Chapter - VII

Findings, Problems and Suggestions
CHAPTER - VII

FINDINGS, PROBLEMS AND SUGGESTIONS

The textiles represent the progress or development which people have achieved in their walk of life towards a civilised and cultured society. They represent the tastes of the people, cultural, economic and sociological status of a particular society. Higher the use of textiles in the form of apparels, greater is the civilisation reached by the people. Textile industry, based on the type and source of power used for their operation, is divided into decentralised and organised mill or factory sector. The decentralised sector can be separated into three sub-sectors. These are handlooms which weave Khadi cloth from yarn spun by hand. Second, there are the handloom units which use yarn spun in the mills. These looms are not powered and are as traditional as those employing takli-spun yarn. Third, there are powerloom units using automatic and non-automatic looms employing a technology not very different from the mills.

In handloom weaving different types of looms are used but most common is the fly-shuttle pit loom. Although, there are some factories or Karkhanas accommodating large number of handlooms, the vast majority are small units, mostly located in the household premises of the weavers. Generally, they have relationships with master weavers who provide them with yarn and help with the marketing of the finished product. The Karkhanas are often in the cooperative sector.
Powerloom units constitute weaving looms operated by power and more commonly operated by hired labour with members of the owner’s family sometimes participating in the production process. Originally, powerloom weavers used second hand non-automatic looms. In recent years, looms have been manufactured exclusively to meet the needs of the powerloom weaver with high degree of sophistication.

CHAPTER - I

WEAVING IN INDIA

The Indian handloom textile industry has an ancient lineage and was renowned since the Indus Valley civilisation of 3000 years BC. The Indian Kings and Moghul emperors made every effort to induce and support most skilful master artisans and workers in different arts and handicrafts to work in the state "Karkhanas". It was observed that throughout the seventeenth century European demand led to a phenomenal expansion of Indian trade in cotton and silk manufactures, as well as raw products. During later part of the seventeenth century and during eighteenth century Indian manufactures and cotton were excluded from the English market. The abolition of East India Company’s monopoly in 1813 and opening up of India to free trade were the prime causes for the devastation of cotton industry. British conquest, imperial policy and competition from lan casher had successfully destroyed the capacity of handicrafts to manufacture high quality of textiles for export.

During both the world wars, there was a reduction in the volume of imported yarn and hardships encountered by handloom weavers due to the shortage of yarn occurring initially during the first world war probably had an
important bearing on the Swadeshi movement and Gandhi’s khadi programme. During mid 1930’s, handlooms began to benefit from the grant of protection given to the mill sector against Japanese competition. Handlooms had also enjoyed an unintended fiscal protection since 1896 by the duty imposed on Indian Mills cloth. Handlooms received an impetus in the second world war and during post-war period they suffered a set back and in 1950 the Government initiated a policy of reservation. As a result sarees dhoties, lungies, chudidars and bedsheets with certain restrictions were reserved for the decentralised sector.

POWERLOOM WEAVING

Little is known of the origin of powerlooms. The Report of the Powerloom Enquiry Committee (1964) found evidence to suggest the first powerlooms were set up in 1904 in Lachaikaranji in Maharashtra State, South of Bombay, when the Jagirdar of that place encouraged weavers to install powerlooms and thereby improve their standard of living. But their number remained insignificant for most of the first half of the century. Kanungo Committee (1954) envisaged a phased programme for the introduction of powerlooms in the handloom sector. These recommendations were not received in right spirit and the same reflected in different states reacting differently to the conversion scheme. The Governments response to the increase to the number of powerlooms from 1950’s onwards to maintain the financial, technical and marketing support of handlooms organised through the All India Handloom Board and at the grassroot level through cooperatives. A Working Group reported in 1964 that 60,000 powerlooms should be introduced in the
cooperative handloom sector and argued that unauthorised powerlooms should be discouraged. This policy was overturned by the recommendations of the Sivaraman Committee in 1974. Sivaraman Committee argued that the excise on powerlooms ought to be raised in order that they could not compete with handlooms and the Government in consequence again decided to penalise the mills equally by not allowing any installation of additional looms and pegging the number of powerlooms at present levels. Apart from the inability of handlooms to satisfy all consumption tastes, the elephantine proliferation of powerlooms continued without any check.

Inspite of the competition of the powerloom sector, after independence, there was a significant growth in the number of handlooms. In 1942, there were 20 lakhs of handlooms and by 1979-80 this figure had increased to 38.55 lakhs. There were discrepancies in the figures, mainly because it was very difficult to know how many domestic looms there were most, of the figures referred to looms in the cooperative sector. At the end of the first five year plan, handloom production was estimated at 1326 million metres and by 1990-91 production was estimated at 4295 million sqm metres (18.7 per cent of the total cloth production).

Powerlooms have also proved formidable competitors to the mills. Their great advantage was that they engaged a technology similar to that of the mills in a decentralised sector environment where they were free from government regulation. Powerlooms erupted into the textile economy in an epidemic form without let or hinderance. The first obvious way in which the mill sector contributed to the growth of powerlooms was that most powerlooms
originally had been in operation in mills. From the beginning of the century, handloom weavers had bought their second hand non-automatic powerlooms from the mills. Since independence perhaps the late 1970's not only the majority of powerlooms but also powerloom weavers had previously worked in the mills. It was observed that some composite mill managements were said to have financed the growth of powerlooms, in order to circumvent excise duty. It was also said that the emergence of the powerloom sector was the product of a lack of consensus amongst mill owners in terms of augmenting a united position with respect to Government policy.

As a consequence of all the above said factors, the production of cloth by powerlooms has increased from 38.6 per cent of the total cloth production (4,802 million sq mts.) in 1980-81 to 14,007 million sq. mts constituting 68.0 per cent of the total cloth production as on 1989-90. The data on cloth production by powerlooms reveals that their share has increased to 69.6 per cent (22,239 million sq. mts.) by 1995-96 and further to 76.3 per cent (16,684 million sq. mts) through there was a decline in absolute terms.

A comparison of production of cloth by both handlooms and powerlooms indicates that the production of cloth by handlooms declined from 25.0 per cent of the total cloth production in 1980-81 to 19.3 per cent by October, 2000. On the contrary the cloth production by powerloom has increased from 38.6 per cent (4802 million sq. mts) in 1980-81 to 76.3 per cent by October, 2000.

The foregoing presentation relating to the proportion of cloth production of handlooms reveals that this sector is being squeezed by a relatively new entrant - the powerlooms. Particularly the NTP - 1985. had adverse effects on
the development of handloom industry. Sivaraman Committee observed that for every powerloom setup, six handlooms were rendered dormant. This means that for every job created in the powerloom sector, 14 handloom weavers are displaced. Identifying the rivalry, MiraSeth Committee (1995) suggested policy support to handlooms. Later Sathyam Committee's recommendations (1998) also were not received well and criticised being favourable to the powerloom owners. The recent announcement of NTP - 2000 aimed at a harmonious development of all segments of the fabric manufacturing sector. This policy aimed at the balanced growth of handlooms and powerlooms based on their intrinsic strengths and capacity to meet the demands and requirements of the domestic as well as international markets.

CHAPTER - II

7.1 SELECTION OF DISTRICT AND METHODOLOGY ADOPTED

The academic review of individual and institutional research efforts reveals that there is a dearth of studies which analyse, explain and present a comparative economic picture of handlooms and powerlooms in general and at micro-level in particular. However, the studies of this type in South India, except the study of Karnataka State made by Angadi, all the studies made, have failed to examine the comparative economics of both the technologies and the they were silent about the organisational and marketing structure of weaving products. In a sense, this work is the first attempt to fill the research gap which was found in the academic review of different studies. Primarily, this study aims at examining the socio-economic conditions under which weavers are operating and emphasises on presenting the market structure both for the products of powerlooms and handlooms. More importantly, the researcher feels that powerlooms are not the rivals to handlooms, powerlooms
are a refashioned technique of handlooms evolved to make qualitative, efficient and increased contribution to cloth production. These two sectors have their own problems and impediments for their development and they are not rivals to each other. Hence, it is found appropriate to concentrate on the problems of handlooms and powerlooms which are given equal attention and hence it is inevitable to provide the required facilities for them to play their own role in the development of our economy and particularly to strengthen economically the low income group.

7.2 OBJECTIVES

The present study was taken up in Chittoor district of Andhra Pradesh with the following objectives:

1. To review the growth of handlooms and powerlooms in Chittoor district.

2. To present the socio-economic features of weavers engaged in handlooms and powerlooms in the study area.

3. To study the capital structure of both handlooms and powerlooms.

4. To estimate the labour utilization and to present comparative analysis of employment generation.

5. To assess the average cost of production of cloth under both the technologies.

6. To analyse the sales patterns and the channels of marketing the cloth and to identify the efficient channels available and

7. To highlight the problems confronted by weavers and to suggest the suitable measures for their development.
7.3 HYPOTHESES

The following null-hypotheses formulated were tested in the present study.

1. Average cost of production of cloth is comparatively low in powerlooms.
2. Labour productivity is high in powerloom weaving compared to handloom weaving.
3. An increase in the size of the employment in weaving accompanies by an increase in putjput (Quantity)
4. Sales of cloth, from powerloom weaving is high compared to handloom cloth.

7.4 SIZE OF THE SAMPLE

Among the 66 mandals (the administration units) in the district, weaving is found concentrated in 9 mandals representing 65% of the total handloom weaving households. Similarly powerloom units are found concentrated in five mandals in the district selected. Hence, by adopting multi-stage random sampling 302 of weaving households comprising 152 handloom households and 150 powerloom households were selected and data was collected for the study. The sample weavers selected based on the number of looms operated each of the household and were categorised into four size groups viz., 1) upto 2 looms, 2.3 to 5 looms 3.6 to 10 looms and 4.11 to 15 looms. The data collected relates to the financial year 1998-99.

7.4a TOOLS OF ANALYSIS

The present study makes use of both primary and secondary data through a well structured schedule by personal interview method. Simple
statistical techniques like, mean values and index values were extensively used throughout the study. In addition to the factual data, the relationship between some independent variables and the dependent variable was studied by adopting linear regression technique. The Cobb-Douglas Production Function (Log linear Model) was fit to observe the relationship between the output (Production of cloth) and the explanatory variables like yarn, labour, colours and other inputs.

Suitable statistical techniques are employed to find out relationships particularly with regard to employment, capital, gross income, productivity of labour and capital.

7.5 PLAN OF THE THESIS

The analysis of the thesis is presented in Seven Chapters. First chapter presents the evolution, growth and performance of handlooms and powerlooms. Particularly a comparative analysis of these two technologies during reforms and post-reforms period is the matter of discussion in this chapter. Second chapter is devoted to present the methodology adopted for the study coupled with a detailed discussion on the academic efforts made so far on comparative economics of handlooms and powerlooms. Third chapter presents a brief description of Chittoor district, the study area. Fourth chapter deals with the socio-economic features of sample weavers. A detailed analysis of comparative economics of cloth production by handlooms and powerlooms forms the content of Chapter V. The attitudes of sample weavers on different weaving-related aspects were analysed in Chapter VI. The seventh Chapter presents the summary of findings and suggestions relevant to the development of both handlooms and powerlooms.
CHAPTER - III

7.6 CHITTOOR DISTRICT: THE STUDY AREA

Chittoor, one of the four districts of Rayalaseema in Andhra Pradesh has been selected for the present study. It is an agriculture - dominant district with a literacy rate of 42.5 per cent (1991) with a poor mineral resource base. Yet, the district is rich in artisanal wealth since weaving being the dominant secondary occupation as the district has 5,500 handlooms and 15,636 powerlooms (as on 1999-2000) scattered over 40 mandals and 9 mandals respectively.

WEAVING IN CHITTOOR DISTRICT

However, the statistics related to handlooms and powerlooms in the district reveal that number of looms as well as employment generated had been declining particularly during the later years of 1990’s. Chittoor district is famous for traditional Andhra Costume "Dhoti" and "Gundanchu" angavasthrams besides for the exports of "Nagari Fabrics" chiefly to Rangoon, Singapore, Colombo, South Africa, with earnings approximately worth Rs.900 crores of foreign exchange. This dominance was found decreasing after 1996-96 due to heavy competition from China, Pakistan, South Korea and Taiwan and consequently the exports of handloom and powerloom textiles declined to only Rs.200 crores and as a cumulative effect, the number of looms on operation and employment generated by looms have drastically declined by the year 1999-2000. The recurring droughts clubbed with decreased demand to textiles in the district dragged the lives of weavers to the ranks of wage labourers.
In these conditions, it is felt necessary to have an enquiry and analysis of both the technologies and to suggest some measures for their development based on the field-level experiences.

CHAPTER-IV

7.7 BASIC FEATURES

It is found that majority of the sample units (80.3 per cent) are located in rural and semi-urban areas of Chittoor district. It seems that location of the weaving units is very much influenced by nativity of the weavers. Succeeded by other non-economic factors like association of the like-minded fellow weavers and better social and community life. The location of weaving is also influenced by economic factors like availability of skilled labour, power, banking facilities, proximity to markets, availability of raw materials and transportation factories.

A. SOCIAL STATUS

An analysis of the social status reveals that majority of the sample weavers belong to Padmasali and devanga social groups, which are the traditional weaving communities. However, the powerlooms are run by non-traditional communities like Vanniyars and Mudaliars in the district.
B. LITERACY STATUS

It is observed that 86.0 per cent of the sample weavers are literates and only 14.0 per cent are illiterates. The family size-wise distribution of the sample households shows that the dominant size is 5 to 7 members (54.3 per cent) and less than 4 members (36.8 per cent).

C. OCCUPATIONAL PATTERN

The occupational pattern of weavers reveals that 112 handloom weaving households (73.7 per cent) and 66 powerloom weaving households (44.0 per cent) are engaged in non-weaving occupations as their subsidiary sources of employment. Petty shops and cultivation are found important sources of subsidiary occupations.

D. WORKING STATUS

The details of working status of the weavers indicate that 77.2 percent of the family members are workers and only 22.8 per cent are dependents. Both male and female workers constitute almost same proposition in handloom weaving whereas the participation of female labour is found comparatively low in powerloom weaving with a dominance of male workers. Most of the units (58.0 per cent) are household-owned in the study area and 22.6 per cent are under cooperative fold.
E. MODE OF ACQUISITION

No doubt, the skills and efficiency of weaving to the significant extant depend on the mode of acquisition and the details reveal that 50.3 per cent (152) were inherited units and 40.7 per cent (123) were self started units. Majority of the powerloom units (63.3 per cent) were self-started units and majority of the handloom units (74.3 per cent) were inherited units.

The details of nature of ownership of workplace show that 54.0 per cent of the units were located in the owned premises and 37.7 per cent in rented premises. It is found that 14.0 per cent of the powerloom units were operated in leased-in worksheds.

F. LAND HOLDINGS

The data on ownership of land holdings revealed that the average land holding per household worked out to 2.34 acres for the households with land and 58.1 per cent of the 43 households having land, were having less than 2.50 acres of land. On an average the land holdings per sample household worked out to a meagre of 0.68 acres.

CHAPTER - V

7.8 COMPARATIVE ECONOMICS

Chapter V is devoted to present a detailed analysis of capital structure, labour utilization, cost of production, channels, mode and place of marketing the fabrics and profitability of weaving activity in the study area.
A. LOOM SIZES

The sample weavers comprise 35.0 per cent from up to 2 size, 30.0 per cent belonging to 3 to 5 size, 20.0 per cent represent the size of 6-10 looms and 15.0 per cent belong to the size of 11-15 looms per household.

The study observed that powerloom is more than an instrument of production. It is a symbol of a vast country-wide process of economic transition and technological change. Handlooms and powerlooms serve as an anchor and a standby which help in escaping the drift to hunger distress. The looms are the instruments which link the skills of the weavers with dynamism and innovation to the global market and trade transactions and elevates the village-level weaver to internationally reputed artisan and industrialist.

B. NATURE OF SAMPLE UNITS

In the field survey, it was observed that the categories of handloom weavers comprise independently operating weavers, weavers working for master weavers, and cooperatives. Among powerloom weavers, four types of weavers were identified viz. owner-operated looms, looms operated both by owners and hired labourers, looms operated exclusively by hired labour and looms rented-out on monthly payment basis.

7.8.1 CAPITAL STRUCTURE

A perusal of the data on capital structure reveals that productive assets, which include only looms, accessories to looms and other assets related to weaving, worked out to Rs.22788.45 per household in handloom weaving and
Rs.1,46,671.00 in the case of powerlooms. These assets constituted 50.8 per cent of the total assets for handloom weavers and 86.1 per cent for the powerlooms weavers. It is found as measured by the productive assets index that the households with less than 5 looms on an average are suffering from capital asset-deficiency as the index shows less than 100.0 per cent values. The other categories had higher capital intensity.

A. FIXED CAPITAL

The data related to average value of fixed capital per household indicate that handloom weavers had a fixed capital of Rs.40,960.11 and powerloom weavers had Rs.1,74,721.15 as fixed capital per household on an average. These values measured by Fixed Capital Index for small weavers operating with less than 5 looms) are very low indicating a low level of fixed capital. Particularly for the powerloom weavers, the values are very low compared to handlooms weavers.

B. TOTAL ASSETS

An overview of the level of total assets of the sample weavers shows that the average value of all assets per household was highest at Rs. 17,023.28 for powerloom weavers compared to the handloom weavers with Rs.44763.03 on an average.

It is observed from the analysis of index values of productive capital, fixed capital and total assets that all these values had a positive correlation with that of the size of the looms in operation indicating an increase in the average values with an increase in the size of the looms.
Handloom weaving is a family-based art and powerloom weaving is wage-labour based technique, with dominance of human labour and electric power respectively. Additionally, powerloom units combine in themselves the advantages of both handlooms and mill sector. More particularly the handloom sector has a counter-balancing advantage of skilled as well as semi-skilled and unskilled labourers. In total, these two sectors employ both family and hired labour in the production process.

A. UTILISATION OF FAMILY LABOUR

The utilisation of family labour available with weaving families accounts for 917.5 person days in the case of handlooms and 230.0 person days in powerlooms on an average per household. This pattern of utilisation clearly reveals that family labour utilisation accounted for 37.9 per cent of the total employment of labour in the case of handlooms and the family labour utilisation accounted for a less proportion at 19.9 per cent of the total employment per household in the case of powerlooms.

B. SEX-WISE EMPLOYMENT

The sex-wise employment provided to the weaving households shows that of the total family labour employment, 73.2 per cent and 85.1 per cent, constitute the employment of male labourers in handlooms and powerlooms respectively. The female labour utilisation was found highest in handloom weaving (246 person days on an average) and it is lowest in powerloom weaving (34.4 person days).
C. SKILLED AND UNSKILLED EMPLOYMENT

Weaving is a skilled art, wherein the semi-skilled and unskilled persons assist the skilled weavers in pre and post-weaving operations. Of course, the semi-skilled and unskilled workers are not allowed to weave the cloth directly and they provide assistance in weaving so as to minimise the time work in the production. Of the total family labour utilisation, the utilisation of skilled labourers accounted for 79.0 per cent (723 person days) in handloom weaving and 82.4 per cent in powerlooms (189.4 person days) on an average per household. The employment of family skilled workers accounted for 38.4 per cent of the total employment in handlooms and 21.2 per cent in powerloom units, the handlooms have provided 195 person days of employment for unskilled labourers in their families and powerlooms provided only 4.1 person days of employment to unskilled family labourers during the reference period.

D) UTILISATION OF WAGE LABOUR (HIRED-IN LABOUR)

Whenever the number of looms in operation increases, more number of labourers are to be employed in the process of weaving as the family labour participation has some limitations. More labourers are to be employed whenever the patterns of designs, nature and variety of cloth to be woven differs and specially skilled weavers are to be hired-in for weaving a particular variety of cloth. Hence, hiring in of skilled workers becomes inevitable.

The pattern of utilisation of hired labourers indicate that powerlooms have employed a higher proposition of hired-in labourers comparatively, which accounted for 80.1 percent of the total employment, as against 62.1 percent in
handloom weaving. Hired-in labours were employed for 1502.8 person days on average per household in handloom weaving whereas it was 927.1 person days in powerlooms. This shows the intensity of human labour utilisation in weaving.

The nature-wise details of labour utilisation shows that hired-in skilled workers were employed to the extent of 1159.6 person days in handlooms and 702.9 person days in powerlooms on an average per household representing 48.0 percent and 61.0 percent of the total employment in handlooms and powerlooms respectively.

E. LABOUR UTILISATION

Weaving is a skilled craft in which all the family members participate and sometime in some suitable operations, the children of the weavers also assist and this is an inherent quality and habit found in the families of weavers.

On an average, handlooms have generated 2420.2 person days of employment comprising 77.8 percent of skilled labour and 1.5 percent of the child labour during the period of survey. Child labour participation was not found in the sample powerloom units and 77.1 percent of the employment is skilled one due to mechanised operations. On an average, the powerlooms have generated 1157.1 person days of employment per household during the reference period.
It is found that handlooms are labour intensive as employment generated per loom was almost higher at 468.0 person days (218.6 person days in powerlooms) which indicates an increase of 249 person days (114.1 percent) over powerlooms on average per loom in operation.

F. LOOM - SIZE - WISE UTILISATION OF LABOUR

The data on loom size-wise utilisation of labour reveals that there exists a positive correlation between the loom size and utilisation of hired-in-labour and negative correlation in between utilisation of family labour and the size of the looms in handlooms and powerlooms.

7.8.3 TOTAL CAPITAL

An analysis of total capital employed in the handlooms and powerlooms revealed that working capital and fixed capital constitute 92.5 percent and 7.5 percent in handlooms and 87.5 percent and 12.5 percent in powerloom households respectively.

A. LOOM SIZE-WISE FIXED CAPITAL

The loom size-wise details revealed that fixed capital ranges from 7.3 percent in the case of 11 to 15 looms to 14.6 percent in the case of 3 to 5 looms. Among powerloom units, it ranges from 9.8 percent to 14.0 per cent of total capital on an average per household. Working capital occupied major portion of the total capital in handlooms and powerlooms also. It ranged from 85.4 per cent (3 to 5 looms) to 94.4 per cent (6 to 10 looms) in handloom units. Among
powerloom units, working capital ranged from 85.1 per cent (11 to 15 looms) to 90.2 percent (3 to 5 looms) on an average per household.

B) SOURCES OF CAPITAL

a) SOURCES OF WORKING CAPITAL

The source-wise particulars of working capital revealed that 59.2 percent of the total working capital was financed by borrowings as 40.8 percent was met through the own resources. Working capital financed through borrowings was found highest among the loom sizes upto 2 looms (69.2 per cent) and 3 to 5 looms (60.4 percent). Higher percentages of (45.5 percent and 60.4 percent) working capital financed by own sources was found among big handlooms weavers containing 6 to 10 and 11 to 15 looms among the sample handloom households.

In the case of powerloom units 48.2 percent of the working capital needs were financed by borrowed funds and had positive correlation with the size of the looms. This trend shows the increased access of powerloom weavers to the borrowing sources.

b) SOURCES OF FIXED CAPITAL

Fixed capital needs of the handlooms were met by borrowed funds to the extent of 56.8 percent which ranged from 66.4 percent (upto 2 looms) to 42.6 percent (11 to 15 looms). The volume of owned funds to meet the fixed capital needs showed an increasing trend with the increase in size of the looms.
In the case of powerloom units the percentage of owned funds had a positive correlation with that of size of the looms. 48.7 percent of the fixed capital needs were met by owned funds in the case of upto 2 looms and weavers with 11 to 15 looms could mobilise 68.8 percent of their fixed capital investment through owned funds. This shows the financial strength of powerloom weavers.

To sum up, the total capital needs of handlooms weavers constitute 59.4 percent of borrowed funds and in the case of powerloom weavers it was comparatively less at 46.9 percent.

C) SOURCE - WISE TOTAL CAPITAL

A comparative analysis of source-wise total capital revealed that 59.4 percent of the total capital needs were met by borrowed sources for handloom weavers and this proportion was only 46.9 per cent in the case of powerloom weavers. Owned funds constituted only 40.6 per cent in handloom weaving as against 53.1 percent for powerloom weaving.

An analysis of size wise source of total capital revealed that borrowed funds constituted highest proportion (68.9 percent) among the handloom weavers with upto 2 looms and owned funds for weavers with 11-15 looms (50.9 per cent). Quite contrary trend was found with powerloom weavers. As the size of the powerlooms increased, the proportion of borrowed funds increased from 40.4 per cent (upto 2 looms) to 50.3 percent (11-15 looms).
7.9 COST OF PRODUCTION

Though it was found difficult to estimate the average cost of production, special efforts were put in to estimate the average cost of production, (size-wise). The sample weavers were weaving Pattu Sarees, zari and Cotton Sarees, Lungies, Handkerchieves, Shirtings and Dhoties in the study area. The average cost of production per household worked out to Rs. 507131.62 for handloom weavers and to Rs. 1218495.00 for powerloom weavers for the total reference year. The cost of yarn (43.2 per cent) and wages to labour (37.0 per cent) together constituted 80.2 percent of the average cost of production in handloom weaving and the proportion of yarn (47.4 per cent) and labour (22.3 per cent) inputs constituted 69.7 per cent in the case of powerloom weaving.

A. AVERAGE COST OF PRODUCTION PER LOOM

In the field study conducted the average cost of production per loom was found to be Rs. 1,01,160.77 and Rs. 2,30,194.28 for all varieties of products and for all sizes of looms with the sample weavers during the reference year.

The cost of production indices were worked-out to analyse the cost-intensity among different size groups of looms. The values of indices were found lowest for upto 2 and 3-5 looms sizes both for handloom and powerloom weaving. However, the values were more than 100 percent for the weavers with 6-10 looms and 11-15 looms both for handlooms and powerlooms.

7.10 PRODUCTION OF FABRICS

The total output of fabrics to the tune of 9171.86 mts of cloth was produced by handloom weavers on an average per household and for powerloom weavers it was 60170.61 mts per household during the reference
year. The average production of fabrics revealed that lungies were the
dominant variety of fabrics (37.5 per cent) for handloom weavers followed by
dhoties, shirtings (23.1 percent and 17.2 per cent) and cotton sarees (12.9 per
cent). Production of pattu sarees were carried out to the extent of 5.8 per cent
by handloom weavers.

A. PRODUCT SPECIFICATIONS

Lungies and Handkerchieves were found to be the dominant varieties
of clothes produced by powerloom weavers. These two varieties together
constituted 56.8 percent of the total average production per household among
powerloom weavers.

The proportion of different varieties of clothes produced in terms of
value revealed that zari sarees and lungies together accounted for 75.1 percent
and lungies, kerchieves and zari sarees together accounted for 76.2 percent for
handloom weavers and powerloom weavers respectively.

The data on loom size-wise details of quantity of clothes produced
revealed that there exists a positive correlation between the size of the looms
and quantity produced both in handlooms and powerlooms.

B. PATRONISATION OF FABRICS

The opinions revealed by weavers with regard to the factors which
influence the patronisation of particular items indicated that selection of a
particular item was purely based on its contribution to the total earnings.
Locational influence was another important reason for handloom weavers and
demand for exports was found the important factor of influence for powerloom
weavers to select a particular variety.
C. PRODUCTION OF CLOTH

A comparative analysis of average production per household and per loom revealed that quantity of cloth produced was found highest in powerlooms by more than 6 times. And, due to the technological advantages, the average cost of production per metre of cloth produced was found to be Rs. 55.29 per meter in handloom weaving as against Rs. 20.25 per meter in powerloom weaving. Of course, the production was influenced by the varieties of cloth produced by the sample weavers.

7.11 MARKETING OF FABRICS

Income-efficiency of goods produced depends on the prices realised in the market, wherein the demand and supply operate as the influencing factors. Particularly in weaving, the foreign markets play a significant role in marketing the cloth produced. Besides, profitability of a weaving unit depends mostly on the quality of fabric, channel through which the fabric was marketed, mode of sales and terms and conditions which influence the production of fabrics during the post-production phase and most significantly the marketing efficiency of a weaver. Hence, a detailed analysis of marketing fabrics is made in the present study.

A. QUANTITY SOLD

It is found in the survey that all the fabrics produced were not sold particularly the handloom products. The observation reveals that 11.8 per cent of the fabrics produced was not sold away by the handloom weavers. The powerloom weavers could sell all the fabrics produced. The unsold stock with handloom weavers had a positive correlation with that of size of the looms.
B. MARKETING CHANNELS IDENTIFIED

Four types of marketing channels were identified with sample weavers viz. a) directly to consumers, b) Cooperative societies c) Wholesalers and master weavers and d) Retailers. The data on channel-wise quantity sold reveals that 51.1 per cent of handloom fabrics were sold to the wholesalers and master weavers. The same is found with powerloom weavers also, 42.7 percent of powerloom fabrics were sold through this channel. Retailers (26.8 percent) for powerloom fabrics, cooperative societies (29.8 per cent) for handloom weavers were found next important channels of marketing.

C. MODE OF SALES

The observations on mode of sales revealed that 50.2 percent of the handloom fabrics were sold on payment of cash immediately. A combination of cash and credit was found to be most important mode of payment in the case of powerloom weavers as 30.6 per cent of the fabrics were sold through this mode of sales. The sale of powerloom fabrics was also towards advances (25.6 percent) and sales towards both cash and credit (19.3 per cent) was the second preference for handloom weavers.

D. PLACE OF SALES

Place-effect also influences the price of a fabric. In the survey, it was found that the weavers are selling their products 1) at the unit itself, 2) In the village where the weavers are residing, 3) Outside the village (within the district), 4) Outside the district (within the state) and 5) Outside the state (including exports). It is noticed that 46.3 percent and 42.5 percent of the handloom and powerloom products respectively were sold outside the state.
Handloom weavers could sell 23.5 per cent of their fabrics outside the village and within the district 24.6 per cent of the powerloom cloth was sold outside the district and within the state. The sales at the unit itself constituted a small proportion in both handlooms (4.2 per cent) and powerloom (14.6 per cent).

7.12 INCOME GENERATION

The existence and continuation of an activity mostly hinges on the income realised from that activity and the investor or entrepreneur continues producing goods up to the level where the production proves remunerative. During the reference year the handloom weavers could earn a net income (sale value of the fabrics minus cost of production) of Rs. 1,12,545/- on an average per household and it was Rs. 4,58,361/- for powerloom weaving households.

On an average a net income of Rs. 10,161/- was realised per loom by the handloom weavers and Rs. 86,592/- per loom by powerloom weavers, during the reference year which is due to the technological advantages and economies of scale.

INCOME EFFICIENCY

An observation of loomsize-wise net income generated per loom reveals that net income generated was found highest for the handloom weavers with 11-15 looms per household (Rs. 31.72 per metre) followed by with 6-10 looms (Rs 29.64). There exists a positive correlation between the size of looms and the average net income realised per metre of cloth sold in handlooms and this trend is not found in powerlooms. In powerlooms, the net income realised was found to the Rs. 7.62 per metre of cloth produced and it is highest at Rs. 8.73
for the size of 6-10 looms per household. The higher net income for the handlooms with more than six looms was due to the sale of pattu sarees.

7.13 RETURN ON INVESTMENT

An analysis of average net income generated per household for every unit of investment reveals that it was highest in powerloom weaving (Rs. 32.90) compared to handlooms (Rs. 20.53). It was observed that there exists a positive correlation in between the size of the looms and return on investment for both handlooms and powerlooms.

7.14 INPUT-OUTPUT RATIO

The efficiency of a weaving unit measured by input-output ratio reveals that it is highest at 1:1.4 for powerloom weaving as against 1:1.3 for handloom weaving. Input-output ratio was found lowest for handloom weaving with less than 2 looms per household (1:1.1).

7.15 PRODUCTIVITY OF LABOUR

Productivity of labour measured in terms of average quantity of production of fabrics per person day of employment indicates that it is highest at 52.0 metres for powerlooms and it was lowest at 3.8 metres for handloom weavers on an average per household. A positive correlation is observed with regard to productivity of labour in powerlooms between the size of the looms and productivity of labour. No specific trend was found with handloom weaving in this regard. The productivity of labour was highest at 4.7 metres for the size of 3-5 looms and decreased to 2.5 metres as the size of the looms increased in the case of handloom weaving.
7.16 EFFICIENCY OF LABOUR

The efficiency of labour measured in terms of average net income generated per household per rupee of wages paid to weavers indicates that there exists a positive relation between the size of the looms and the efficiency of labour both in handlooms and powerlooms.

7.17 HYPOTHESES TESTED

As a part of comparable analysis, four null-hypothesis were formulated and tested. The first hypothesis that the average cost of production of cloth was comparatively low in powerlooms was proved correct. The second hypothesis that labour productivity is high in powerloom compared to handloom weaving was found valid in the analysis. The third hypothesis that an increase in the level of employment in weaving accompanies with an increase in output-was also found valid. The fourth hypothesis that the sales of cloth was comparatively higher in powerloom weaving was also observed valid in the study.

CHAPTER - VI

7.18 PROBLEMS IDENTIFIED

An attempt is made in the present study to identify the problems faced by the sample weavers. A detailed discussion on the problems faced and relevent measures for the betterment of weavers was discussed in Chapter-VI. The following problems were identified with the sample weavers.
Of the total sample weavers, a marginal proportion of 7.0 percent were said to be facing locational disadvantages. The disadvantage was felt due to the location of banks away from their units.

Most of the weavers expressed that though they were getting adequate raw materials, 93.7 per cent reported that it was difficult for them to get raw materials at market prices as they were sold at higher prices by the local dealers.

All the weavers are getting sufficient labourers but they are facing competition from powerlooms, which offer higher wages compared to handloom owner-weavers.

All the sample weavers opined that the present level of technology needs to be upgraded to suit the present needs of the market requirements.

51.0 percent of the sample weavers expressed the view that financial assistance by commercial banks was inadequate and they were resorting to informal lending sources.

85.3 percent of the powerloom weavers said that the power supply was irregular and inadequate and affected the quality of the fabrics produced.

94.0 percent of the weavers reported that they had been facing the problems in marketing the cloth produced, which was due to absence of support from the Government.

100.0 percent of the powerloom weavers and 41.0 percent of the handlooms weavers were facing the problems in exporting their fabrics, because the technology required to face the competition is absent with them.
7.19 SUGGESTIONS OFFERED

All the above presented problems lead to suggest the following remedial measures.

1. Production of yank yarn should be increased.

2. Dyes, chemicals and colours should be supplied at subsidised rates, by establishing special counters.

3. Raw materials should be supplied properly by weaver cooperative. Government should take necessary measures in this direction.

4. Provision of Raw Material, through Banks is necessary.

5. Extension of "Apathbandhu" programme for weavers also is necessary.

6. Creation of Social Security Schemes for weavers certainly safeguards the traditional weaving skills.

7. Formulation of Pro-Weaver Export Policy for rejuvenating exports, should be thought of by the Government.

8. For increasing the local demand for the fabrics woven by our weavers, the Government should encourage the purchase the clothes for the employees by offering credit incentives.

9. Necessary incentives and policies may be designed for importing the modernised looms from abroad.

10. Establishment of separate powerloom and handloom units complexes with continuous power supply fetches more to solve many of the problems involved in the production of cloth.
11. Modern technological centres for importing training in computerised designs, operation of looms, and to maintain quality of international standard may be established to compete in the Global market.

12. A feasible structure of customs duties should be evolved for importing the modern looms.

13. Weavers may be financed under DRI Scheme extensively to set up units and to strengthen them.

14. Loom Purchase Finance should be made a programme of financial assistance by commercial banks.

15. Working capital finance may be extended liberally by the commercial banks.

16. Measures should be taken to regularise the supply of power as was done in the case of large and medium industries. Special training must be given to the weavers to adopt latest technology and designs to given good market.

17. Urban Haats should be arranged frequently for accelerating the direct sales of cloth.

An overview of the statistical analysis carried out with linear regression technique in chapter V offers some observations which are of most importance for suggesting the measures to develop the handloom as well as powerloom weaving. If the main objective of the development of these units is to augment their income potential, the most obvious need is that of raising the levels of production of fabrics per household or per loom. The statistical exercise
relating to measuring the relationship between employment and production, and in between output and capital indicates that an increase in output could be brought about by increasing the productivity of weavers particularly for the handloom weavers with the 6-10 looms and 11-15 looms. It could also be made possible by utilizing the capital invested more productively or both. It is found that the contribution of capital invested in handlooms particularly with the sizes of upto 2 and 6 to 10 looms is somewhat low and under utilisation of capital exists in these two sizes of looms. Because an increase of Rs. 1.00 investment of capital with these sizes lead to an increase of output by only Rs. 0.54 and Rs. 0.60 respectively. (Refer table 5.60).

In the size group of 3 to 5 looms and 6 to 10 looms in handloom weaving there is urgent need to improve the productivity of labourers. The case is same with the powerlooms also because, there exists a weak association in between employment and production. An increase in productivity of weavers operating with these sizes of looms certainly leads to an improvement in the production which results in increased returns to investment in these sizes.

It is highly necessary to utilise the capital invested in the sizes of upto 2 and 3 to 5 looms in handloom weaving to the maximum extent possible so as to increase the income generating potentiality of handlooms. An increase in employment particularly in the sizes of 3 to 5 and 6 to 10 looms in handloom weaving is necessary to bring about a positive increase in productivity of weavers, which is generally a function of the capital to be employed. In this analysis, it is observed that there exists a non-significant relationship between the employment and gross income for the sizes of upto 2 and 3 to 5 looms in
handloom weaving and for the size of 11 to 15 looms in powerloom weaving. This tendency leads to infer that a more intensive use of utilisation of weavers already engaged in these sizes would be a more appropriate strategy to raise the levels of average income realised accompanied by a suitable increase in investment of capital.

Majority of the weavers expressed that Government has to play a key role and extend active support to weavers in all fronts for regaining the fame in International markets. Globalisation and liberalisation policies prove profitable only when the government minimises the problems and safeguards the interests of the weavers.