Chapter VI

PROBLEMS IN THE BALUCHARI INDUSTRY

6.1. INTRODUCTION:
Baluchari is a pride of Indian Handloom. So before analyzing the problems associated with the Baluchari industry it would be better to consider the situation of Indian handloom at first.

6.2. SWOT (STRENGTH-WEAKNESS-OPPORTUNITY-THREAT) ANALYSIS ON HANDLOOM OF INDIA IN BRIEF:
This type of analysis has become popular in present business management studies. In the present work also SWOT analysis will be very effective for the readers to understand the present situation.

6.2.1. Inner strength of handloom industry:
To trace the history of the Indian handloom the inquiry begins with the records of ‘Rig Veda’. But despite its antiquity Indian handloom industry is by no means primitive or stilted by tradition. The inner strength of the handloom industries depends on following advantages:

1. Easy availability of raw-materials;
2. Availability of skilled labour and

6.2.2. Main areas of weakness of handloom industry:
Main areas of weakness of the handloom industry have their roots in the following disadvantages:

1. Inadequate marketing and research and lack of branding;
2. Less effort in selling and distribution;
3. Highly fragmented structure of the weaving and processing sectors;
4. High internal transport cost due to insufficient infrastructure;
5. Technology obsolescence across the textile value chain and
6. Dependence on brokers and traders.

6.2.3. Opportunities for handloom industry:
Despite the weakness handloom industry of India has some good opportunities which arise from the following factors:

1. Increasing awareness among the customers about the harm caused by the chemicals used by power-loom industry;
2. Handloom products are comfortable to wear and are aristocrat in nature, so customers appreciate them;
4. Indian Government patronizes handloom industry;
5. Availability of plenty of low-cost raw materials in nature;
6. Good political equation of India with U.S. and E.U.;
7. Increasing demand for handloom products from abroad and international buyers’ preference for India after China and
8. Better understanding for buyers’ need due to language advantage.

6.2.4. Problems or threats, which Indian handloom products are facing today:
Some threats which are spreading thorn in the way of progress of Indian Handloom industry, actually come out from the following problems:

1. Competition with power-loom;
2. Non-achievement of high-quality finishing in the products;
3. Less variety and non-availability of ready-made garments;
4. Poor financial strength;
5. Competition with national and international brands;
6. Sudden appreciation of rupee against U.S. dollar;
7. Several international trade blocks and partnership excluding India;
8. Pricing pressure following opening up of quotas and
9. Enhanced competition from other countries similarly constrained by quotas.

6.3. VICIOUS CYCLE OF BUSINESS OPERATION IN BALUCHARI INDUSTRY:
Intense survey within different sectors of Baluchari industry reveals that, this age-old fabulous industry is running along a vicious cycle of business-operation.

PROFIT IS LESS
\[ \downarrow \]
LOW RATE OF CAPITAL INVESTMENT
\[ \downarrow \]
LESS ATTENTION IN INNOVATION
\[ \downarrow \]
LOW RATE OF DIVERSIFICATION
\[ \downarrow \]
DEMAND IS LESS
\[ \downarrow \]
PRODUCTION IS LIMITED
\[ \downarrow \]
INCREASING PRODUCTION COST AND STATIC SALES-PRICE DUE TO HIGH PRICE-ELASTICITY
\[ \downarrow \]
PROFIT IS LESS

If one studies the cycle, the person will find that the most important section of this cycle is the fall of demand. So the demand of Baluchari should be analyzed at the first step.
6.3.1. Factors responsible for less demand of Baluchari in comparison to other substitute commodities in the domestic market:

Many factors influence the quantity of a product, which a business endeavor can sell. Among them, the following three are conspicuous: a) consumer’s preference, b) his/her financial capacity and c) nature of competition in the market.

The demand function shows the functional relationship between the quantity of demand for a commodity and all factors affecting the demand for the same. So one can state that,

\[ Q = f(P_1, Y, P_2, P_3, \ldots, P_n, A, C) \]

Where, \( Q \) denotes the quantity of Baluchari demanded in the market over a specific period of time, \( P_1 \) denotes the price of Baluchari in that period of time, \( Y \) is the income of the buyer, \( P_2 \ldots \ldots, P_n \) are the prices of other substitute goods available in the market, \( A \) is the level of advertising, \( C \) denotes all other factors affecting demand.

6.3.1.1. Consumer behaviour:

Since market demand is directly related to the way consumers are willing and able to act, it is necessary to study consumer behaviour in order to build the theoretical foundations of demand. A rational consumer seeks to maximize his level of satisfaction or utility, with a fixed level of money income and a fixed set of commodity prices. Characteristics of an ideal consumer are the following:

1. A consumer is supposed to have complete information regarding his consumption decisions, options for which may be noted as awareness of:

   a) full range of goods available in the market;

   b) the capacity of each to provide satisfaction or utility;

   c) full market price of each goods and

   d) one’s own income during the time period under consideration.

2. By such information the consumer is able to rank all conceivable combinations of commodities on the basis of the ability of each combination to provide satisfaction or utility and can determine his or her order of preference among them.
3. Ability to rank the goods or to compare among the utility of goods makes the preference pattern of a consumer.

4. The desire to buy a commodity is not enough. The consumer must have sufficient capacity to do so. His capacity depends on the budgetary (income) position, thus he or she has to operate under the budget constraint.

5. The consumer reaches equilibrium and thus maximizes utility when his desire coincides with his capacity.

The present Consumer survey reveals that, Consumers of Baluchari are not aware of the historical value of Baluchari and thus can not identify this commodity as a pride of Bengal. Many consumers even do not know that wherefrom Balucharis are produced. Such ignorance ultimately acts as a hindrance to sales-promotion of Baluchari. This ignorance also indicates that, there is a serious lacuna in advertising section of sales-promotion measures for Baluchari in part of both the Government and the private entrepreneurs.

6.3.1.2. Nature of competition in the market:
Price-elasticity of a commodity depends on the nature of competition in the market. It is a relative measure of the responsiveness of changes in quantity demanded, the depended variable; to the changes in price, the independent variable. As Baluchari is a commodity that has a large number of close substitutes in the market, its demand is highly elastic (Price elasticity of Baluchari is 1.291, as calculated in chapter 5). If the price of the original commodity rises by a modest 2 percent, the quantity demanded of the same may fall by more than 2 percent. It is because; consumers will quickly switch over to substitute products and thus cut back their consumption of the original commodity. So sales-price of Baluchari does not vary with increasing production cost in a compensatory manner. (Mukherjee, 1996)

6.3.1.3. Other factors affecting consumer’s preference pattern:
Customer survey reveals that, consumers who belong to the monthly income group of higher than ₹ 20,000, do not like to purchase Baluchari much due to monotonous design and colour.

And consumers who belong to the monthly income group of less than ₹ 20,000; do not like to purchase Baluchari much due to high price.
6.3.1.4. Reasons behind the opinion of the customers of lower income group
(they think that Baluchari is too expensive to purchase):

From the retail market of Kolkata, it is found that, price of an average Baluchari starts from ₹ 3000. Now let one consider the price range of a close substitute of Baluchari i.e. Brocade Banarasi. Besides the handloom product, power loom-made Banarasis are also available in the market. The price of these power loom products starts from ₹ 1200. The original handloom-made Banarasi ranges from ₹ 3500 to ₹ 6000. So customers from relatively lower income group satisfy themselves by purchasing the power loom-made Banarasi of lower price range. But here the compromise relating to the price factor comes from the fact that this type of cloth is woven with silk thread in “tana” and polyester thread in “bhorna”. As the look of such cloth is gorgeous too, the customer admits such compromise with polyester, as it suits to his/her budget.

Banarasi also has a steady demand market, because it is customary that brides wear this cloth in time of marriage. In case of Baluchari, it is seen that this cloth has no such occasional value in society like Banarasi. And still today, machine-made Baluchari of low price is not available in the market. So the customer base of Baluchari is relatively small and the resultant fact is that, it is less popular.

6.3.1.5. Reasons behind the opinion of the customers of higher income group
(they think that Baluchari is monotonous):

The answer lies in the making process of Baluchari. After preparing a particular design on a graph paper, cards are punched in a stack according to the graph-paper patterns. Pitch-boards of gauge 36 are cut in the following dimension:

32 cm× 6 cm. for jacquard machine of 300 hooks
32 cm× 4.6 cm for jacquard machine of 150 hooks

10,000 to 35,000 punched cards need to be attached in a jacquard machine for an average Baluchari. Each card costs rupee one and design on graph paper costs ₹ 5,000 and up. Thus a specific design costs from ₹ 15,000 to ₹ 40,000. The weavers confess that they are bound to weave the Blucharis with the same design and can not change it for 5 to 7 years. As the profit or surplus in this industry is less, this time period is necessary to compensate the expenditure for one particular design. Baluchari weavers are not trained with the modern techniques of dyeing or colouring the silk threads. They perform the dyeing operation with the help of their own experience.
Thus Balucharis are woven with traditional colours. For such monotonous colour and design consumers with relatively high income group consider Baluchari as an inferior good in comparison to the gorgeous silk-products like Kanchipuram silk of Tamilnadu, machine-made Bengaluru silk etc. In Economics, according to the law of demand, the demand of an inferior good falls with rise in per capita income. (Mukherjee, 2007)

6.3.1.6. Reasons behind the poor demand of Baluchari in comparison to other substitute commodities in the international market:

Demand for Baluchari in the export market is less than other substitute commodities like Banarasi, Kanchipuram etc. Following are the hindrances in the way of export promotion for Baluchari:-

A) **Quality assurance:** Baluchari producers in the private sector are not attached with any type of quality control measures. Consumers of international market are very keen about the high quality of the silk-products. Provision for quality-checks for silk by suitable laboratories and provision for giving feed-back to the producers is insufficient.

B) **Child labour:** While weaving according a complex design the weaver needs a helping hand. The sitting arrangement in a Baluchari loom is not spacious. In such inadequate space a little boy is preferred to an adult person as helper to the weaver. This provision of child labour is a major barrier for Baluchari to be sold in international market.

C) **Variance in production:** International market demands the same quality products to the sample approved by the concerned authority. As Baluchari is hand-woven every product is exclusive. It varies with the hand of weaver to weaver. Even the same weaver can not give the guarantee that he will weave the same quality products everyday. Such way of operation does not match with the demand of the international market.

D) **Pace of work:** By one hand-operated jacquard one weaver can weave maximum 40 saris i.e. (6.5 ×40) m or 260m long cloth in one year. But international market demands e.g. 1,000m long cloth in one week. An example can be cited here. In the year 2000, one businessman, named Do Joseph from Singapore, came to Bishnupur and ordered for 5,000m long Baluchari cloth.
with complex design of ‘aanchal’ to the ‘Silk khadi seva mandal’. The organization needed a time period of one year to meet his requirement. But Mr. Joseph needed the cloth within one month. He returned to Singapore with empty hand. The weavers say that such big orders from the international market come every year to Bishnupur, but the weaving industry can not meet those requirements with their present pace of work.

6.3.2. Factors responsible for the escalating production cost of Baluchari:

The factors can be analyzed under the following heads:

6.3.2.1. High installation cost of loom:

Installation of one jacquard loom for making Baluchari costs as much as ₹ 75000. But installation and running only one loom is not sufficient to generate enough income to meet weaver’s family expenditure. So establishing a shed consisting 5 to 6 looms is not a matter of joke for a poor weaver. Banking policy all over the world is simple. He or she can get more loans who has lot or has enough credibility in the eyes of bank and one is not eligible to get a loan who has nothing to mortgage. Society for self-help group and self employment under Government of West Bengal has started to arrange loan for rural artisans only from 2006. But this scheme has not yet generated much awareness among the Baluchari weavers of Bishnupur. Khadi movement under the supervision of both the Central and the State Government is also very week among the weavers of the Bishnupur region.

So there are a few big entrepreneurs who possess the looms. Most of the artisans are practically loom-labourer. District of Bankura does not have much favourable physical conditions for good harvests around Bishnupur region and the poor people do not have private agricultural land and also don’t have enough resource to meet the expenditure of farming in the red soil. Poor people being unable to finding out any alternate means of livelihood are crowding in the loom- sheds of Baluchari. Such over-crowding in the looms is doing harm to the Baluchari industry in two ways, because it causes increase of production cost of Baluchari and lowering in the wage of an individual artisan at the same time.
6.3.2.2. Inadequate supply of the silk thread with high quality as well as reasonable price:

This problem can be analyzed under following heads:

a. Decline in sericulture: From time immemorial mulberry cultivation and silk-worm rearing were carried on in Bankura, especially in the forest surrounding Bishnupur. Malla kings of Bishnupur encouraged those economic activities. But instead of flourishing in present days mulberry cultivation and silk-worm rearing is dwindling down day by day.

There is a good prospect of growing Mulberry trees in the red soil of Bankura, Birbhum or Puruliya. Silk-moth grows on feeding Mulberry leaves. Thus there is a good potential of producing a large amount of raw silk in the locality. If local raw material is available the cost of producing Baluchari will also lower down. The mulberry species grown in West Bengal can tolerate dryness in soil and produces good amount of leaves in absence of any kind of irrigation. If proper care is taken and irrigation is provided this yield can be double or triple to the present amount. But in the reality, desired initiative in this direction is lacking on part of department of sericulture. In the absence of the local raw material raw silk from mainly China and Bengaluru are capturing the market.

Arjun tree, a common species in the western drier part of West Bengal is the habitat of Tasar (one type of coarse silk) moth. So there is a good prospect of installing large scale Tasar silk industry also. Both the raw material and the weaving expertise is easily obtainable here. In spite of such potential only small initiatives are seen here and there. Sericulture can be used as a powerful tool for the employment generation and economic development in the rural and tribal areas of Bishnupur and the surrounding areas.

b. Inadequate production of silk thread with desired quality: As Balucharis are produced with imported silk thread, the cost of production naturally becomes higher. The imported cocoons produce longer silk thread with better denier. Balucharis are woven with twisted thread along ‘tana’ and un-twisted thread along ‘bhorna’. Some untwisted threads are produced in Malda, but twisted threads are totally imported. The demand market of silk thread in West Bengal is not a small one. It is very surprising that no initiative is being taken in this state to fill the lacuna of the silk-thread market.
A real story of the investigator’s personal experience can be narrated here. In 2005, on the visit of Government silk reeling centre, Bishnupur, the investigator and party met a very energetic officer, Mr. Manna, who helped her a lot in understanding the reeling and spinning process of silk yarn. The investigator was very pleased to observe that how efficiently this centre was serving the local weaver by supplying standardized silk thread. In 2007, the investigator revisited the place and became very sad to hear that Mr. Manna had gone to Vellore for medical treatment of his son who was suffering from cancer. It was also noted that the energetic attitude of the reeling centre was lacking. In 2009, the investigator met a weaver-cum-entrepreneur, Sri Radheshyam Rajak of Bishnupur, at State Khadi Exhibition in Madox Square, Kolkata. He stated that the weavers of Bishnupur are badly suffering from inadequate supply of standard silk thread from local market. When Mr. Manna was in-charge of the reeling centre, they used to buy the thread produced there by giving proper tender. After the ill fate Mr. Manna applied for a transfer and in 2007 he was transferred to the head office at Kolkata. Since 2007 the government Department has sent no officer-in-charge to the reeling centre till date and the efficiency of the centre totally went out. This real story depicts a clear picture of individual effort and institutional indifference in relation to the production of silk thread in West Bengal. Silk-thread bank is very essential for the benefit of the Baluchari weavers, but organized thread banking is still not available in the locality. Provision for quality-checks for silk by suitable laboratories and provision for giving feed-back to the producers is insufficient.

c. Monopoly of the thread trader: One surprising fact can easily be noted in silk business. The price of the silk thread in open market is increasing at a very high rate due to inadequate supply in one hand and in the other hand mulberry cultivation, silk worm rearing and cocoon production is dwindling down, because cultivators are facing loss by not getting proper price for cocoons. Now the question is, how such a dichotomy can exist in an open market at the same time. The answer lies in the existence of a third party, a very harmful strong party, between the cocoon producer and the weaver, or in other words, between the thread-producer and the thread-buyer. This third party consists of a handful of thread-trader who has proved to be the threat-spreader of the silk industry.
Silk cocoons are cultivated quarterly in a year (i.e. each productive period consists of four months). Each time period is called a ‘bond’ in local language. Cocoon production reaches its maximum in the post monsoon season or ‘aghrani bond’. Some rich businessmen spend crores of rupees every year to buy and stock the total silk thread produced in aghrani bond. As the production reaches its maximum the price of the thread becomes its minimum in this period of the year. One, who can stock the thread for the whole year at this time, becomes fortunate. But this fortune never comes in the fate of the weavers. The thread traders stock the silk thread in their godown and boost up the demand market artificially. They control the price of the silk thread and gradually increase its price in the market. The common entrepreneurs and weavers suffer from this thread-business-monopoly.

For this thread monopoly business, weavers are bound to buy the silk thread at a very high price. Their production cost increases. At the same time, the cocoon producers are not getting the benefit of price hike of silk thread in the market, because they are bound to sell their products at a very low price to the trader. This abnormally low price can not yield any profit or surplus for the cocoon reaper and even does not meet their production cost also. All the benefit of the price hike goes to the rich middlemen. In this situation, mulberry cultivation and cocoon rearing is dwindling down.

Now the question arises that, why the cocoon rearers sell their products to the middlemen and not direct to the weaver. This answer lies in another very harsh truth. Mulberry cultivator and the cocoon reaper are very poor. They do not have necessary capital they require. So they borrow money from those middlemen and are bound to sell all their products to them.

6.3.2.3. Problem in designing:
The complexity of the design of a Baluchari is one of the major problems that need attention. Starting from the drawing of the patterns and their layout up to fixing up the shuttles in the loom is a highly complicated and time consuming process. For a typical Baluchari the total cost from paper designing to card punching is between ten to twelve thousand rupees on an average. The weaver has to buy the designs from the designer and thus they have to suffer from the dominating monopoly of the designers.

If computer-designing is introduced, the process will be simplified and will be completed in three to four days instead of one month in the present method. On
completion of the design the entire picture of the sari can be viewed on the screen and therefore the selection of the right colour matching with the design can be possible very easily without incurring any cost towards punching and weaving. Hence the designs will be diversified and at the same time the production will increase. But computerization of the process has been startled for various reasons: i) The process has been halted by the administrative imprudence and ii) The artisans and the private entrepreneurs are reluctant to introduce computer, because they think once the design of Baluchari is created in the computer, the Baluchari will no longer be the proud possession of Bishnupur and it will be created anywhere. If computer-designing can replace the card punching method the cost of production of Baluchari will decrease at a good rate. (Das et al., 1995)

Another problem in this sphere relates to the availability of special graph paper required for the paper designing of Baluchari. The graph paper required is actually a special type of inch-graph paper, where every 0.8 inches length is divided into eight parts along the abscissa and six or eight parts along the ordinate. Such graph papers are not printed in the West Bengal at all. The designers bring these papers from Mumbai by post. Thus the cost of designing slightly increases.

The designers regret that the system of their painting (i.e. the painting of Bishnupur Gharana) is going to be extinct, because there is no formal school or training centre to culture this painting system around Bishnupur. So the designers are not being able to improve their skill as well as they are bound to remain in the small market of Bishnupur and are not able to intrude into the market outside this place. Now the price of paper designing starts from ₹ 5000 only. Once introduced, one design is used for five to seven years in one loom. Thus the demand for the designs is very limited in the local market. If the designers can find bigger market the price of paper designs will go down.

The nationally and internationally famous figures of West Bengal in the sphere of garments-designing are not taking interest in Baluchari till now. If a few of them involves in this famous tradition of Bengal, Baluchari industry will certainly prosper.

6.4. PROCESS AND PRODUCT INNOVATION:
Silk industry in this country needs high quality silk yarn comparable to international standards. The features to be taken into account: a) High neatness, 2) Evenness, c)
High cohesion and d) Tensile strength. In sericulture climate plays a crucial role. So advanced technology developed in temperate countries like Japan may not be suitable for India. It is very urgent to develop suitable technology for tropical region like India.

Modern scientific dyeing process is unknown to the Baluchari artisans, so same monotonous colours are repeated which are not of very high quality. Unscientific, primitive dyeing process is another reason for the defeat of Baluchari by other gorgeous silk of India.

Automatic and semi-automatic jacquard looms should be installed to increase the production.

Baluchari weavers do not know how to use the waste produced during the preparation of the thread. The wastes are used to make different grades of cloth. Some people come from Murshidabad to buy the wastes from the weavers of Bishnupur irregularly and the weavers sell the material to them in negligible price.

Diversification of Baluchari products is also necessary. New products generated by advanced technology will boost up the demand market, stimulate investment opportunities and as a result increased production will lower down the production cost. Lower production cost will result in lower price. Lower price will ultimately increase the consumer base of Baluchari. Then the Baluchari weavers will find bigger market and be able to generate more profits and ultimately this will uplift their living status and boost up the economy of Bishnupur. (Bagchi, 1997 / Yunus, 2006)

Government has imposed tax on Baluchari, this tax is increasing the cost also.

6.5. LESS PROFIT IN BALUCHARI-BUSINESS:
Profit is less in Baluchari business, because of increasing production cost and static sales-price due to high price-elasticity.

In the present buyer's market, the products that would sell are those which are: a) attractive to look at, b) cheaper to buy and c) easier to use - a combination that can be best provided by good design of management. Thus with the support of perfect managerial design, upgraded technology, and proper investment in advertising and marketing, a manufacturing business can expect business-surplus or profit.
6.5.1. Definition of profit:
Before going to analyze the conditions of low profit making Baluchari firms, it is necessary to know what the word profit does actually mean.

1. Profits are a measure of the surplus of business income over expenses.

2. It acts as a regulator of efficiency in business operations. Those who accomplish objectives with the least cost are able to make the maximum profits.

3. Profits influence both the level of resource utilization and allocation of resources among alternative uses. Profits provide valuable signals to the sellers. In fact, if one looks at the industries where the rates of return are the highest, one will generally find that the industries are expanding the fastest. On the contrary below normal profits or rates of return in declining industries illustrate how persistent losses lead to reduction in output and employment.

4. Profit compensates the people for the use of the capital they have invested in a business. It also compensates them for risk taking.

5. A major portion of un-distributed profits is reinvested in business for expansion and diversification. One of the major sources of manufacturer's capital is profit.

6. It is profit or expectation of profit which induce manufacturer to innovate. Profits are the lure that that keeps the economy seeking new and more efficient ways of meeting real and potential human wants.

7. A portion of business profit is taxed away. The revenue from profits is often used to finance many government programmes that lead to social improvement. (Mukherjee, 1996)

6.5.2. Condition of a Baluchari farm in relation to profit:
An average Baluchari-weaver-cum-entrepreneur establishes three jacquard looms in a shed with the support of bank-loans. (the Baluchari shed enjoys domestic electric connection up to three looms, the electric connection becomes commercial if the shed has no. of looms greater than three.) One skilled weaver on an average can weave 70 Baluchari saris by one jacquard loom in a year. On an average the surplus or the
monetary gap between the production cost and the whole-sale price for one Baluchari cloth amounts to ₹ 300.

Thus, yearly income of an average weaver = ₹ (3 × 70 × 300) = ₹ 63,000

Thus the monthly income of the said weaver becomes around ₹ 5,000.

The yearly income generated per loom = ₹ (70 × 300) = ₹ 21,000

Any sensitive person can easily understand that after family-expenses and monthly loan repayment, additional investment for new venture, or expansion in business or any kind of innovation in mere ₹ 5,000 is practically impossible for a weaver.

If the weaver wants to increase his income, he has to produce and sell more products. There comes the importance of proper marketing and advertisement. Since small Baluchari firm is by and large a one man show, the owner is not in a position to bring a highly scientific and professional approach to bear upon his marketing problems. He tends to tackle his problem of marketing on an ad-hoc and amateurish basis. He has no idea of the market slot he can capture, the price at which he should sell his product, the structure of demand, the marketing channels, the market promotional functions and of market and product development. He tends to tackle his problem on the basis of hunches and intuitions which often result in failure.

An example can be cited here. Society for self employment of unemployed youth, West Bengal organized a sale cum exhibition for the self-help groups at 329, V.I.P. road, Kolkata during 1st to 10th February, 2009. There the investigator met a self-help group from Sonamukhi, Bankura with beautiful and high-quality silk-saris. The investigator found that consumers were repeatedly searching for silk-made dress-material for salwar suits, but the group had brought none. On query the investigator came to know that, the weavers from Sonamukhi participated in ‘Vidyasagar mela’ also in the mid November, 2008 at Netaji Indoor Stadium. In that exhibition they failed to sell even a single dress-material. So here in this exhibition they had brought none. The weavers had no idea that customer composition could differ in two cases.

There is another problem also. Today industrial marketing has not only become highly complex and professionalized, it has also become very expensive. It has been calculated that even in our country, the expenditure on marketing constitutes about 30
percent of the final price of a product. The small scale-Baluchari-entrepreneur is not in a position to spend so much money especially where he has to compete with alternative silk-products which are being manufactured in the medium and large scale also.

In addition, there is a psychological resistance amongst the consumers. Consumers, particularly those in international market are doubtful about the quality and continued availability of the silk. Silk Mark Organization under Central Silk Board, Ministry of Textiles, Government of India has brought Silkmark – a quality assurance label for silk from 17th June, 2004. All silk-firms are being encouraged to use this label. But one firm can achieve it by showing a definite level of stock. Due to lack of awareness and not having the required credibility Baluchari firms are not using this label and are lagging behind their competitors in the international market.

6.6. REASONS BEHIND LOW RATE OF CAPITAL INVESTMENT IN BALUCHRI-BUSINESS:

In economic analysis, investment refers specially to physical investment, which creates new assets and thus adds to the firm’s productivity. Investment depends on savings and savings require a sacrifice of current consumption so as to release the resources to finance investment. Investment may be gross or net. Gross investment is equal to net investment plus depreciation.

Baluchari firms have to make one decision at the aggregate level: how to divide their income between consumption and saving. And the income must reach a minimum level for any saving to occur. Saving in other words, reduces the flow of money in the income-consumption cycle. A firm can keep its savings in any financial institution to enjoy the fruits due to interest; or it can invest the saved money for further development of the firm. The firm will incline to only that option which will yield bigger profit in the long run. Business firms make investment in plant and equipment in order to make profits. The following factors usually influence investment decisions:

6.6.1. Profit:

Most investments are financed by borrowed funds. But small firms of Baluchari have little access to capital market. Thus investment is also financed by firm’s internal resources. Such reinvestment or ploughing back of profits is necessary for expansion and diversification. Thus current profit appears to be an important determinant of
investment expenditure. So a Baluchari firm must run in such a way by which it can yield some profit.

6.6.2. The rate of interest:
The rate of interest is the cost of capital to the firm. If the firm borrows the money from financial institution to spend on investment, it has to pay the market rate of interest. As a general rule the lower the rate of interest, the large the number of profitable investment opportunities and consequently, the greater the investment expenditure that firms will like to make. If the Baluchari entrepreneurs are able to borrow money from bank or other financial agencies with simple conditions and low interest rate, the investment for diversification of products will be easier. But the present financial environment is not so convenient for the people engaged in Baluchari industry.

6.6.3. The marginal efficiency of capital:
The stock of capital of a firm at a fixed point of time may be measured in physical units- e.g. no. of machines. As with labour and land there is an average and marginal product of capital. The marginal physical product of capital is the contribution made to the firm's output when the quantity of capital is increased by a single unit. Or in other words, a firm is interested in knowing how much money can be earned by selling the output produced by one extra unit of capital. As the Baluchari weavers are doubtful about the earning that will emerge from the marginal investment of capital, the desire or the propensity of investment is less among them.

6.6.4. Business expectations:
Investment decisions are largely influenced by expectations of the future demand conditions and future cost conditions. If firms have favourable expectations about the amount that they will be able to sell in the future and the price that they will be able to obtain, they will be inclined to invest now to create the capacity to sell in the favourable market that they expect in the future. As in the competitive market (where they are facing competition also with the machine-made cloth) the Baluchari producers do not expect that the price will rise much, they are not very eager to invest.
6.6.5. The cost and productivity of the capital goods:
Like the cost of funds needed for investment expenditure, the price and productivity of the machines being purchased have an influence on the profitability of investment. Any new invention that makes capital equipment more productive will make investment more attractive. For example if the replacement of present jacquard machine by an advanced one makes the cost of production of Baluchari less, this will lead to a burst of investment expenditure to obtain the new capital equipment.

6.6.6. Process and product innovation:
This is a dynamic world characterized by technological progress and growing competition among the business firms. In a competitive world the price of a product has to fall so that the market for it becomes wider and Baluchari is no exception. But it is not enough to produce an old product cheaply so that more people, who could not afford it earlier, may buy it. The development of altogether new products is equally vital.

6.6.7. The level of income:
A high level of national income is likely to stimulate investment and vice versa. Such condition makes the business people more optimistic about the future. At the present situation of international depreciation, like all other industries Baluchari industry also has been affected adversely, because the consumers are not very interested now to buy such a high-priced cloth like Baluchari. (Thirwall, 1994)

6.7. LESS ATTENTION IN INNOVATION:
This section of the vicious cycle can be discussed by the following heads:

6.7.1. Failure to adopt improved rationalized methods:
The rate of development of the Baluchari industry is slow, far slower than is possible. The industry is increasingly unable to pay better wages or lift the standard of living of its associated persons. It happens due to declining demand and production. Following are the reasons behind this slow rate of progress:

6.7.1.1. Lack of education and formal training:
Most of the weavers are less educated. So they are not capable to realize the potential of technological innovation. There is a scarcity of a forward looking industrial
programme that will encourage and accelerate evolutionary growth. Without such programme, the natural talents of the Indian craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor the living standards can be raised. Because those fruits cannot be divided what are not first produced. To prevent rationalization, to stop the processes of modernization is not only illogical, it will force stagnation and retrogression of the Baluchari industry.

6.7.1.2. **Impudence to modernization:**

In large part resistance to modernization derives from a widespread fear of technological unemployment. These fears are ill founded and unjustified. Perpetuation of inefficient, outdated methods, which do not have any opening prospect for the future, has more drastically reduced employment than any modernization could have done. Modernization on the other hand creates employment. Improvements mean more and better products at lower and lower cost price, and result in greatly expanded demands and markets, and thus expanded job opportunities. Reluctance or failure to appreciate this concept is mainly responsible to create obstacle in the way towards improvement. Many of these fears stem from the belief that rationalization is an overnight process, throwing workers out of jobs in masses, as machines and labour saving methods are introduced. On the contrary, rationalizing industry is a relatively slow evolutionary process which takes years. In large parts workers displaced by improved methods will be shifted to other jobs created by the modernization process. Without modernization Baluchari industry, which cling to obsolete equipment are condemned to mediocrity and eventual elimination. This is not to say that hand work and manual skill do not have recognition. They have a permanent place in consumer’s heart. But it is unsound to use hand power for the sake of hand power, when machine power will enable the industry to meet greater demands at greatly reduced cost, and enable the Baluchari craftsmen to produce according to their skills and capacities.

6.7.2. **Failure to generate more entrepreneurs from the weaving section:**

Some important reasons for the slow rate of progress of the Baluchari industry can be summarized:

i. Too little initiative on the part of private sector and
Too much reliance upon Government to take action and Government-purchasing orders.

The investigator is strongly of the opinion that for lasting industrial growth, private initiative should be encouraged to the fullest. The growth of active responsible independent Baluchari firms and a gradual rise of many self reliant small industrialists from the gifted Baluchari artisans will be an important contribution to the social and economic structure of Bankura as well as West Bengal.

While Government’s initiative, controls and guidance will be needed at the beginning of the said farms, the Government should make it clear that it is anxious for the private sector to take the initiative, and firmly intends to withdraw from management control at the earliest possible date.

It can be hoped that the small Baluchari farms will be effective due to flexibility, adaptability, close personal relationship, relative autonomy in administration and low over-head costs.

The unpleasant truth is that, most of the Baluchari weavers are loom-labourer. They do not own their loom. By giving hard toil in the looms owned by other persons, they do not find job satisfaction. Low wage with respect to the toil breaks their heart and their productivity obviously becomes lower.

The Baluchari industry badly needs those entrepreneurs who should perform the following operations:

1) Searching for and discovering new economic information or data;
2) Innovating new varieties of products and production techniques, according to that information and data;
3) Thoroughly investigating and proper evaluation of new economic opportunities;
4) Providing work on basis of time;
5) Making arrangements for utilizing economic resources on the basis of need;
6) Bearing risk or uncertainty and
v) Providing motivation and leadership and accepting responsibilities of the operations.

(Guha et al., 1993 / Gangopadhyay, 1999 / Mukherjee et al., 2003 / Juneja, 2004)

The readers of this work should remember the story of the resuscitation of Baluchari. Under the leadership of these three persons, Sri Subho Tagore, Srimati Kamala Devi Chattopadhyay and Sri Hanuman Das Sarda, a textile designer named Akshay Kumar Das Patranga invented the process to weave Baluchari and under his supervision Sri Gorachand Diyashi, a weaver had woven the first Baluchari by a jacquard loom in 1957. Remembering this real story a question may be asked that, if extinct Baluchari can be revived by effort, why diversification of Baluchari is not succeeding in the present high-tech age of global market. The answer may lie in the absence of leadership.

Readers of this work should not think that combination of wisdom and effort has totally left Baluchari industry. Sri Apurba Kumar Mukhopadhyay, scientist, Council of Scientific and Industrial Research (C.S.I.R) and Sri Partha Pratim Das, engineer, IIT, Kharagpur, jointly tried their best to make designs of Baluchari in digital environment by computer during 1993-1996. They succeeded in their project and Ministry of textile, Government of India approved their project in 1994. According to the given proposal a research centre was to be established in Bishnupur and the modernization of the Baluchari weaving process was to start under that centre. But at the moment a letter came from the Ministry, giving the message of the-then minister Mr. Jalappa according to D.O. no. 4/9/92-D.C.H./Project-I, dated 14th February, 1996. According to that letter, the proposed research centre would be launched in the Weaving Service Centre, Kolkata, instead of Bishnupur. This message broke the heart of the two scientists and they stopped their work in Bishnupur. After this Sri Jafar Ali, famous designer of Banarasi took the two scientists to Banaras to modernize the making process of Banarasi, the strongest rival of Baluchari of Bishnupur. Thus the golden opportunity was snatched by Banarasi from the fate of Baluchari and the responsibility goes to the incompetence and the worthlessness of the Government officials.
6.8. NEED OF PRODUCT DIVERSIFICATION IN BALUCHARI INDUSTRY:

In India silks are used to make a wide range of ladies and men's wear besides saris, like dupattas, salwars, sherwanis, Punjabis, suiting, shirting, tie, caps, handkerchiefs, scarves, dhotis, turbans, shawls, ghagras or lehengas and even in making quilts, bedspreads, cushions, table-cloths, curtains etc. But Baluchari of west Bengal, despite wide demand from national and international market, is used to make only saris. The artisans and the entrepreneurs are reluctant to satisfy the demand of modern consumers and at the same time, they have turned away from the modern technology. Proper Government's scheme to create awareness among the artisans, so that they can improve the marketability of their products and attract more customers both in domestic and international market is lacking. Efforts to make modern ready-to-wear silk garments to attract the customers from the young generation are also lacking. Experiments with raw materials, yarn, fabrics, higher processing such as dyeing, printing, tailoring, packaging, diversification of products as per customer's choice; are practically absent in the traditional silk weaving industry.

The weavers have inadequate information about market and are reluctant to take business risk. In 2009 the investigator has thoroughly surveyed different sale cum exhibitions of handloom items. During this survey the silk weavers and entrepreneurs were asked the following question:-

The question was like this:-- In such exhibition cum sale the weavers can meet their customer directly and can do free business without any middle-men. Despite this opportunity, why have they not brought any dress material or readymade garments made of Baluchari cloth, to meet the existing market demand? They answered that they are not sure about the demand of dress material and ready-made garments of such an expensive cloth. When they are told that many garments- boutiques are doing good business out of such material, they admitted that their knowledge about the market is very limited.

Another problem which they underscored was like this: the whole-seller cum middlemen order for traditional cloth i.e. sari. The weavers invest their limited capital to meet the orders with the expectation of assured returns. The new venture of making dress material and ready-made garments will need some capital for which there are no assured returns. The weavers are reluctant to take risk out of the fear of blockade of
their limited money. Inadequacy of capital and business-surplus leads to lack of confidence in them. When the investigator interviewed the entrepreneurs of the garment’s boutiques, nearly all of them said that, they have no mention-worthy problem in relation to market and capital. They stated that, finding capital is their own headache, and they are quite capable to cope with it. This confident voice can never be heard from a cocoon rearer or a weaver, because the confidence of the boutique people comes from their stock of capital. These people are not bound to sell their products to any specific or limited customer. They enjoy the free access to market. A cocoon rearer does not have his or her own capital. Formal banking systems deny to help them. So they borrow money from the so called ‘Mahajan’ and become bound to sell their products to them in minimum pre-determined price.

One of the close substitutes of Baluchari is Banarasi in the Indian market. Banarasi industry settled in state of Uttar Pradesh has already started to make all type of dress materials and home decoration items to meet the requirements of modern consumers. All types of other silk products are also readily available in the market. If Baluchari industry can not keep pace with the market, it will not be able to increase its demand.

One of the major problems in the way of product diversification is, there remains no direct contact between the weavers and the famous export making garment-factories. Weavers are expert of making good cloth. To make a fashionable ware is not their cup of tea. As a result the process of product diversification is suffering a lot.

Another point in this connection is that, it is not possible for an international cloth buyer to knock at the doors of each and every weaver to fulfill their requirement. For this reason the lump-some orders for cloth slip to the power-loom industry from the handloom industry. Baluchari industry is no exception in this respect.

For all these reasons market of Baluchari could not expand and the demand of Baluchari remains static.

Thus the vicious cycle of the business operation of Baluchari is running unhindered.

6.9. PROBLEMS IN THE KHADI SECTOR:

The problems can be highlighted as follows:
6.9.1. Absence of training centre for Baluchari production:
Among the above mentioned silk-khadi organizations only the first two of Bankura are involved in producing Baluchari. Baluchari production has not yet introduced in districts other than Bankura. The investigator has found that many female entrepreneurs have undertaken their own enterprises especially on hand-batik and block-printing on silk with the help of different schemes of KVIB. NABARD has taken main initiative to train the women. In some cases, graduates from the Government Art College also have come out to start their enterprises to experiment with silk. The investigator is of the opinion that, Baluchari is failing to attract modern sophisticated entrepreneurs of new generation due to total absence of any formal training about Baluchari production.

6.9.2. Controversy on whether the production of Baluchari belongs to khadi or handloom:
Hand-weaving with machine-made thread is called hand-loom and hand-weaving with hand-made thread is called ‘Khadi’. Balucharis are woven with machine-made twisted thread along ‘tana’ and hand-made un-twisted thread along ‘bhorna’. Some untwisted threads are produced in Malda, but twisted threads are totally imported from Bengaluru and China. Thus production of Baluchari does not follow strictly the Khadi-principle.

6.9.3. Absence of proper management and leadership:
In 1950s Sri Hanuman Das Sarda, director of the Bishnupur Silk Khadi Seva Mandal, a centre of the All India Khadi and Village Industries Commission sponsored the Baluchari revival project. His inspiration and the heart-felt effort did a miracle. Under his patronage, a textile designer named Akshay Kumar Das Patranga and Sri Gorachand Diyashi, made the first Baluchari by a jacquard loom in 1957. Remembering this real story a question may be asked that, if extinct Baluchari can be revived by effort of a Khadi-institution, why are such organizations failing to take any significant role in today’s Baluchari-business. The answer may lie in the absence of proper management and leadership.

6.9.4. Comparatively low sale due to high price:
Under the private enterprises, the price of Balucharis sold in Bishnupur is less than the Balucharis sold in Kolkata or other markets due to absence of transport cost. But
according to Khadi cost chart the price of Balucharis sold in any market place within India is exactly same including Bishnupur. This price is obviously higher than the goods sold by the private enterprises. The price of Khadi-goods is higher due to higher wage of the artisans or quality assuring mechanism. But due to this high price Khadi-goods are less popular among the tourists and other consumers.

6.9.5. Comparatively low sale due to absence of modern marketing:
People associated with Khadi organizations regret that Khadi goods are not available at the consumers’ doorstep. A handful of Khadi-outlets even in the metropolis like Kolkata, are suffering from gloomy outlook. So consumers are not attracted to those outlets. They suggest that KVIC and KVIB should make modern shopping mall for Khadi-products to attract the consumers of new generation.

6.9.6. Comparatively low sale due to absence of Government obligation especially in West Bengal:
Many states have passed a rule that Government employees should wear Khadi-products at least for one day in a week. Thus the employees are bound to purchase Khadi-products. But there is no such obligation in West Bengal.

6.9.7. Allegation of corruption:
Some of the Khadi-organizations are cooperatives and some of them are registered NGOs. Artisans and the staffs associated with such NGOs have repeatedly complained about different corruptions to the investigator. Staffs complained that their wage is too low to maintain family expenses. The artisans complained that some organizations do not follow the actual wage chart and the artisan-welfare fund prescribed by KVIC. In some cases they have complained that such organizations are grabbing the money granted by the KVIB (Khadi and Village Industries Board) by different means and are cheating the artisans.

6.9.8. Supply of raw material:
25 percent of the working capital given to the Khadi-institutions by the KVIB is meant for raw material. Entrepreneurs have to purchase the silk-thread from the open market and thus become exposed the evils of thread-monopoly business. They want that KVIB should adopt some protective measures in this respect and should develop direct communication with the thread producers and the weavers.
6.9.9. New financing process by the KVIC:
Since its inception, KVIC (Khadi and Village industries Commission) had financed the khadi programme out of funds received from the Government of India through budgetary resources. But from the later half of the 70s, KVIC adopted alternate avenues. With the support from the Government KVIC with collaboration of Reserve Bank of India introduced the Interest Subsidy Eligibility Certificate (ISEC) Scheme. Under the scheme, the khadi programme implementing institutions bear only 4 percent of the interest charged and the remaining is extended as interest subsidy by KVIC and directly reimbursed to the financial bank. In reality the reimbursement is delayed due to bureaucratic processes. So if bank sanctions a loan of 10 lakh rupees, the debtor has to make fix-deposit of 5 lakh rupees. But the debtor has to submit the audit statement of 10 lakh rupees. Another problem is banks are very reluctant to finance the poor artisans, because they do not have anything to mortgage. This policy of financing through banks is creating many problems to the artisans.

6.9.10. Policy of giving rebate in khadi-products:
Since the price of the khadi-products is higher than other substitute goods in open market, KVIC and the state-KVIBs announces for giving rebate on the products. Later the khadi-grants are utilized for the purpose of reimbursement of rebate on sales of khadi-products. But in reality this reimbursement takes long time due to bureaucratic delay. This blockade of money also creates serious problem for the artisans. KVIC gives rebate for 200 days in a year. Khadi-people suggest that these 200 days should be properly arranged for different states according to local festivals, e.g. they suggest that in West Bengal khadi-rebate should be given in time of ‘Chaitra-Sankrantf’, because during this time of ‘Chaitra-sale’ Bengali people are used to shop vigorously. (Silk Khadi Seva Mandal, 1992 / KVIC Annual Report 2006-2007)

6.10. ROBLEMS IN COOPERATIVE SECTOR AND SELF-HELP GROUPS:
Nature of problems of these two sectors is a bit different from that of Khadi sector discussed earlier. These can be enlisted as follows:

6.10.1. Cooperative Societies:
Only 10 percent weavers among the total no. of Baluchari weavers are included in the cooperative system. The cooperative organizations active in Bishnupur are viz. 1)
Bishnupur Cooperative Weavers’ Society Limited, 2) Bishnupur Baluchari ‘o’ Reshamjata Bastrashilpi Samabay Samity Limited and 3) Bishnupur Tanthin Tantshramik Samabay Samity Limited. The cooperative movement is very weak in Bishnupur. Following are the main reasons for this weakness:

1. Cooperative Societies are suffering from dearth of capital. Banks show hostile attitude to them.

2. Societies are suffering from un-professional marketing system. Woven Balucharis are left unsold. Thus capital is blocked. The money-lenders and the middle-men pay less money for the ordered Balucharis, but they buy all products. In this system marketing is not the headache of the artisans. In the cooperative system artisans have to make connections with the market. As they have no expertise in this section of business, Balucharis are left unsold.

3. Under the societies the weaver-members do not enjoy the benefits of any social protective measure like insurance or pension.

As a whole weaver-members of the societies are unable to maintain the minimum level of living status. So the weavers do not find motivation to participate in cooperative movement.

6.10.2. Self-help groups:
Since 2000-2001 ‘Self-help and self-employment’ schemes have been launched in the urban areas. Since 2006-2007 such schemes have been extended to the rural areas of West Bengal. Under such schemes Baluchari weaving looms have been launched in some places outside Bishnupur like Sonamukhi, Panchmurah, Kenjekura, Changdoba etc. For these groups Government rule is -- 10 percent of the capital should be arranged by the group, 20 percent of the working capital will be granted by Government as subsidy and bank will arrange loan for the rest 70 percent. In addition, bank should demand for no security for loan up to 5 lakh rupees.

In the State Convention of Self-help groups held in January 2009 following points are brought into notice by the associated persons:--

1. Banks are preventing the groups to open their own accounts by putting thousands of lame excuses, like: the groups should procure the signature of the Block Development Officer (B.D.O.), or groups are not eligible to get loan,
unless it belongs to ‘Swarnajayanti Swarojgar Yojana’ (the scheme for BPL people) or simply the bank-authority says that, the bank already has many accounts of such groups, so it is not interested to add such accounts any more.

2. Banks are being involved in many illegal practices. Some bank-authority gives only the portion of Government-subsidy to the groups and keep the rest 70 percent cash credit of the proposed capital i.e. loan payable by the bank itself as security. Thus the group-members can not withdraw the required amount. Some banks even impose interest on the Government-subsidy. Some banks demand for repayment in a hasty manner from the group-members. As a result the business of the groups is harmed. In first week of March, 2009, Srimati Rekha Goswami, minister of the Department of self-help group and self-employment, Government of west Bengal complained that, Government is failing to implement self-employment schemes due to non-cooperation of different banks. She complained that Government has already granted crores of rupees for the approved schemes. Banks are enjoying interests over this money, but are not sanctioning loans to the applicants.

3. In February 2009, the Department of self-help group and self-employment, Government of west Bengal, has announced that among the 9 percent interest imposed by the bank Government will grant 5 percent and the group has to pay only 4 percent interest on loan. But the fact is that, the groups do not face difficulty in paying interest, they are in serious problem in getting loan. Government is unable to realize practical problems and taking wrong steps.

4. In this situation some private micro-finance institutions have entered in the capital-market. In some cases they impose even 24 percent interest and the groups have to take loan from them.

5. Artisans need loans with simple conditions, i.e. without trouble or botheration. But in the present system they are denied to get it. (Gupta, 2007)

6.11. PROBLEMS OF THE WOMEN ARTISANS:
Women artisans are mainly involved with the following activities, associated with weaving of Baluchari:--
1. Boiling the cocoons and spinning or bringing out silk filament from the cocoons;

2. Winding the filament into yarn (better known as ‘re-hanking’) on different ‘latais’ (bamboo-made or wooden spindles) according to varying deniers (a term which denotes the degree of fineness of silk yarn);

3. Boiling of the hanks in caustic-soda solution for an hour for de-gumming (bleaching);

4. Washing, drying and re-winding of the thread;

5. Applying starch to the thread;

6. Stretching the thread length-wise with proper denting between wooden stands;

7. Colouring the thread with different chemical dyes and

8. Winding the processed thread round wooden beams which are then adjusted and fixed with the loom.

Some female artisans are also quite capable of weaving Baluchari also. It has been noted that behind every male weaver three female artisans work on an average. But if we follow the nature of the work-pattern of the female artisans, we will find that they are facing following problems:

1. They are engaged in cooking, house-keeping, bringing up infants and managing all the house-hold affairs in one hand and are operating the aforesaid silk-affairs on other hand. To manage all these they have to work for all day long and do not have any leisure time.

2. As the female artisans work in family-enterprises, they do not get any wage.

3. As the female artisans do not get any wage their work participation is not recognized. Although they are skillful, they are not enlisted as skilled artisans in any of the government schemes. Even in the documents of decadal census they are not included.

4. As the labour of the female artisans is not recognized, their difficulties and problems remain unknown and no Government policy is formulated for their
benefit. They are not entitled to get any social protective measure like pension, any kind of allowances or insurances.

5. Most of the artisan families depend on the hard labour of the female members to survive in the world of poverty. But both the family and the society do not recognize them as earning member. So their health-conditions are neglected and they are suffering from malnutrition and also from many social crimes, e.g. the dowry-system in time of marriage. The investigator found some female artisans in Bishnupur with skin infection caused by the gum (sericin) in the silk-cocoons.

6. Some female artisans who can operate loom and weave Baluchari, they get less wage than her male counterpart.

7. Some female artisans, who have formed cooperative societies or self-help groups, face more difficulties in getting loan than their male counterparts. They are harassed and insulted day after day by the banks. Many banks do not give the statement-book of loan-account to the female-members. As a result it is found that the per capita ratio of taking loans by the females is the least in West Bengal in comparison to other states of India. But in contrast Government document shows that the rate of repayment of loans by the female groups is very good.

Thus the female artisans are prevented to be self-sufficient by their own family as well as their own society and own nation.

The problems in different sectors associated with Baluchari weaving have been highlighted in this chapter. The investigator will try to find out appropriate ways to come out from the problem-world in the later chapter.

OBSERVATION: Intense survey within different sectors of Baluchari industry reveals that, this age-old fabulous industry is running along a vicious cycle of business-operation.

Vicious cycle of business operation in Baluchari industry: profit is less → low rate of capital investment → less attention in innovation → low rate of diversification → demand is less → production is limited → increasing production cost and static sales-price due to high price-elasticity → profit is less.
Factors responsible for less demand of Baluchari in the market in comparison to other substitute commodities in the domestic market:

1. Consumers have no feeling of pride about Baluchari, because they are not aware about the historical and traditional value of Baluchari.

2. As Baluchari has a large number of close substitutes in market, a small price hike will cause big curtail in market demand due to high price elasticity.

3. Customer survey reveals that, consumers who belong to the monthly income group of higher than ₹ 20,000, do not like to purchase Baluchari much due to monotonous design and colour and consumers who belong to the monthly income group of less than ₹ 20,000; do not like to purchase Baluchari much due to high price.

Factors responsible for the escalating production cost of Baluchari weaving:

1. High installation cost of loom;

2. Inadequate supply of high-quality silk thread in reasonable price due to neglect in sericulture;

3. Thread-traders undesired control over the thread market;

4. Problem in designing: The complexity of the design of a Baluchari is one of the major problems that need attention. Starting from the drawing of the patterns and their layout up to fixing up the shuttles in the loom is a highly complicated and time consuming process. For a typical Baluchari the total cost from paper designing to card punching is between ten to twelve thousand rupees on an average. The weaver has to buy the designs from the designer and thus they have to suffer from the dominating monopoly of the designers;

5. Lack of advanced technology and


Thus profit is less in Baluchari business, because of increasing production cost and static sales-price due to high price-elasticity. Less profit is causing harm in Baluchari manufacturing business. Presently the rate of interest, marginal efficiency of capital, situation of cost and productivity of capital goods and also product and process
innovation are not in favour of Baluchari business. As a consequence there remains very low rate of capital investment in the Baluchari business.

Less attention in innovation in Baluchari manufacturing is caused by: a) Failure to adopt improved rationalized methods and b) Failure to generate more entrepreneurs from the weaving section.

Reasons for absence of effort in product diversification with respect to Baluchari manufacturing are as follows:

The artisans and the entrepreneurs are reluctant to satisfy the demand of modern consumers and at the same time, they have turned away from the modern technology. Proper Government’s scheme to create awareness among the artisans, so that they can improve the marketability of their products and attract more customers both in domestic and international market is lacking. Efforts to make modern ready-to-wear silk garments to attract the customers from the young generation are also lacking. Experiments with raw materials, yarn, fabrics, higher processing such as dyeing, printing, tailoring, packaging, diversification of products as per customer’s choice; are practically absent in the traditional silk-weaving industry. For all these reasons market of Baluchari could not expand and the demand of Baluchari remains static. Thus the vicious cycle of the business operation of Baluchari is running unhindered. In addition there are some typical problems exclusive for the Khadi sector, Cooperative sector, self-help groups and the women artisans.

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