CHAPTER XII

THE PROBLEM OF RESERVATION

The controversy regarding the reservation of certain fabrics exclusively for the handloom sector appears to be ever living. The government has initiated the policy of reservation as early as 1950 to protect hand-weaving industry against the competition from mill and big powerloom sectors. But the failure to enforce the reservation order on the part of the government, lack of political will, lack of integrated policy in this behalf, exemption of cottage powerlooms from the reservation order, and influx of a large number of unauthorised powerlooms in the handloom sector have created new problems. The problem of reservation here, is studied with special reference to its historical background, views of expert committees on this issue and effects of enforcement of reservation order on consumers, handlooms and powerlooms in the country.

Retrospect

The question of reservation was critically examined by the Fact Finding Committee (1941). The Committee arrived
at a complicated formula which was very difficult to implement. The Government did not care to introduce a policy of reservation at that time. During the Second World War and particularly during the post-War period, the handloom industry in the country suffered a great set-back owing largely to growing scarcity of yarn and rapidly increasing production of cloth in mill and powerloom sectors. As a first step to arrest the set-back, the Government of India initiated a policy of reservation of fields of production for handloom industry. Accordingly, some restrictions were placed on mills and big powerlooms. Mills and big powerloom units were prohibited from the manufacture of dhoties with borders containing coloured yarn and exceeding \( \frac{1}{2} \)" width or use of jari, art-silk or silk yarn on dhoti-borders. Production in the mills of any lungi or gamacha with check-pattern and a width between 42" and 52" was

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1 The formula of the Committee is as follows: "In our opinion such agreement would be possible if mills agree not to weave any goods of plain weave with a width from 25" to 50" and a length of from 1\( \frac{1}{2} \) yds to 9\( \frac{1}{2} \) yds, per piece, divided by heading across the width at a length-wise distance of less than 9\( \frac{1}{2} \) yds and with borders, the grounds of such articles not being distinguished with any strips or checks woven, developed by different counts of yarn or by bleached, coloured or printed yarn." The Pact Finding Committee Report, Government of India, p.226.
prohibited. There was restriction on manufacture of low reed pick-cloth and also sarees with 2¾" borders.\textsuperscript{2}

In spite of these reservations, handloom industry suffered a crisis in 1952, chiefly due to a large-scale accumulation of cloth. This led to widespread unemployment in the industry. This situation in the handloom industry forced the government to focus its attention on the often repeated grievances of the handloom weavers. With a view to making a detailed study of handloom industry the Government felt it necessary to appoint an expert Committee. Accordingly Government appointed the Textile Enquiry Committee under the chairmanship of Kityanand Kunungo in 1952. To give immediate relief to handloom industry, the Government issued orders restricting monthly production of dhoties by the mills to 60% of the average monthly packing during the 12 months ended by March 1952 and prohibiting piece dyeing of sarees by mills. The Khadi and other handloom development Act was passed in 1955.

\textbf{Textile Enquiry Committee View on Reservation}

The reservation issue was critically examined by

the Textile Enquiry Committee. On the basis of evidences and replies of questionnaires, the Committee arrived at the conclusion that the reservation of coloured and check pattern sarees had definitely benefited the handloom industry in different parts of the country.

The Committee discussed at length the question as to whether the handloom industry was predominantly suited for manufacturing of any particular types of fabrics. In this connection it was observed that except for a few varieties of fabrics in the handloom sector there appeared to be no varieties which the handloom industry would produce better. Further, it could not produce products at lower rate consistent with the reasonable remuneration being paid to the weaver and his assistants as compared to mill industry or powerloom industry. Even in case of fabrics where distinctive designs and a frequent interruption in the process of production necessitated by frequently changing different patterns there was a small advantage in favour of handloom industry, provided warp length was reasonably great. The looms with drop-box attachment would offer such

change with added advantage of more uniformity in the pattern of production.

According to the Committee there was definite advantage in favour of handloom if the warp length was small (sufficing for 6 or 8 yards). It seems that on the basis of the above observations the Committee might have come to the conclusion that the reservation of varieties in favour of handloom industry on technical grounds alone would be of very limited scope. With this view in mind, it might have recommended for phased conversion of handlooms into powerlooms. One can infer, further, that in the opinion of the Committee there is no difference between the handlooms and cottage powerlooms.

A technological change, proposed by the Committee, would, undoubtedly lead to wide-spread unemployment. The Committee did recognise this effect. But it considered the unemployment problem lightly and maintained that such a change from lower to higher technique involved initial sacrifice. In the opinion of the Committee such sacrifice would be worth making if the long run objectives like ensuring reasonable standard of living are kept in view. Similar plea is made by the International Planning Team (Ford
The Team considered that fears of technological unemployment "are ill-founded and unjustified."
The problem of unemployment in the short run, the Team maintained, can be solved by "setting in motion a challenging public works programme". This line of thinking of the Committee and the Team gives rise to a number of questions. In the absence of alternative employment opportunities, will the rapid change in technology not lead to a permanent unemployment of artisans? Will the public works programme be financed with limited capital resources in India? Are the artisans willing and able to work in such hard physical works? The Committee and the Team did not bother to answer such questions. The Village and Small-scale Industries Committee took a very reasonable stand in confrontation with the technological change in the cottage industry. Keeping in view immediate increase of employment, it suggested the blocking of technological progress if it led to unemployment. From the long run point of view it recommended that the technological change should be such that it would give added advantage to producers without taking away employment from them. From this stand point this view of the Committee appears desirable.

The consideration of the question of reservation
purely on technical grounds seems to be over-simplified. It is a problem with many facets, all of which must be taken together into account. To compare the remuneration that the handloom industry offers, with that offered by the powerloom or mill sectors is misleading. Similarly, mere comparison between handloom and powerloom on the basis of their respective quality of products or prices is superficial. To do so is to neglect the importance of the handloom industry that "it alone offers an immediate and practicable solution to the enforced idleness caused by lack of alternative occupations."\(^5\) Besides, "the crux of the present problem has been not so much of the handloom industry surviving as of the handloom weaver surviving."\(^6\)

The Committee equated the powerlooms with handlooms. But the similarity between handloom and cottage powerloom does not seem to be justifiable since the former enjoys certain advantages over the latter. Relative advantages of the handlooms are: the closeness of its adoption\(^7\) to the

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5 Gregg, Economics of Khadar, Ahmedabad, 1946, p.45.
Ingrained habits and modes of thought, actions and institutions of great majority of people, its simplicity, its ability to produce necessities immediately, the relative ease of learning, its cheapness of installation and operation, the relative simplicity of organisation required, its absence of need for any special legislation, and its ability to do without foreign capital or indeed of great capital from any source.

The cottage powerloom possessing ten times the production capacity of handlooms, produces fabrics which are more or less close substitutes to the handloom products. They are free from the irks of mill and big powerloom sectors. Hence they derive the full benefits of protection of the handloom industry. Further they sell their products in the handloom product market. The handloom industry cannot withstand the competition of the powerlooms. Hence the former may vanish as the latter expands. Evidences at

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9 Ibid. p.3., also see Gregg, Economics of Khadar Ahmedabad, 1946, p.67.
Rabkavi-Banhatti; in recent years, and Surat, Bhiwandi,\textsuperscript{10} Malegaon,\textsuperscript{11} Burhampur, Ichalkaranji in the past have clearly showed that the number of handlooms, has declined considerably owing to influx of small powerlooms. The influx of powerlooms in the handloom industry has resulted in wide-spread unemployment since each powerloom working on one shift displaces ten looms and makes nearly 25 persons unemployed in the handloom sector. The All India Handloom Board has rejected the suggestion of the conversion of handlooms into powerlooms by the Textile Enquiry Committee, more or less on these grounds.

Nevertheless, the Textile Enquiry Committee itself had made very strong case for handloom sector on the basis of socio-economic considerations. The Committee recognised the fact that "the fabric which may be manufactured by three sectors cannot always be differentiated and that the markets for the products of all three sectors are competitive."\textsuperscript{12}

\textsuperscript{10} Government of India, Powerloom Enquiry Committee Report, Paras 2-42, p.28, 1964.
\textsuperscript{11} Government of India, Pact Finding Committee Reports, 1941.
\textsuperscript{12} Government of India, Textile Enquiry Committee Report, 1954, p.28.
Therefore the Committee might have arrived at the conclusion that "the reservation of coloured sarees for the weaker sector certainly seems justified not only on technical grounds but also kept weaker sector alive even in the worst period of competition."\(^\text{13}\) Emphasising the very high employment potential in the handloom industry the Committee estimates that the employment in the handloom sector is 20 times what it is in the mill industry per yard. The committee points out that the handloom industry is free from the social and cultural evils of the concentrated large-scale mechanical industry since it is widely dispersed industry.\(^\text{14}\) The principle of reservation was later recognised by the Karve Committee as one of "the possible elements of common production programme."

The Government of India had accepted all the recommendations of the Committee including its recommendation of phased conversion of handloom into powerlooms. However, the policy of introducing powerlooms into handloom

\(^{13}\) Government of India, Textile Enquiry Committee Report, p.113.

\(^{14}\) Ibid. p.71.

areas was not successful in the beginning because of the inflexible nature of weaving communities and of absence of pre-requisites of the growth of the industry in many places. Ultimately government dropped the policy. But in the year 1956, under the guise of revised Textile policy, the government decided to introduce 35,000 powerlooms into the handloom cooperative sector. This decision of the Government was actuated by the desire that the handloom weaver should be provided with better tools of production to enable them to improve their production.

Observation made by us in the Bijapur district make us believe that this decision of the Government was hasty and was not based on adequate thinking about its after-effects or about the preconditions for the growth of the industry. Under this policy, for instance, the powerlooms were allotted to those handloom centres where there was absence of supply of power, availability of skilled and trained labourers and sizing facilities. Surprisingly enough, powerlooms were given forcibly even to societies who were not willing to introduce powerlooms. It was observed that even today many powerloom units under co-operative fold were either idle, run under loss or were lent to the financiers or master weavers. Almost all units of
powerlooms seemed to have under the control of master-weavers or merchants in one way or the other. The All India Handloom Board and some leading handloom centres have strongly opposed this scheme. In spite of this opposition, the Government pursued its policy. The outcome was that the Government, with all its efforts, was not in a position to establish even 5,000 powerlooms in the cooperative sector in the country. Even though the stimulus for setting up of powerlooms was given in the form of loans and grants, the cooperative societies have not shown much interest.

Unfortunately, the Government did not realise its errors, but committed another blunder by announcing that the powerloom units with four or less looms would be classified as cottage powerlooms and be free from excise duties. Exemption from the reservation order and liberal Government assistance were also announced. All this marked the beginning of the recent troubles in the handloom industry. In response to the order there was a mad rush of capitalists, financiers and master weavers in the handloom sector for installation of powerlooms. Big powerloom establishments were split up into units of four looms and below. The growth was phenomenal; a large number of looms have come under the
control of master weavers or merchants. A large number of unauthorised powerloom units have come into existence. From a bare 27,000 powerlooms in the year 1956, the figure shot up to 1,46,000 by 1963. By 1969 it is estimated to be more than 2,17,000.\textsuperscript{15}

The Government at last realised the futility of the scheme and withdrew it by its letter 23(4) Tex(c)/57 dated 26.9.1961 which stated as under: "... it has been felt that the coming into existence of a large number of powerlooms would have adverse repercussions on the employment position. Moreover, it has been pointed out that in some cases, the benefits from setting up of powerlooms accrue to mill owners rather than to owners of the powerlooms whether they are individual or co-operatives.... After careful consideration of all circumstances, the Government of India have decided that no further schemes will be sanctioned for the installation of powerlooms in the cooperative sector."

But the growth of powerlooms under private sector in the country, has been steady. A similar trend is observed

\textsuperscript{15} Fourth Five Year Plan Draft. vide paras 12-16, p.219, 1969-74.
in the powerloom industry of Rabkavi-Banhatti. The powerloom industry at Rabkavi-Banhatti attained strides of growth since 1968. This is mainly due to the fact that the powerloom sector has been able to capture a large proportion of market of handloom products. As in many other powerloom centres in the country, the powerloom centre at Rabkavi-Banhatti is completely engaged in the production of coloured sarees. This has created a glut in the market for handloom products. Consequently the handloom products have been confronted with serious problem of marketing. Other factors contributing to the growth of the industry are tax concessions, exemption from the reservation order and government assistance.

As the threat to the handlooms from unauthorised cottage powerlooms became more and more severe, the Government appointed the powerloom Enquiry Committee under the Chairmanship of Ashok Mehta. The Committee had representatives of powerloom interests and mill-interests as well as handloom interests.

The Powerloom Enquiry Committee view on Reservation

To afford protection to the handloom industry the
Committee recommended unanimously that:

1) Production of dhoties and sarees by textile mills be pegged at 1963 level.

2) Production of coloured sarees should be reserved exclusively for handloom. Even cottage powerloom units with 4 looms and below should not be allowed to produce coloured sarees. In centres where all or majority of powerloom units are engaged in the production of coloured sarees the change over to other varieties should be effected gradually within a period of three years. The existing units should be assisted in obtaining their requirements of sized beams.

The Committee is of the opinion that "assistance to handlooms and other weaker sections should be viewed as a long term expenditure policy". "Pending the formulation of such policy" the Committee feels that "small powerloom units should not be allowed to exploit the advantages arising from these reservations...".

17 Study Team Report, Textile Commissioner's Organization, 1966, Para 7-6 and 7-7, p.53-54.
The Cotton Mill Federation also brought it to the notice of the Study Team, Textile Commissioner's Organisation 1966, that the reservations really contributed to the cottage powerlooms. The Team feels, "Small powerloom units should not be allowed to exploit the advantages arising from these reservations". Therefore, the Team suggests that the exemption given to cottage powerloom's units from the operation of the handloom reservation order should be withdrawn."

On 19th November, 1966, the additional Textile Commissioner amended the order of the provisions of the previous Textile Commissioner's Notification of 15th April, 1950. The result was that the protection that was offered to the owners of powerlooms having less than five looms was withdrawn.

It is a matter of great surprise to notice that in recent years not only did the powerlooms come into existence in a large number unauthorisedly but also were openly flouting the aforesaid order. Even the Government has not made sincere efforts to prohibit the production of coloured sarees. As a matter of fact, it does not have the moral courage to
do so because it has failed to fulfil the prior conditions of enforcement of reservation order. One of such conditions, for instance, (as recommended by the Powerloom Enquiry Committee) is to set up the sizing plants in the important powerloom centres with a view to supply sized beams at reasonable rates. This provision is not yet made by the government in majority of powerloom centres.

Recently State Governments are trying to enforce the reservation order in some powerloom centres like Ahmedabad, Ichalkaranji, Bhivandi, Malegaon, Rabkavi-Banhatti etc. A section of powerloom producers and workers are opposing this action of the Government tooth and nail and some producers have approached to the court of law. However, the production of coloured sarees is still going on in powerloom sector.

Shivaram Committee view on Reservation*

The high powered handloom study Team under the Chairmanship of Mr. Sivaraman, a member of Planning Commission, boldly recommended to the Government that the excise duty on

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* K. Santanum: Expert Committee on Handlooms, 1972-73. Govt. of Tamil Nadu appointed the Committee under the Chairmanship of K. Santanum to study in detail the problems of Handlooms. The Committee's recommendations are more or less the same as those of Shivaram Committee.
powerlooms should be increased so as to bring it and other imposts on par with those on composite textile mills. The Committee justifies higher excise duty on the ground that the powerlooms sector has flouted the licensing laws. A large number of unlicensed powerlooms operating in the handloom sector, are competing after yarn which should have legitimately gone to the handlooms. Finally, the Committee believes that the powerlooms are producing cloth reserved for the handlooms and that they are cornering handloom markets in the country. Thus the powerlooms are exploiting the advantages arising from the reservation.

It is true that the powerlooms in the country have flouted the licensing laws and the reservation orders. It is mostly conceded that the powerlooms are exploiting the advantages and that they are cornering the handloom markets in the country. However, all this is not sufficient justification for equating powerlooms with composite mills. For, it is far from logical to treat decentralised powerlooms sector on the same footing as the composite mill sector. Like handlooms, powerlooms are completely dependent on the composite mill sector for the supply of yarn. Powerloom producers are also facing the problem of finance as majority of them are not rich enough. Being widely scattered, they
also face the problem of marketing. Lack of organisation has given rise to a number of middlemen in both factor and product markets. But these typical problems are not faced by the composite mill sector. Moreover, the powerlooms are decentralised industry which could be taken up by handlooms. The proposed higher excise duty does not seem to be in conformity with any canon of taxation. From this point of view we feel that imposing tax on powerlooms on par with that on mill-sector seems to be unjustifiable.

Another important recommendation of Sivaram Committee is that eight varieties of cloth now reserved for both handlooms and small powerloom units having less than four looms each, should be exclusively reserved for handlooms. The recommendation was made by the powerloom Enquiry Committee and to this effect the Government has already passed the order of reservation. The States and the Federation of All India Cotton Powerloom Associations in its recent memo to the Central Government agree to ensure progressively stopping the production of coloured sarees and other reserved items by all the powerlooms.

The proceeding analysis of various issues of principle of reservation gives rise to a number of doubts and questions.
Has the policy of reservation served its purpose in the past? Is the enforcement of reservation order complete success? Is it possible to have complete reservation or partial reservation of any particular fabric? Is it desirable and justifiable to enforce strictly even the present partial reservation order without making certain provisions for the problems arising thereof? In a democratic set-up like ours can we advocate protection of the interest of one section neglecting the interest of other section?

As regards the first question, we can say that though the reservation has not served its purpose fully, it has helped the handlooms to some extent. The fact that majority of handlooms are now engaged in the production of reserved fabrics is the sufficient proof of its partial success. Moreover, the powerlooms which are at present, producing some of reserved fabrics are not willing to shift over to some other types of fabrics. For, they do not have protection in other types from the mill-sector. The Textile Enquiry Committee and the Powerloom Enquiry Committee which studied this aspect in details observed that the reservation certainly benefitted the handlooms. Our observations in the Bijapur district reveal that almost all handlooms and powerlooms in the district are specialised in the production
of coloured sarees and khadas. Because they face very little competition in this field.

The reservation is not completely successful because the present partial reservation rules out the possibility of complete stoppage of competition between handlooms and powerlooms on the one hand and handloom sector and mill sector on the other. The quality competition does continue to exist as the mills and powerlooms will successfully resort to many ways of flouting the reservation. Consequently, evasion becomes "real without being illegal." The next logical step should be the complete reservation of certain fabrics rather than partial reservation. In the immediate future, it is unwise and undesirable. Because the sarees and dhoties are as important for handlooms as they are to mills and powerlooms. Besides, it becomes almost ineffective because the handlooms cannot produce enough to meet the demand of consumers in the country.

**Effects on Consumers, Handlooms and Powerlooms**

Suppose sarees of all varieties in the country are...

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completely reserved for handlooms; that is, the power-
looms and mills are completely prohibited from the produc-
tion of sarees of any type. Then, nearly 12 lakh additional
handlooms in the country would have to be diverted to the
production of coloured sarees or still that number of new
handlooms would have to be encouraged to establish. On
the other hand, if the powerlooms alone are not permitted
to produce coloured sarees (pegging production of sarees
in the mill sector at the 1952 level) then nearly 7 lakh
additional handlooms would have to be diverted to the
production of coloured sarees or still 7 lakh new handlooms
would have to be established in the country.

Table reveals clearly that the powerloom
sector is contributing a fairly large-share to the total

Table 1

Cloth Production at the end of Plan Period by
handloom and powerloom

<table>
<thead>
<tr>
<th>Plans</th>
<th>Figures in million yards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Handloom</td>
</tr>
<tr>
<td>First Five Year Plan</td>
<td>1450</td>
</tr>
<tr>
<td>Second Plan</td>
<td>2000</td>
</tr>
<tr>
<td>Third Plan</td>
<td>2050 to 2150</td>
</tr>
</tbody>
</table>

production of coloured sarees in the country. The rate of increase in the powerloom sector during the third five year plan is greater than that of handloom sector. Hence the immediate enforcement of the reservation order without making sufficient provisions for development of handlooms industry to fill the gap created by absence of coloured sarees production by powerlooms, will have certain effect of decreasing supply of coloured sarees. The result is that a large section of consumers will be affected adversely. The objectives of Essential Commodities Act of 1955 are the maintenance and increase of supplies of essential commodities. The Act also aims at securing their equitable distribution and availability at fair prices. Since coloured sarees are essential commodities for nearly 10 crores of women in the country, the action on reservation will not be in conformity with the Act.

An approximate estimation of production of coloured sarees by three sectors, the handloom, powerloom and mill has been attempted here on the basis of findings of reports and studies in these sectors. This would give us clear picture of production of coloured sarees by three sectors (vide table 119) and the gap created by the absence of the production of sarees by powerlooms.
On the basis of sex ratio, the dressing habits of women in different states of India, and also age groups, the women having the habit of wearing coloured sarees were estimated to be 9,82,91,340 in 1967. Assuming the availability of cloth for consumption purpose to be 17.5 yards per woman, the requirements of coloured and printed sarees works out to be 1720,984,500 yds.

Presuming the mill production of sarees has been pegged at the level of 1952, the requirements to the extent of 317,000,000 yds. would be met by the mills leaving the gap of 1403,984,500 yds. to be filled in by production of handlooms and powerlooms.

Table 11D

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total No. of looms producing coloured sarees</th>
<th>Productivity per day (per shift in yds)</th>
<th>Estimated annual total production in yds.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handloom</td>
<td>7,81,000</td>
<td>3</td>
<td>70,31,70,000</td>
</tr>
<tr>
<td></td>
<td>(30,05,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powerlooms</td>
<td>51,000</td>
<td>30</td>
<td>68,85,00,000</td>
</tr>
<tr>
<td></td>
<td>(2,17,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Looms in mill sector</td>
<td>2,00,015</td>
<td>30 to 35</td>
<td>31,70,00,000 (in 1952)</td>
</tr>
</tbody>
</table>

Sources: 1) Cotton Textile Committee, 1968.
3) IV Five Year Plan Draft vide Para 12-5, p.219.
4) Powerloom Enquiry Committee, Para 12-18, p.133.

Note: Figures in the bracket in column 1 refer to total No. of looms as on 1964.
Out of the total number of handlooms in the country, 26% or 7,81,300 handlooms manufacture coloured sarees. Assuming all these looms are active and have the average production per day 3 yds., the production of coloured sarees by handlooms comes to 703,170,000 yds. per year. This leaves the gap of 700,814,500. Of the total number of powerlooms, 51,000 powerlooms are engaged in the production of coloured sarees. These powerlooms produce annually, 688,500,000 yds. This makes it clear that there is still a gap of 12,314,500 yds. yet to be filled.

From the above estimations it is clear that mill and powerlooms contribute very significant amount of production of coloured sarees. If they are not permitted to produce coloured sarees, more than 26% of the total handlooms in the country would have to be diverted to the production of coloured sarees or still new looms are to be encouraged to establish or the efficiency of the existing looms would have to be increased. Neither the expert committees on this issue nor the Government has applied its mind to the question as to whether the possibility exists for more than 26% handlooms to switch over to production of sarees. If so what practical facilities such as organisation, working capital, marketing, technical improvements,
training etc. exist or to have to be created for such a change over.

Mere provision of adequate facilities mentioned above will not be sufficient to bring about rapid development in the handloom industry. Certain radical and basic changes in the weaver's motivation, administrative set up and developmental programmes are to be made with all sincerity. Because the handloom industry is characterised by certain inflexibilities. Similarly the administrative set up and handloom development programmes are subject to some serious defects.

In this context it is appropriate to refer findings of the Programme Evaluation Committee (1967). The report presents a revealing picture of the present state of handloom industry. For producing powerloom type sarees in the handloom sector, the improved looms and equipment such as frame looms, take up motion attachment, dobies, jaquards, warping machines, oblique drum, steel reeds, varnished and wire healds etc. will have to be adopted by the handloom weavers. The study undertaken by the organisation shows that the majority of the handloom weavers have no knowledge about improved implements while a large number of them have
not got the necessary technical skill or resources to adopt them. The handloom weavers do not take much interest in getting themselves trained in improved methods of weaving. Surprisingly enough, most of the weavers are unaware of the existence of training programme.

Our investigation of the handloom industry in Bijapur district endorses the above findings of the Report. In fact the weavers at handloom centres in the district are much more backward than those in other leading handloom centres like Salem. Very few weavers have any knowledge about improved equipment and looms. Owing to lack of training facilities in the district and also to absence of follow-up measures by Government, trained weavers are not found in any centre and the weavers do not show much interest in training.

Findings of Programme Evaluation Committee

A programme Evaluation Committee's assessment of handloom development programmes is really worth to be noted in details. A number of handloom development programmes undertaken by Government has been on the three areas of development viz.,

1) adoption of improved accessories and tools required to attain higher productivity.
2) development of human skill through training organisation, and
3) the quality improvements in the products and flexibility in production.

The field investigation of the aforesaid study\(^1\) indicates that the handloom establishments could not produce all varieties of cloth desired by the owners and the consumers. The data collected in the survey indicate that about 80 per cent of the weaver's households in co-operative member category could not produce certain types of cloth. Our survey in the selected centres of handloom industry in Bijapur district also establishes the fact that about 95 per cent of weavers contacted expressed their inability to produce other varieties of fabrics. The study tried to find out the reasons for non-adoption of the improved looms and equipments. The findings of the survey are very interesting to note.\(^2\)

According to the study, the reasons for a large percentage of weaver households who do not adopt the improved

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The implements were varied. The data on the reasons for non-adoption are presented in table 11£.

Table 11£
Percentage Distribution of non-adopter Households for the Respective Improved Implements by Reasons for non-adoption

<table>
<thead>
<tr>
<th>Implements</th>
<th>Can't afford</th>
<th>Limited technical skill</th>
<th>Unsuitable</th>
<th>Unnecessary</th>
<th>Not supplied</th>
<th>No knowledge</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take up motion attachment</td>
<td>7.9</td>
<td>1.2</td>
<td>12.5</td>
<td>7.1</td>
<td>3.1</td>
<td>67.2</td>
<td>1.0</td>
<td>100</td>
</tr>
<tr>
<td>Dobbies and Joquards</td>
<td>20.8</td>
<td>10.4</td>
<td>13.0</td>
<td>31.5</td>
<td>1.8</td>
<td>16.3</td>
<td>6.2</td>
<td>100</td>
</tr>
<tr>
<td>Warping machine/drum</td>
<td>14.5</td>
<td>0.3</td>
<td>12.5</td>
<td>13.6</td>
<td>0.8</td>
<td>55.7</td>
<td>2.6</td>
<td>100</td>
</tr>
<tr>
<td>Varnished and wire healds</td>
<td>1.1</td>
<td>0.3</td>
<td>25.1</td>
<td>21.4</td>
<td>1.0</td>
<td>38.4</td>
<td>4.7</td>
<td>100</td>
</tr>
<tr>
<td>Steel reeds</td>
<td>2.5</td>
<td>0.2</td>
<td>32.6</td>
<td>24.4</td>
<td>1.0</td>
<td>34.1</td>
<td>5.2</td>
<td>100</td>
</tr>
</tbody>
</table>


From table 11£ it is clear that a large number of non-adopter households have no knowledge of those improved implements. Data collected in the weaving industry at
Bijapur district indicate that except simple accessories like warping machine or take up motion attachment, almost all weavers are ignorant of steel-reads/healds, dobbies/joquards. Even though a few of them know about them a limited technical skill of weavers stands in the way of adoption of them. Unsuitability turns out to be another important reason for non-adoption. Specially at Ilkal and Guledgud and surrounding villages of these places the improved looms like frame looms are completely unsuitable for the type of fabric woven there. In some other places these looms are suitable, but the lack of technical skill, and inability to purchase looms, are the reasons for non-adoptions. On the basis of these observations one can infer that the effort in the propagation of the use of improved implements in the handloom sector has not produced the desired effects.

The survey of the Committee reveals that 90 per cent of workers have weaving as an hereditary occupation. Further, it maintains that the progress of modern technology and the growth of co-operative societies have hardly changed the hereditary nature of the industry.21 The same is true in the

Bijapur district handloom industry. In Bijapur district, 100 per cent of the weavers have weaving as an hereditary occupation and developmental programmes and cooperative organisation have hardly changed its primitive nature.

The preceding analysis makes it sufficiently clear that the handloom sector in the country is subject to various drawbacks and operational inflexibilities. At the same time, development programmes are not comprehensive and are not effectively implemented. Under these circumstances it is unwise to expect the handlooms to meet the entire demand for coloured sarees in the country unless certain special efforts are made. It seems that the Government, Shivaram and Santanum Committees seem to believe that the forces of demand and supply will work miracle in course of time. But it is an optimistic and oversimplified belief in view of the inherent bottle-nécks and rigidities of the handloom section on the one hand and inefficient administrative set up and lack of foolproof programme on the other. Besides, it is dubious to expect that the forces of demand and supply would be able to achieve what the government has failed to achieve so far.

If the Government is really interested in the upliftment of the handloom industry as well as safeguarding the interest of consumers, what is needed in the present
context is a systematic survey of the mill-sector, powerloom sector and handloom sector in the country. The objectives of such a survey should be to discover the production capacity of each sector in respect of various varieties of cloth. It is also necessary to find out the technical capacity, willingness and ability of handloom industry alone to meet the entire demand for coloured sarees if production is reserved exclusively for handloom sector. If the handloom sector is unable to meet the demand, what measures should be devised to increase the ability of the handloom industry. It should deal with the problem of administration and means to bring about social changes in the handloom sector.

Effect on Powerloom Sector

If the powerlooms are strictly prohibited from producing coloured sarees some powerloom centres in Maharashtra and Karnataka will have to face serious set-back owing to lack of facilities for producing other varieties of cloth. Recognising this possible difficulty, the powerloom Enquiry Committee recommended that Government may take all steps necessary to ensure adequate facilities to supply sized beams within a period of three years by setting up sizing units in the powerloom centres. So far, sizing units are not established by the Government. In the absence of a local sizing unit, it will
not be economical to obtain sized beams from composite mills located far away at places like Bombay.

Moreover, it should be noted that the problems involved in the powerloom changing over their production of coloured sarees to gray cloth will not be ended by mere availability of sized beams. There is a much bigger problem involving operational, technical and human questions. If the production is to be converted from coloured sarees to gray cloth, facilities will have to be created not merely for sizing yarn but also for bleaching, calendering, and finishing the manufactured cloth. Because for marketing the finished cloth at reasonable prices in the face of keen competition from the mill sector all these facilities are inevitable. Lastly for finding jobs for workers thrown out of employment as a result of change over from production of coloured sarees to gray cloth production, some provisions are to be made. Because, the employment opportunities in the various processes of production of gray cloth are less than those of the production of coloured sarees.

Unfortunately neither the Government nor the expert Committees on this issue have considered all these problems in depth. If the All India Powerloom Board as recommended by the Powerloom Enquiry Committee had come into existence, these problems would have been studied in detail.
On the basis of the preceding analysis, we arrive at the conclusion that the principle of reservation is really commendable. The aim should be complete reservation of particular fabrics for specific sectors. Since it is not possible to achieve it in the short run, the partial reservation, recommended by various committees should be immediately introduced. While enforcing the reservation order, its effects on consumers, handlooms, powerlooms, Government expenditure and administration should be clearly assessed. After making adequate provisions for the problems arising out of the enforcement of reservation order, the order should be implemented effectively.
Appendix to Chapter XII

Central Organisation

The proposed central organisation shall be in the form of corporation at the state level and it should be set up in the name of Karnataka Handloom Development Corporation. It shall be in the form of joint sector organisation of weavers, master weavers, cooperatives and government. This should cater to the developmental needs of handloom industry in the state. The district branches of the corporation may be set up in those districts of the state where the number of looms are sufficiently concentrated so as to make the branch economically viable. As the Bijapur district is leading in the strength of handlooms, special attention needs to be given to the development of handloom centres in the district by opening immediately the branch of the corporation.

Aims and objectives

The corporation is to effect systematic production and marketing of handloom products by introducing suitable changes in the technique of production and methods of marketing. This ensures advantages of large-scale operation and promotes welfare of a common weaver. The main functions
of the envisaged corporation shall be

i) To encourage centralisation and specialisation in various processes of production.

ii) To introduce and encourage the adoption of new and improved tools and techniques.

iii) To effect timely changes in designs and patterns of handloom products.

iv) To eliminate dominance of middlemen in production and marketing.

v) To ensure steady and regular supply of raw materials and finance.

vi) To guarantee quick disposal of finished goods.

vii) To create facilities for research and experiment.

viii) To enhance the competitive strength of the industry.

ix) To prevent weaving class giving up its traditional vocation and emigrating to urban areas.

x) To raise the standard of living of weavers by enabling them to get higher earnings.
xi) To avoid the unhealthy competition between handloom and powerloom sectors and between cooperatives and master weavers and to serve as a coordinating agency in general.

xii) To promote sales of handloom and powerloom products outside the state in India and in the international market.

**Funds**

Funds for this corporation may be raised by

i) Issue of shares,

.ii) Receiving deposits from weavers, other individuals and institutions,

.iii) Raising loan and/or overdrafts from Cooperative Apex Bank, Industrial Cooperative Bank, Nationalised Banks and Government,

.iv) Floating debentures,

.v) Accepting donations and grants, and

.vi) Accepting grants and loans of the central under the centrally sponsored schemes etc.

**Shares**

More than half of the shares shall be held by the state
Government and the remaining shall be issued to weavers' cooperatives, Banks, Panchayats, Municipalities, merchant-cum-master weavers, yarn dealers, whole-sale and retail saree merchants, and rich independent and master weavers.

Share holders

There shall be three classes of share-holders:

A) A class share holders.
B) B class share holders.
C) C class share holders.

Those who depend directly or indirectly on the handloom industry and those institutions which have direct or indirect link with the industry, can become A class share holders. Institutions like municipality, panchayats and banks can become B class share holders. Other firms and individuals which do not come under the first and the second category can become the ordinary/nominal share holders. B and C class share holders shall not take active part in the management and shall have no voting power.

Management

The management of the corporation shall be vested in the hands of a central Board of Management consisting of:
i) Chairman nominated by the Government,

ii) Four directors nominated by the Government and

iii) Five other directors elected by the shareholders representing different interests.