CHAPTER XIII

CONCLUSIONS AND POLICY SUGGESTIONS

The statistical and theoretical considerations of small industries brought out in first and second chapters of the present study underscore clearly the importance of small industries in such developing economies as of India. Several basic features of Indian economy strongly favour preservation and development of small industries. Theoretical discussion of this problem points out that it is wrong to choose a technique of production purely on the basis of techno-economic considerations. In the context of developing countries, it is necessary to take into account such criteria as creating maximum employment opportunities, effecting maximum production, fair distribution of income and motivation of people. In short, socio-economic considerations should form the basis of selection of any technique of production. Hence a combination of criteria in making choice of a technique of production is advocated here to attain socio-economic goals. The policy in this context must aim at developing "indigenous technology" suitable for Indian conditions in the small industries sector.
At present, there are some small industries in India which are not in a position to compete with the organised sector (mills), chiefly because of their human and commercial deficiencies. Besides, they also suffer from their primitive technique of production. These should be made efficient by effecting suitable alterations in their technique of production and by helping them to overcome their difficulties and deficiencies.

The case studies of selected handloom and powerloom centres in Bijapur district bring to focus the fact that the capital output ratio in hand-weaving sector is relatively lower than that in the powerloom sector. Similarly capital-labour ratio is lower in the former than that in the latter. Further they reveal that hand-weaver's earnings are less and prices of handloom products are higher than those of powerloom, not only because of their primitive technique of production but also because of human, commercial and organisational deficiencies. Other important conclusions and policy suggestions that are based on the study are mentioned below:

Problem of marketing

The most serious problem of the handloom industry in Bijapur district is the defective organisation of marketing.
It is this problem which handicaps greatly the technological progress and competitive strength of the industry. The Fact Finding Committee aptly pointed out that "if the handloom industry requires any help and guidance in any direction, it requires most in solving its marketing problem." Our observations in the industry in Bijapur district subscribe to it and confirm that the development of efficient distributive system is the effective remedy to many evils of the handloom industry. Therefore, it is suggested here that an effective marketing system can be developed on the following lines:

The functions that are involved in the process of distribution are of two types:

1) Main functions

2) Facilitating functions.

The main functions consist of purchasing, selling, product-planning, contacting consumers, demand creation, negotiations, making contracts, storage, financing stocks and transportation. The facilitating functions include, grading, packing and preservation of goods for sale, financing, elaborate

1 Government of India, Fact Finding Committee (Handloom and Mills) 1941.
organisation to collect information about consumers and his requirements and advertising.

To develop the system of distribution on scientific lines, the first step is to undertake comprehensive market research. The objectives of such research should be to get information regarding the number of consumers, their location, their preferences etc. It should give a 'market-schedule' of the requisite properties of the handloom products. As the major decisions must be based on the interpretation of available market information, data collected in this behalf should be accurate and adequate. Then the market should be classified into a number of pockets on the basis of tastes and habits of consumers.

The next step is to effect collection, dispersion and equilisation. Each handloom centre or group of centres should be made to specialise in the production of that type of goods for which it is better suited. This will avoid unnecessary competition between one handloom centre and the other. Then the handloom goods produced in small lots at different places must be collected at a central point. The goods collected thus, should be marketed. As far as possible, goods should be sold directly to the consumers. This may require the establishment of sales depots
in the places of consumers. However, in the short run it may not be possible to open adequate number of depots in all commercial centres. It is, thus, inevitable to market through whole-salers and retailers at least in the initial stages. The practice of publishing prices of goods on the packages is very useful on such occasions and the private sellers should be made to sell at the published prices only. Such prices should include reasonable profit, in addition to other expenses of production and marketing. All this will help to sell the handloom products at reasonable and competitive prices. It will eliminate a large number of middlemen and their lucrative profit to a very great extent.

The flow of products at any time may not necessarily correspond to demand. In some circumstances, neither the quantity nor the quality of the goods may satisfy the needs of purchasers. It is so because the production and consumption are subject to frequent fluctuations. As such, the process of equalisation leading to adjustment of supply and demand on the basis of time, quantity and quality is essential. It is beyond any doubt that neither the merchant-cum-master weavers nor cooperatives in the district can carry on all these activities. Hence, a special central organisation*

* See details of the proposed central organisation in the Appendix to Chapter XII.
should be established in the district to perform these functions satisfactorily.

Lack of standardisation in both quality and price is another drawback of the handloom centres in the district. Different prices prevail for the same product. Many differences in the dimensions, colours, pattern and quality of handloom products are generally seen in handloom centres. It is true that in big handloom centres like Ilkal, Guledgudd and Rabkavi-Banhatti some sort of standardization in pattern, dimensions and price is observed. However, it is, in no way, perfect. Standardisation is absolutely necessary for smooth wholesale trade in the domestic market and also for export trade. Standardisation in a district should involve standardisation of quality, pattern, dimension, measures, colours and prices. An expert agency should be set up under the auspices of the central organisation to implement the programme. The offices of such agencies should be opened in important handloom centres like Ilkal, Guledgudd and Rabkavi-Banhatti under the auspices of the central organisation.

Handloom as well as powerloom products in the district are not as attractive, either in appearance or in texture, as those of mill products. This is largely due to the
absence of finish in the handloom and powerloom products. To cater to modern trends and tastes of consumers finish should be given to the products. Hence calendering and finishing plants, suitable both for handlooms and powerlooms, should be set up in the Rabkawi-Bahatti municipal area under the auspices of the central organisation.

Handloom products in the district pass through a number of middlemen before they reach the consumers. The cooperative organisation in the district is unable to handle marketing operations largely due to its administrative deficiencies and shortage of finance. The actual producers are incapable of marketing their products due to their ignorance of market and acute shortage of finance. The external market, practice of credit-sale and seasonal demand of the handloom products require such amount of finance which the actual producers and cooperatives cannot really afford to. Under such circumstances actual weavers and cooperatives are bound to be under the clutches of merchant-cum-master weavers.

The presence of middlemen is mainly responsible for low demand and deterioration in quality. The lucrative profit of the middlemen leads to relatively higher prices of handloom products. Profit margin of middlemen ranges from 15% to 75% depending on the nature of the products. The
Fact Finding Committee (1941) observed that the commission charges of middlemen were very high ranging between 10 to 100 per cent. Even now the middlemen's charges are exorbitant. The competitive position of the handloom industry is, therefore, seriously affected because the marketing cost is far more heavy in case of handloom products than in the case of mill-made goods. The solution to the problem lies in developing efficient machinery for marketing handloom products. This will help to eliminate middlemen and high cost of marketing. By establishing a central organisation in the district such efficient marketing can be created in the district.

Demand for handloom products is seasonal. For instance, demand for such products is very great in the marriage and harvest seasons from December to June. During this period of nearly 6 months many important festivals and fairs take place in the regions where the handloom products are in great demand. In the remaining months of a year, the market is practically dull and in this period the products remain in a dead-stock. The holding period of handloom products by merchant-cum-master weavers and dealers is, therefore, not less than six months. As there are no ware-housing and financing facilities, small merchants, independent weavers
and cooperatives are compelled to depend on merchant-cum-master weavers and money lenders for finance and marketing. The cost of stocking is very high since the rate of interest charged by money lenders is exhorbitant. For this reason also, the small producers and dealers do not take risk of stocking. The merchant-cum-master weavers who alone undertake stocking, safeguard themselves against all possible risk of loss arising out of fall in price or accident etc., by cutting down the buying price of goods and wages. Consequently, earnings of independent weavers, cooperatives and wage-workers are low during slack season. During slack season production is also cut down considerably. As a result, unemployment is experienced. This situation in the handloom industry reiterates the need for development of an efficient marketing machinery. If there is an agency to purchase whatever is produced in the handloom industry throughout the year, the fluctuations in income, employment and output can be avoided.

None of the merchant-cum-master weavers in the district has displayed any interest in advertising his products. Majority of them have not even realised the importance of advertisement in modern days. It is astonishing to find that producers or merchant-cum-master weavers do not possess
even the sample pieces of the type of fabrics they produce. There is certainly a great scope for shifting up demand curve for handloom products by effective advertisement. Such media of advertisement as show-rooms, display centres, museums, travelling agents, issue of sample books, catalogues, price lists and film shows, in and outside the country may be adopted profitably. Among these media, advertisement through cinema seems to be most effective since cinema exerts great influence on the preferences of common consumers. It is too much to expect from the merchant-cum-master weavers and the cooperatives in the district to undertake advertisement since they do not have initiative, interest and required finance. Combined efforts of the proposed central organisation and the government would serve the purpose.

In this regard, the government can do much to help the industry. The Government should open a commercial intelligence Bureau in the district to supply information to the central organisation, regarding the prospective markets and the preferences of the consumers in the existing market. It can also help the producers in getting freight concessions and in setting up commercial museums. It must also purchase sarees and khanas directly from the central organisation for supplying Government uniforms to female employees and to those serving in foreign embassies in
India and to the Indian embassies in the foreign countries. Handloom sarees and khanas should be prescribed as uniforms to girl-students in the colleges and universities in the state.

The problem of marketing in the powerloom sector does not seem to be so serious. Big producers are directly selling to the consumers or whole-salers in the external markets. However, the small powerloom producers like those in the handloom centres have to depend on the big producers-cum-merchants for production and marketing purposes. The powerloom producers' cooperatives are also compelled to depend on these big producers. Ignorance of markets, lack of finance, and seasonal demand are undoubtedly the main causes of dependence on the big producers. Big producers have formed among themselves companies through which they undertake marketing in the external markets. They have opened their sales depots in the big commercial centres. Nevertheless, even their marketing system is not perfect. Market research, standardisation and advertisement are also the pressing needs of the powerloom centres. Like big producers, small producers should form their companies to undertake production and marketing.
The effective marketing system outlined above, in the handloom sector will definitely reduce marketing expenses. The marketing expenses which account on an average for 30% of the final price of the products at present, can be reduced more or less to 10 to 15 per cent. Assuming demand being more price-elastic, this would mean a larger sale of handloom products. The earnings of handloom weavers will increase. In short, such efficient distribution will ensure stability and sustained growth of the industry.

Problem of old and Traditional Designs

Except for minor changes in the designs of sarees and khanas, old and traditional designs are still predominant in the handloom industry. Lack of skill, training and progressive entrepreneurship, absence of direct link between producers and consumers and weak financial position of producers are the main reasons for the continuation of the old and traditional designs. Since the new generation is losing its taste for the old designs, the demand for such cloth is declining, causing reduction in the number of consumers. To maintain stability in the demand for products in the new and changed conditions, developing new designs and patterns is as important as efficient marketing. For, if changes in the character of demand are not readily met by changes in
the types of products, the marketing organisation, however, efficient it may be, will be of little use. Hence, there is a need for establishing "Training and Design School" in the district to invent new designs, to disseminate information about them and to impart training to weavers. The Government and the proposed organisation should join their hands to set up such a school.

Reorganising Production Side of the Industry

The present study of structural pattern of the handloom centres in the Bijapur district reveals clearly the need to reorganise the industry on a sound footing which would enhance efficiency in various production processes. The existence of small handloom centres, a large proportion of uneconomic units in the centres, inefficient labour, primitive tools and techniques of production, high cost of raw materials, non-availability of adequate finance etc. necessitate the immediate reorganisation of the industry.

Size of the Handloom Centres

Almost all rural handloom centres are generally very small. The selected four rural handloom centres have a number of looms varying between 200 looms to 700 looms each. Moreover, there are many rural centres in the district which
have even less than 100 looms. Consequently there is very little scope for centralisation and specialisation of preliminary processes in these centres. Besides, competitive markets of raw materials and products cannot be developed in these centres. Hence, they are deprived of raw materials at competitive prices and quick disposal of goods.

The urban handloom centres, on the other hand, are relatively bigger. Particularly the handloom centres at Ilkal, Guledgudd, Rabkavi-Banhatti and Terdal are sufficiently big. These centres enjoy advantages of concentration. The concentration of a fairly large number of looms in these centres has made it possible for centralisation of preparatory processes and also division of labour to some extent. However, centralisation and specialisation are not complete even in these centres largely due to lack of proper organisation. To some extent, steady supply of raw materials at competitive prices and quick disposal of goods are observed in these centres. But the centralisation of a large number of weavers is not without its bad effects. Weaver's wards at Ilkal, Guledgudd and Rabkavi-Banhatti are no better than the slums of industrial workers. Thus the concentration has created a problem similar to that of factory workers. Our observations as regards the premises and places of work of weavers reveal clearly that a large
number of weavers live in rented premises and that the premises are very old, unhealthy and congested. Weavers' work is frequently handicapped by the vagaries of monsoons. The housing problem in the rural centres is not so serious as it is in the urban centres. "Weaver's housing colony scheme" of the Government should be immediately introduced at Ilkal, Guledgudd, Rabkavi-Banhatti and Terdal. If the proposed central organisation in the district also undertakes to supply warps and wefts to different handloom centres in the district, the shortcomings of small-size centres could be satisfactorily solved. This will help to maintain quality and will also enable organisation to have effective control over production.

The powerloom centre in Rabkavi-Banhatti municipal area alone is fairly large. The number of powerlooms at Mahalingapur, Terdal, Jamekhandi and Ilkal varies between 100 and 150 each. In other places, the number is less than 25. The concentration of powerlooms in Rabkavi-Banhatti municipal area has benefited the industry making centralisation and specialisation in the processes of production possible. However, it has led to certain socio-economic problems like shortage of electricity and water supply, bad habits among the workers, etc. Constant supply of electricity and adequate water supply must be ensured to the centre.
Size of Units

Our investigation brings out clearly that more than 90% of the handloom establishments in the district are found to be uneconomic. Particularly in rural centres, almost all establishments are uneconomic in size. The majority of them have only one or two looms each. It has been already pointed out that size of an establishment has its bearing on its efficiency.

In order to increase the efficiency of small units, increased specialisation of functions, adoption of standardisation, and purchase of new looms need to be encouraged. Small handloom sheds or estates accommodating 10 to 15 looms can be built in the handloom centres by the state government for only independent weavers and members of cooperatives. Master weavers should also be encouraged to construct such sheds through the provision of finance, free sites etc.

As a matter of fact, it is the only way to bring about increase in standard units. For, the majority of weavers' houses can accommodate only two looms each, though some of them could accommodate four looms. Further, construction of such sheds in adequate number would undoubtedly solve the problem of scarcity of housing as the present houses with
loom's will be available for residential purposes also. Besides, it will certainly instil a kind of discipline, similar to that of modern factories, among the weavers. There is no need to say that the factory discipline is urgently needed in the handloom centres.

Weaving Communities and Weavers' Efficiency

Devanga, Karuvningbetty, Pattasali, and Sali are the major castes in the hand-weaving industry. More than 90% of the total labourers engaged in the handloom-industry are family labourers. There is an acute dearth of trained workers in the industry as no single trained worker is found in the industry. The proportion of family labourers in the rural handloom centres is greater than that in the urban handloom centres.

In the handloom centres of Bijapur district, the problem of inefficiency of the artisans is proverbial. A weaver should ordinarily be able to weave a piece of cloth, five to ten yards, in a day of 10 hours, varying according to the dimension of the fabric, pattern woven, the counts of yarn used, a number of picks per inch and the kind of loom employed. But actually he weaves 2½ to 5 yards per day. The reasons for such inefficiency, leading to miserably low
productivity of handloom weavers can be summarised as follows: Almost all weavers are untrained and their skill is mainly hereditary. Although artisans display individuality and some kind of creative genius in producing variety of products, they are practically ignorant of modern techniques of production and improved equipment. Besides, low income, indiscipline, frequent sickness, bad habits and lack of a disinterested attitude are some other factors which adversely affect the efficiency of workers in handloom industry.

In industrially advanced centres it is established beyond doubt that the progressive artisans have constituted the seed-bed of technological development. Therefore, it is essential that their potentiality should be properly channelised. It should be exploited by appropriate measures designed to stimulate their inventive capacity, dexterity of workmanship and ability of improved industrial designing. The spread of general and technical education, mobile demonstrations, inplant training facilities, audio-visual displays would be of much use in assisting the processes. Multipurpose

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2 T.B. and leprosy are common in these communities.
technical school should be set up in the district, with sufficient follow-up measures. The school should be on the pattern of Salem Handloom Weaver’s Training Centres.*

Besides, construction of handloom sheds, restricted hours of work, provision of weekly holidays, undertaking welfare works designed to improve weavers’ health, minimum wage fixation, increase in educational facilities introduction of provident fund scheme etc. are some other ways of improving efficiency of workers.

In all the selected handloom centres, the female workers are more in number than the male workers. Majority of female workers are, at present, engaged only in the preparatory processes. However, in big handloom centres like Guledgudd, Ilkal, some female workers have already taken up weaving, while in rural centres only a few women workers take to weaving. But it is very likely that in near future the number of female workers might become significant. Unfortunately, at present, this labour force in the industry is either unemployed or employed at lower wages. The full utilization of it for productive purposes is quite essential. This is

*At Salem Handloom Weaver’s training centre certain percentage of students from each district in Tamilnadu is selected, particularly from the weaving communities. Rs.180/- stipend will be given to each student.
possible only when training facilities in weaving are extended to female workers and only when adequate follow-up measures like providing new looms, steady supply of raw materials, quick disposal of finished goods, finance etc. are immediately taken up. Separate arrangement must be made in the suggested training schools for the training of female workers.

The powerloom workers in the district are relatively less efficient compared with other powerloom workers in other advanced powerloom centres in the neighbouring states. The majority of them are not technically trained and they have learnt weaving and other processes by practice. Surprisingly enough, so-called jobbers have not received any technical training at all. If the powerloom industry is compelled to switch over from coloured sarees (Petals) to white cloth or some other patterns, the workers will need specialised training. To provide training facilities to both handloom and powerloom workers, two small Multipurpose Training Schools, one in Rabkavi-Banhatti and another at Ilkal should be set up with sufficient follow-up measures.

Tools and Equipment:

There is a functional relationship between the
efficiency of a worker and the tools and equipment that he uses. For, the efficiency of a weaver is mainly governed by the technical equipment of the establishment. In almost all selected handloom centres, most of the equipment is old and obsolete. The traditional methods which are in vogue involve much time and energy. As a result, the productivity is lower and products are sub-standard.

Quoting the recommendations of Expert Committees like Textile Enquiry Committee and Powerloom Enquiry Committee, some have strongly favoured conversion of handloom into powerlooms to solve the technological problem of handloom industry. But such indiscriminate conversions would be very harmful and would not solve the problem. In fact, such conversion programme perhaps leads to other problems like unemployment and shortage of finance. As it has been already referred to, the Textile Enquiry Committee itself aptly observes that in those handloom centres where intricate design fabrics are woven the powerlooms will not be suitable substitutes. For instance, at Ilkal and Guledgudd, both powerloom and automatic frame looms will not be suitable for the production of the type of fabrics that are mainly produced in these two weaving centres.

Besides, the poor financial condition of the weavers
and lack of skill to operate the powerlooms in the district would hardly support such a move. As a matter of fact, in handloom centres like Ilkal, Sulebhawi, Amingad, Gudur, it is reported that some powerlooms have been closed or sold out owing to the non-availability of skilled workers. Other concomitant problems which cannot be solved in the present circumstances are large-scale unemployment of female and male workers and inefficient marketing of these new products. From this, however, it does not follow that there is no need for the adoption of improved techniques and tools.

In a developing economy like that of India the need for technological improvement can hardly be exaggerated. Some kind of intermediate technology should be developed so as to suit the handloom centres from all points of view.

The looms in vogue in all urban and rural handloom centres of Bijapur district are pit looms fitted with a fly shuttle slay. Particularly at Ilkal and Guledgudd and their surrounding rural handloom centres only fly shuttle looms are used, because amongst all other existing types of looms this loom is considered to be ideal for weaving particular type of fabrics. To increase the efficiency of a weaver the improvement lies in the direction of gentler
handling of warps, the threads of which are frequently broken. If this improvement is introduced, the speed of weaving in these centres will be enhanced considerably and thereby wastage of time in mending the broken threads will be minimised.

Another essential improvement to be effected is the introduction of big warp-beams. This arrangement is partly needed at Ilkal. For, the art-silk and pure-silk sarees with "Top-tene" headings require very short-warps sufficient only for one saree. Because in these kinds of sarees the heading is separately joined for each saree. However, for other varieties of saree produced here, the long-warps are greatly needed.

Even though the big warp beams sufficient for 500 to 600 yards have been already invented, the weavers in the district are not aware of them. However, the introduction of such a warp-beam raises a question: will not the warp be too long for a weaver to afford it? In view of poor financial condition of the weaving communities and indigenous method of sizing prevailing in the district, it is obvious that the use of long warp beam is impossible unless somebody supplies it and some improvements are made in sizing method. Though the introduction of medium size
warp beam eases the problem, the present financial position of weavers does not permit them to adopt even such medium warp-beams. The only solution to this problem lies in the regular supply of warp-beams by the central organisation as it is mentioned earlier.

To improve the efficiency of an artisan and quality of product, automatic frame looms which are already found in some centres should be widely popularised. They should be provided liberally in all centres. Of course, at Ilkal and Guledgudd handloom centres, weavers would not adopt them as they are not perfect substitutes of fly-shuttle looms. Certain difficulties in adopting new looms in all centres would arise mainly from shortage of finance and space. One way of solving the difficulties is to alter the present houses of weavers so as to suit the new looms. But instead of wasting money and energy in their alterations, a better alternative would be to build new handloom sheds in all centres. The problems of working capital, raw materials and marketing could be solved satisfactorily if the central organisation undertakes to supply big warp beams and to market the goods.

The devices like jacquards and improved dobbies are mostly unknown to the weavers in Bijapur district. Though
a few of the weavers do know them, they have not adopted these new devices due to their high cost. The jacquards are completely unknown. Of course they are worth adopting for getting intricate designs of sarees. However, ground and heading designs of fabrics in Guledgudd and Ilkal seem to be beyond the capacity of the modern jacquards. But in other centres they are undoubtedly useful. Nevertheless, much research in this field is necessary so as to invent feasible and economical devices for different centres in the district.

High cost of preliminary processes

As regards the preliminary processes, the powerloom enjoys great advantage over the handloom, as most of the processes in the former sector are mechanised. Particularly, those centres specialised in the production of Ilkal type of sarees incur relatively higher cost on preliminary processes. The cost of preliminary processes varies between 8% to 10% of the total cost of production at Ilkal and it ranges from 5% to 7% in other centres depending on the pattern of sarees. Except warping, other processes like winding, pirmwinding, sizing and joining threads are all done mostly by hand with obsolete equipment. Hand-sizing machine is of no use, as they do not require much sizing and the cost of sizing is very low.
But it is essential for cotton and mixed sarees. A composite plant of sizing and warping is needed in the big handloom centres like Guldgudd, Ilkal, Chadachan, Midgundi and Mahalingapur. As master-weavers do not come forward to undertake such a venture, the central organization should open such plants in important handloom centres. If the central organization establishes such plants in big handloom centres it serves two purposes: 1) cost of sizing will be much less, 2) supply of big warp beams will be possible with much less transportation cost. The establishment of hand-sizing machine gives rise to the problem of unemployment, as thousands of female workers who are now engaged in indigenous methods of sizing may be deprived of their important source of employment. But this problem is to be solved by introducing more looms so as to absorb the unemployed. It is more beneficial as the new employment yields comparatively higher remuneration. The concomitant problems of this scheme are the provision of adequate finance, good training and changing the attitude of female workers. It is observed that quite a few female workers in big centres like Guldegudd, Ilkal, Rabkavi-Banhatti have already been engaged in weaving process. But still a majority of female workers are found employed in the preliminary processes. As many of them would not like
to switch over to weaving, it is essential to change their attitudes by appropriate measures. All this amounts to say that while introducing warping - sizing plants in the district, all the repercussions of such a step should be properly looked into.

The cost incurred in joining and twisting the warp threads is equally significant. Its share in the total cost of production varies inversely with the length of warp. In the centres where Ilkal type of sarees are produced, the length of warps is very small, sufficient for only one saree. The cost of joining per saree ranges from 36 paise to 75 paise. This is inevitable so long as the pattern of sarees remains the same and thus this item of cost seems to remain the same many years to come. But in other centres this item of cost could be reduced by adopting longer warps.

Another essential improvement to be effected in the district is to replace old healds and reeds by new wire and varnished healds and reeds as they are necessary to weave uniform and smooth cloth.

It is thus concluded that the competitive strength of the industry can be enhanced if certain improvements are introduced in the preliminary process. If more measures of
economy are effected, the cost incurred on preliminary processes can be reduced at least by 5%.

**Need for provision of cheap and adequate Finance**

It is maintained that it is the inadequate finance of the weaver, and not his conservatism, that comes in the way of adoption of improved tools and equipment to a very great extent. As a matter of fact, the shortage of capital is not the only factor that ties down the weavers to the old and obsolete equipment and traditional technique of production. The ignorance and conservative attitude of artisans are equally strong factors which make them adhere to age-old equipment and methods of production. The report of Programme Evaluation Committee (1966) subscribes to this view. Our observations regarding the handloom industry in Bijapur district reveal that besides shortage of finance the ignorance and conservative attitude of weavers are largely responsible for the non-adoption of modern devices.

The majority of weavers and cooperatives have great difficulty in securing adequate credit at reasonable rate. Consequently they are unable to keep sufficient stocks of raw materials and products. Given capacity of a capital in the handloom industry is not fully utilised; cost of production becomes higher; and their earnings smaller.
Under these circumstances actual weavers are exploited by middlemen. Almost all weavers are in debt. Particularly independent weavers find it very difficult to gear up their production and marketing activities. At present, weavers' cooperatives also are not an exception to this. They have to borrow at abnormally high rate of interest which ranges from 25 to 30%. Many times finance is not available even at such a high rate of interest. As a result, most of the cooperatives and weavers come under the control of master weavers.

Even some master-weavers have to borrow from the money lenders or indigenous bankers, particularly during the slack season. It is so because the commercial banks in the weaving centres are highly reluctant to advance loans to this sector on the security of tools and appliances or mainly on inventories of trade. The net result of all this is slow and unsteady production and relatively higher cost of production. In these circumstances the development of the industry is almost impossible.

The present arrangement to meet the financial requirements of weavers and cooperatives through Government loans and advances of organised financial institutions like R.B.I. and commercial banks is not sufficient. Even in future, these
financial institutions cannot meet fully the huge financial requirements of the weaving centres and hence it will not be a permanent solution to the problem. In addition to these sources of finance, attempts must be made to tap the resources from master-weavers, yarn dealers, money lenders, municipalities and panchayats in the handloom centres of the district. This task is to be successfully carried on by the proposed central organisation in the district.

The powerloom sector in the district also suffers from the non-availability of sufficient capital. It is more so in case of small powerloom units and the units under cooperative fold. The commercial banks are not at present advancing credit to these units. The general complaint of all the powerloom producers is that the State Bank and the nationalised banks are not helpful to them. A considerable proportion of idle capacity is found in the units under cooperatives owing largely to shortage of finance. Due to the shortage of capital many cooperative societies have closed their powerloom units or lent them to the merchants-cum-producers in the centres. The commercial banks should be directed strictly to give financial assistance to the powerloom establishments and the amount of loan given by the State to the powerloom units in cooperatives should be increased taking into account the present requirements.
The industries-development-loan of the state government should be liberalised.

Supply of Raw-materials

The problem of raw-materials arised mainly from the non-availability of yarn supply of reputed count and quality at reasonable rate. The raw-materials' prices in the hand-weaving centres of the district are relatively higher than those in the mill and powerloom sectors. Our findings in this regard show that the weavers have to spend 20 to 30% more on account of raw-materials than their mill counterparts. This is due to the following factors: 1) They have to pay higher prices than mills for purchasing their raw-materials and 2) have to incur higher transport-cost than the mills on bringing their raw-materials to the place of production. The Fact Finding Committee also observed that the presence of a host of middlemen in the raw-materials market results in a "Pyramiding" of prices of yarn and deterioration of quality. The weavers have to pay 4 per cent to 25 per cent more on the retail prices of yarn.

The handloom weavers in the district have to pay higher prices. The raw-material markets are dominated by middlemen. Apart from the profits of the middlemen, there
are two other factors which are to be taken into consideration.

1. The retail yarn dealers in the centres have the practice of charging retail prices arbitrarily without any relation to market conditions. In small centres like Nidagundi, Chadaohan, Vandal, Golasangi, Gudur and Kamatagi, the dealers have monopoly tendency. They not only charge higher prices but also discriminate one person against another.

2. When the yarn is sold on credit both in rural and urban areas there is an addition of 10% to 15% to the usual prices of yarn.

There is another aspect to the problem of raw-materials. It arises from the high cost of transportation. This is due to a variety of reasons:

1. The chief means of transport available in the district are buses and trucks. The bad condition of roads in the rural areas adds to their difficulties.

2. The handloom weavers and dealers in the small centres cannot afford to purchase sufficient raw-materials at a time due to want of finance.
3. Whole-salers have to depend on distant markets like Bangalore, Coimbatore, Salem, Gokak and Bombay. The small weaving centres have to depend on Guledgudd, Rabkavi-Banhatti, Ilkal, Bagalkot, Sholapur and Bijapur. The consequence of such geographical difficulty is that the weavers in the district have to pay unreasonably high prices for raw-materials.

4. Weaving in Bijapur district is mostly devoted to the production of coloured sarees. It requires special kinds of dye-stuffs. The dealers in the big centres obtain the dye-stuffs from outside markets through middlemen. Weavers, master-weavers and cooperatives in the big and small centres have to purchase these dye-stuffs at retail prices from the yarn dealers in the local markets or from towns like Guledgudd, Ilkal, Bagalkot and Rabkavi-Banhatti.

On a moderate estimate, the transport cost of the raw-materials amounts to about 5 per cent to 10 per cent of the price eventually paid for it. Apart from this, a good deal of time is lost when the weavers have to go to outside market or when the required raw-materials are not readily available.

Cost of yarn forms a considerable proportion of the total cost of production, ranging generally from 50% to 70%
according to counts and quality of yarn. If an efficient central organisation is created to undertake production and marketing, the total cost of production could be lowered by at least 10% to 15%.

At present, there are two cooperative spinning mills in the district; one is located at Bijapur and the other at Bagalkot. But both of them are producing only 40 counts cotton yarn and only a small share in the production is allotted to cooperatives and independent weavers. It is reported that quite a large proportion of the production of yarn is obtained by the wholesale dealers at Gulegdudd. The production of these cooperative mills is not steady.

Providing art-silk through quota-system allocated to weavers and master weavers through merchants' Association and cooperative is not helpful to the common weavers. Even the cooperatives and merchants associations are not receiving required counts of yarn regularly. Even today, the yarn dealers and merchants-cum-master weavers largely depend on the distant places like Bangalore, Coimbatore, Salem, Bombay, Madras, Madurai and Gokak.

The immediate solution to this problem is to establish fair-price shops in important handloom centres. But, in
the long run, a permanent solution would lie in the creation of a central organisation for the district to undertake supply of raw-materials, production and marketing of handloom products.

**Problem of Management**

Not even a single producer in the handloom sector has adopted the improved methods of planning involving definite plan for sales, better production, methods of purchasing raw-materials, capital expenditure over definite period ahead, market research, utilisation of resources like equipment and labour to their maximum capacity, etc. The important reasons for non-adoption of scientific methods of management are: 1) ignorance, ii) conservative attitude, iii) poor financial position, iv) small size units, v) non-availability of training facilities and vi) lack of adequate follow-up measures of existing training centres. More often than not, there is no specialisation in works like weaving and management. Consequently the management of production and marketing is unsystematic and thus has adverse effect on the earnings of artisans.

A training centre with sufficient follow-up-measures may be set up in the central place of the district. The viable size of the handloom establishments should be
encouraged so that the specialisation in various processes and management becomes feasible.

The producers in the powerloom sector also lack scientific management. Not even a single producer possesses knowledge of scientific management. Training in management is essential for the cottage powerloom producers as they are directly confronted with competition from the mill-sector. The small industries service institutes in the State can play a significant role in disseminating knowledge of the scientific management to the producers. Many enthusiastic producers complain that these institutes do not actively respond to their queries. Therefore, these institutions must be made more active and subservient to the needs of the producers.

**Indebtedness and other qualities of Weavers**

In all weaving centres in the district almost all own-account weavers, wage workers, weavers working for master-weavers and cooperatives and small karkhanadars, are found in debt. The indebtedness of weavers demoralises the weaving communities. Consequently a common weaver miserably lacks good human qualities like honesty, contentment, sincerity, discipline and industriousness. The weavers' common habit of extravagance and their low earnings make them get into the unproductive indebtedness. Monthly income
of the majority of skilled weavers in the weaving industry ranges between Rs.40 to Rs.60 per head. The average monthly income of a majority of families does not exceed Rs.100 each in almost all weaving centres, which is inadequate even for minimum subsistence. Consequently most of the weavers are compelled to borrow from money lenders for subsistence purpose. The backlog of indebtedness ties them permanently to the master-weavers' system which affects their earnings adversely. Their low earning is, thus, mainly due to the defective organisation in the industry. Mere teaching of thrift, honesty, etc. will be of no avail unless their incomes are increased.

Income and Standard of Living

Our observations of the weaving industry in Bijapur district reveal clearly that majority of weavers' monthly income is less than Rs.100/- each. Our study of family budgets sets out clearly that though nearly 80 per cent of the income of a large percentage of families is spent on the food items, almost all workers suffer from malnutrition. In short, a majority of weavers live below the minimum subsistence level as an individual weaver fails to earn even Rs.30/- per month. An average income of a family in the urban centres is more than the average income of a
family in the rural handloom centres. An average income of a family in the powerloom centre is relatively greater and the standard of living higher.

**Problem of Organisation**

Lack of proper organisation in the production and marketing in the handloom industry in Bijapur district is the greatest drawback. It is this deficiency of the industry which is chiefly responsible for low earnings of weavers and weak competitive strength of the industry. We feel that effective organisation will solve many problems of the industry discussed earlier and lead to systematic production, provision of raw materials and finance at reasonable rates, marketing, adoption of improved tools, techniques, research, reasonable earnings and competitive price etc.

As it is already pointed out earlier, almost all expert Committees, planners and Government have pinned too much faith on the cooperative methods to solve the organisational deficiencies of the hand-weaving industry. But the experiences of the cooperative movement in the Bijapur district handloom industry clearly demonstrate that the cooperatives have failed utterly to yield expected results. As long back as 1945, Famine Inquiry Committee in its Final
Report (1945) expressed serious doubt about the efficiency of the organisation. Even in recent years, some Expert Committees have not much commended the cooperatives. For instance, the Textile Enquiry Committee (1952) suggested resort to private enterprise in the form of joint stock companies, if the cooperatives failed to deliver the goods. The International Planning Team suggested that the private enterprise should be encouraged to the fullest.

In the present socio-economic atmosphere of the country, it is not desirable to leave the fate of the handloom industry either in the clutches of unscrupulous master-weavers (private enterprise) or in the hands of inefficient cooperative organisation. Hence the establishment of the central organisation in the state is a dire necessity. It entails the advantages of both types of organisations (cooperative and private) and it is devoid of the demerits of both organisations. The branches of the state level organisation can be set up in the district where handlooms are concentrated.
Problem of Reservation

The critical analysis of the problem of reservation has led us to conclude that the principle of reservation is really commendable. The aim should be complete reservation of particular fabrics to the handloom sector. Since it is not possible to achieve it in the short run, the partial reservation, as recommended by various Expert Committees, should be immediately introduced. While enforcing the reservation order, its effects on consumers, handlooms, powerlooms, Government expenditure and administration should be clearly assessed. To study these effects and also to advise the Government in these matters, All India Handloom and Powerloom Board, consisting of various interest of the sectors, should be constituted immediately. Before implementing the order of reservation in Bijapur district powerloom industry, such facilities as sizing, bleaching, calendering and finishing manufactured cloth should be created in the Habkavi-Banhatti municipal area. If the powerloom sector is made to produce grey cloth then there will be direct competition between powerloom and organised mill sectors. The powerloom industry in Bijapur district which is not well organised, is certainly incapable of competing with the organised mill sector. Hence it is justifiable to
think of some sort of reservation of particular fabrics to the powerloom sector in the district, on the lines of reservation to handloom sector. A considerable number of workers will be thrown out of the employment in the powerloom sector in the district as a result of change over from production of coloured sarees to grey cloth. It is quite essential to introduce a programme of creating employment opportunities to these workers. A programme may include providing additional powerlooms to cooperative sector, distributing powerlooms to unemployed workers at concessional rates, absorbing these workers in the sizing, calendering, bleaching and finishing plants and also in other such establishments and institutions of the Government; liberal provision of financial assistance to all those who wish to purchase powerlooms etc.

Handloom Development Policy

The handloom development policies of the Government of India that have been pursued during the last four decades or so, may be described as perfunctory. As a matter of fact, the handloom development programmes have barely touched the enduring problems of the sector. During the plan period, the handloom sector has been assigned somewhat definite role and the Government has spent in this period
Rs.113.0 crores for implementing various handloom development programmes. The actual expenditure on handloom sector in the First Plan, Second Plan, Third Plan, Annual Plans and Fourth Plan was, respectively Rs.11.1 crores, Rs.31.7 crores, Rs.26.9 crores, Rs.14.0 crores, Rs.29.2 crores as against the outlay of Rs.9.0 crores, Rs.59.5 crores, Rs.38.0 crores, Rs.10.0 crores and Rs.35.3 crores respectively. The outlay of the fifth five year plan is fixed at Rs.55.3 crores. The actual annual production of this sector in the First Plan, Second Plan, Third Plan and the Fourth Plan respectively 14.50 million metres, 2,100 m.metres, 2,500 m.metres, 2,100 m.metres, while the expected production in these plans was respectively 1,700 m.metres, 2,100 m.metres, 2,800 m.metres, 3,000 m.metres. The target for the Fifth was fixed at 3,000 m.metres of cloth per annum. From the above figures and facts it can be discerned that the handloom sector in the country is not yielding the expected results. The reason for this is that the policies of the Government are ad hoc and half-hearted in nature.

Further whatever handloom development programmes are there, they are not effectively implemented. Keeping in view our investigations in Bijapur district and the general observations of the performance of the handloom sector in
the country, we conclude that the Government should make a serious and determined efforts to assist the handloom industry by formulating suitable policies regarding marketing, production, quality of products, equipment, training, research, provision for raw materials and finance, change in the motivation of weaving communities and effective organisation on the lines suggested in the foregoing and present chapters of the study. Besides, it is essential to make provision for adequate funds and institutional infrastructure so as to energize the handloom and powerloom sectors. The efforts are also necessary to boost up the production and exports of these industries to earn valuable foreign exchange. In brief, the handloom development policy should be made as the integral part of the national industrial policy.