of the world including the elite section of the Roman society.

J.C. Sinha, in the '*Economic Annals of Bengal*' (1927), studied the different aspects of contemporary handloom industry, the products and the trading pattern in Bengal. He threw light on the uniqueness of the products and the cultural and economic aspects of the people associated with weaving.

N.K. Sinha, in his work '*Economic History of Bengal, Vol, I*' (1956), wrote about the procedure of raw material procurement, product specialization, production stages and product varieties of Bengal's handloom industry.

M.R. Chaudhuri authored a book named '*The Industrial Landscape of West Bengal- An Economic Geographic Appraisal*' (1971) where he discussed the contemporary economic activities and trends of industrial development and production pattern. He also studied the problems and the needs of the industrial sector of Bengal.

S. Chaudhury, in his book, '*Trade and Commercial Organizations in Bengal*' (1975) stated the popularity of the handloom products of Bengal in the medieval and the post-medieval period. According to him, the riverways played a dominant role in the trading process and procurement of raw material. The industry was a cottage industry where the

whole family took part in the production process. They also practised agriculture along with weaving.

The trend of participation by the whole family in the production process was also emphasized by K.N. Chaudhuri in his work '*The Trading World of Asia and the English East India Company*' (1978). According to him, the industry was totally a rural activity of Bengal. He also discussed the different acts and pacts related to trade of handloom products in the 18<sup>th</sup> century.

S. Arasaratnam described in his book '*Handloom Industry in South-Eastern India 1750-1790*' (1980) the characteristics of weaving, uniqueness of products, trading pattern and trend of production of the handloom industry. He emphasized on the skill and role of traditional methods of weaving in the making of the handloom products.

A.K. Bagchi, in his work '*The Political Economy of Underdevelopment*' (1982), discussed the struggle of the handloom weavers and their economic distress. He emphasized and evaluated different policies of the government for the handloom industry.

Hameeda Hossain authored the book '*The Company Weavers of Bengal*' (1988) where discussions were made about the production trend, policies, trade and problems of the handloom industry of Bengal during the British rule. Emphasis was put on the distress of the weavers due to the wrong strategies and policies of the company.

Sushil Chaudhury discussed in details the past glory, problems and decline in status of the handloom industry and the hazards of Bengal's economy during the colonial rule in his work '*From Prosperity to Decline: Bengal in the Eighteenth Century*' (1995). The negative impact of the British rule on the cottage industrial sector, the problems in the procurement of raw material and the exploiting strategies of the ruling group were mentioned in this work.

Indrajit Ray, in his book '*Identifying the Woes of the Cotton Textile Industry in Bengal: Tales of the Nineteenth Century*' (2009), discussed the organizational pattern, role of middlemen in marketing of handloom products in rural Bengal and the problems of the industry under the British rule. He pointed out the causes for the fall in glory of the industry which attained a world wide fame in the past.

Sushil Chaudhury gave a detailed account of the traits and trading pattern of the Bengal handloom industry in his book '*Prithibir Tantghor*' (2014). In his work he discussed

the evolution, production process and traits, export activities and trading pattern, socio-economic status of the weavers, Role of the European companies and problems of the handloom industry during the phase 1600-1800 A.D.

### **Journals and Reports:**

N.K. Chandra, in his article '*Industrialization and the Left Movement: On Several Questions of Strategy in West Bengal*' published in Social Scientist (October, 1978), has presented an account of the contemporary khadi and handloom industry, the need for sectoral agencies, policy of differential taxation, the displacement of the large by the small scale industry, the wage pattern, political prerequisites and rural industrialization featuring class struggle and cooperative movement during the rising Left Movement.

Abanti Kundu, in her paper '*Pattern of Organization of the Handloom Industry in West Bengal: Part One*' published in the Social Scientist, Vol. 9, August, 1980, has provided a detailed study on the organizational pattern of the handloom industry of West Bengal. She provides information on the ownership pattern, spatial distribution of marketing centres, and trend of product diversification. In the second part of the same article ( October, 1980) discussions are made about the failure of the yarn control, provision of finance, promotion of sales, supply of dyes and other inputs, problems in delay of settlement of claims etc.

Robin Mukherjee, Pronab Kumar Das and Uttam Kumar Bhattacharyya, in their article '*Small Scale Industries of West Bengal, 1971-97*', published in Economic and Political Weekly (November, 1999) have studied the growth and performance of small scale industries of West Bengal from 1971 to 1997, based on the data published by the Economic Review, Government of West Bengal. The publication provides information on the number of new registrations and employment generation in registered small scale industries by districts and also tries to provide a temporal analysis, growth rate and correlation between the number of registered units and employment. Attempts were also made by the authors to examine the districtwise temporal variation in the pattern, though no such clear trend in the inter-district disparity was noticed in this regard during the mentioned period.

Seemanthini Niranjana and Soumya Vinayan, in the '*Report on the Growth and Prospects of the Handloom Industry*', a study commissioned by the Planning Commission for Dastkar Andhra, 2001, have discussed the overview of the industry with special reference to the current trend of working, organizational structure, production pattern, marketing

procedures and export activities, role of the cooperatives, problems, needs and future prospects of the handloom industry. A case study is also made on selected parts of Andhra Pradesh with a comparative perspective on weaving procedures and working of the industry.

Anjali Raj and Siddharth Deva, in their work '*Indian Handlooms: An Uncertain Future*' (August, 2001) has made a detailed discussion on the current problems and uncertain future of the industry. They discuss the problem of unorganized production, exploitation by the middlemen, high dependency on local market, limited export of the handloom products, poor living standard of the weavers etc. Criticisms of different government policies are made and some development measures are offered in the concluding part.

Seemanthini Niranjana, in the '*Appraising the Indian Handloom Industry*' (November, 2001), published in the Economic and Political Weekly, has brought forward the current concerns of the rural handloom sector of India. Other issues like lack of database, its impact on policy formulation are also discussed and suggestions for the future development of the industry are offered on a concluding note.

Kamal Nayan Kabra, in his paper '*Some Issues Concerning Industrialization of West Bengal*' published in the Mainstream, May, 2005, has emphasized the need for the development of small scale and cottage industries in rural Bengal which are primarily based on manual labour and local raw materials. He discusses the limitation of the large scale consumerist urban industrial trend in the current economic scenario of India and highlights the negative impact of capitalist industrialization that benefits a few, not the mass.

In their article '*Scope of Cottage and Small Scale Industries in West Bengal in Early 2000*', published in SSRN, June 2006, Rahul Gupta and Ishita Mukherjee have presented the status and performance of small scale and cottage industries and the challenges that they have to face in the liberalized economy. It was found that though there was active support from different government agencies and policies framed in the favour of infrastructure development, creation of industrial estates, raw material support and marketing, still there was high incidence of sickness, poor management and paucity of finances for proper running of these industries.

Dibyendu Maiti, in his work '*Organizational Morphology of Rural Industries in Liberalized India: A Study of West Bengal*', published in the Cambridge Journal of Economics (2008), has discussed the recent interest on rural industries that derive recognition

out of the limits of agriculture and organized manufacturing sector in employment generation, especially during the post liberalization period in India. Industrial developments of the western and eastern part present contrasting pictures of rural industries, the west relying on modern industrial production, while the east relying on rural industries, manual labour and the ability of rural people. This trend exists even in the era of economic liberalization. He also presents a detailed study on the organizational pattern and trend of transformation in current rural industries in India and West Bengal along with the impact of economic liberalization and production re-organization. He further discusses the production stages and procedures in formal and informal organizations of rural Bengal along with the marketing procedures, role of middlemen and associated problems.

In the '*Annual Report of the Ministry of Textiles, Government of West Bengal, 2008-09*', performances of different schemes relating to employment generation, modernization and upgradation of technology, input, marketing and infrastructural support, publicity for the products, welfare measures of weavers, research and development and development of exportable products were studied. The roles of different organizations supporting the working of the handloom industry were also discussed in this report. Further information was available about different marketing strategies, sale of the products and export status along with the related problems.

Anup De, in the '*Diagnostic Report of Shantipur Handloom Cluster, Nadia West Bengal*' (2009), has studied the evolution, present status, structure, production process, product varieties and government support towards the cluster. He also presents in details the business operation, infrastructure, vision and future action plan, role of the cooperatives and current trend of export activities of the handloom cluster.

Ashis Mitra, Prabir Kumar Chaudhuri and Arup Mukherjee, in their article '*A Diagnostic Report on Cluster Development Programme on Shantipur Handloom Cluster, Nadia, West Bengal*', published in the Indian Journal of Traditional Knowledge, October 2009, have analysed the performance of Integrated Handloom Cluster Development Scheme's performance implemented by the Development Commission for Handloom, Ministry of Textiles, Government of West Bengal, since 2005-06. They highlighted the role of the scheme in building the cluster's capacity to meet the challenges of the market and make it globally competitive. The paper reports on the performance of the Shantipur Cluster

to formulate a sustainable business plan as well as marketing plan to assist a holistic development in the ever-challenging textile business.

In the Report of the *'Weavers' Service Centre, Ministry of Textiles, New Delhi, Government of India, 2009'*, performances of different policies, organizational framework, working policies, performances in regard of procurement of raw materials, production process, design innovation, product diversification, training programmes etc in the mentioned year have been studied.

In the Report of the Shantipur Handloom Cluster, March, 2011, information was provided about institution building, total sales and orders of the cluster, financial sources, limitations and foreign fund support, current performances of different governmental schemes, and production process, product varieties, organizational morphology and different contemporary problems of the cluster.

In-depth study as mentioned in the foregoing literature survey relating to various facets of handloom industry all over India reveals different aspects of the industry. However, it was noted that the study as planned by the author has not yet been undertaken by any person. This initiated the author to undertake the research problem ***"The Handloom Industry and its Impact on the Economy of Nadia District in West Bengal"***.

### ***1.03 The Study Area:***

The district of Nadia in West Bengal extends from 22° 53' N to 24° 11' N and 88° 09' E to 88° 48' E. The Tropic of Cancer, extending from north of Majdia in the east to Bahadurpur in the west, divides the district into two parts. The total area covered by the district has been altered from time to time due to inclusion or exclusion of different regions to or from the district. According to the census report of 1961, the total area of the district was 3908.5 sq. km. In 1971, the altered figure according to the census report was 3927 sq. km. and this value holds even today. The average height of the district is 14m above the m.s.l. There are 4 subdivisions in the Nadia district- Tehatta, Krishnanagar, Ranaghat and Kalyani. The total number of police stations is 19, CD Blocks 17, Municipalities 8 and Notified Areas 2. Nadia has 17 Panchayat Samitis, 187 Gram Panchayats, and 2639 Gram Sansads. There are 1343 Mouzas and 1248 inhabited villages and 6 Municipal Towns. Krishnanagar is the district headquarter.

#### **1.04 Objectives of Research:**

The present study is undertaken to estimate the status of the handloom industry of Nadia District in West Bengal in respect of origin, growth and traditions of the industry, the current pattern of production and product diversification, upgradation and modernization, introduction of new technologies and infrastructural support provided to the industry, the types and socio-economic status of the weavers and associated population, marketing and sale of handloom products, governments' schemes, acts and initiatives and role of the cooperatives for further development of the industry and improvement of the industry's position in both national and global market. Attempts would also be made to assess the role played by this industry on the economy of Nadia district. Performances would be gauged at the block level first and then, studies would be carried out upto the zonal and district level. Such a research work would aid in the further development of the industry and also in the assessment of the role played by the industry in the economic development of the district. All these would help in proper planning for the overall development of the district.

#### **1.05 Methodology:**

Methodology is a way to solve systematically the research problem. To study the different aspects of the handloom industry of Nadia district and its impact on the district's economy, various methodological means were adopted. The present work deals with historical inputs, theoretical studies and empirical investigations. Different government policies of the past and present have profound impact on the performance of the industry and those have been reviewed in details. For the purpose of meaningful investigations, structured interview schedules were prepared and information was sought through direct interviews and field observations. The methodological aspect of the study may be broadly analysed under the following heads:

##### **Creation of Database:**

The study made use of both secondary and primary data.

- a) **Secondary Data:** Secondary data was collected mainly from Handloom Census, District Statistical Handbooks, Primary Census Abstracts, Economic Surveys and related websites. The author also visited offices of the Survey of India, NATMO, Handloom Development Office, Directorate of Handloom, Government of West

Bengal, the Weavers' Service Centres, Municipalities, Gram Panchayats and local cooperatives to collect the relevant information for the research work.

b) **Primary Data:** primary data was collected in two ways.

- 1) **Observation Method:** where the information was collected through own observation without asking the respondent.
- 2) **Interview Method:** where information were gathered through a set of predetermined questions to different categories of population related to the industry. There were two main *target groups*, the first group consisting of those who are **directly related to weaving** of handloom products and the second group consisting of those who are related to the **allied activities** of the handloom industry besides weaving. In Interview Method, **two types of questionnaires** were prepared, one for the *survey of handloom industrial production units* from which information about different aspects of production and related problems were gathered, and the other for the *household survey* from which information about the demographic, socio-economic and living conditions of the associated population were obtained.

Instead of taking the whole population for survey, sample data was collected. Among the various types of sampling techniques, purposive sampling was chosen by the author to accomplish the survey regarding production pattern and socio-economic conditions of the population associated with the handloom industry of Nadia District.

It is interesting to note that the handloom industry is not uniformly spread over the district but occurs in clusters and concentrates in the blocks of Santipur, Ranaghat I and II and Chakdaha in the Santipur Handloom Zone and the primary survey was mainly carried out in the mentioned blocks. Another aspect of the survey is that among the two Handloom Industrial Zones (Santipur and Nabadwip Handloom Industrial Zones), the first was chosen for detailed primary survey. The basic considerations for such a selection are:

- The Santipur Handloom Industrial Zone occupies a dominant position in the handloom industrial scenario of the district.
- The Santipur Handloom Industrial Zone appears to be more representative of the handloom industry of the district.

- The other Handloom Industrial Zone, that is the Nabadwip Handloom Industrial Zone, has more affinity towards the adjoining district of Bardhaman as regards the traits and style of production. Hence this zone was not studied in details.
- The Nabadwip Handloom Industrial Zone has a lesser proportion of handloom industrial workers and is less prosperous than the Santipur Handloom Industrial Zone.

Different categories of population associated with the handloom industry were surveyed in an attempt to obtain a complete picture. The sample structure adopted for the survey is mentioned in **Table 1**.

**Table 1: Sample Structure**

<i>Categories of Surveyed Population</i>	<i>Number of Surveyed Population</i>	<i>Location (Blockwise)</i>
<b>Master Weavers</b>	138	Santipur, Ranaghat I and II and Chakdaha
<b>Weavers ( Hired Labourers)</b>	302	Santipur, Ranaghat I and II and Chakdaha
<b>Weavers ( Owners of Production Units)</b>	106	Santipur, Ranaghat I and II and Chakdaha
<b>Shopkeepers</b>	29	Santipur and Ranaghat I
<b>Mahajans/ Traders</b>	12	Santipur
<b>Designers</b>	5	Santipur
<b>Dyers</b>	14	Santipur and Ranaghat I
<b>Yarn Suppliers</b>	22	Santipur and Ranaghat I
<b>Transport Sector Workers</b>	18	Santipur
<b>Cooperative Workers</b>	22	Santipur
<b>TOTAL</b>	668	

Thus 668 people related to the handloom industry were surveyed directly through questionnaire survey. Added to this, information was obtained about another 455 family members who were directly or indirectly engaged in the handloom sector of the district. Therefore the total sample size is 1123 out of 71134 people who are engaged in handloom

production in the Santipur Handloom Zone. The sample size thus works out to be 1.58% of the total population related to the handloom industry.

**Data Analyses:**

The collected data was classified, tabulated and analysed for the purpose of the study. **The techniques of analysis** include:

- a) *Cartographic Techniques:* This includes charts and diagrams like bar graphs, pie graphs, proportional squares, columnar diagrams etc. Besides techniques of Choropleth Mapping have been used in the relevant sections.
- b) *Statistical Techniques:* Various techniques like Standard Score, Time Series, Location Quotient analysis, Dissimilarity Index, Secular Trend etc. have been applied in the study.



*Chapter 2:*

**STUDY AREA: A GENERAL  
PERSPECTIVE**