CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

The handloom industry in India is traditional and dates back to the Harappa and Mohenjodaro civilization. Handloom in India occupies an important place because it is an age-old craft having skills and craftsmanship famous all over the world; and next to agriculture (in the unorganised sector), it gives employment to the largest segment of the country's population. Over 16 million weavers and crafts persons are engaged in Handlooms and Handicrafts, making it the second largest area of employment in the unorganised sector.

Handloom industry which is mainly in the cottage and small scale has been playing a crucial role in the country's rural economy by providing full-time and part-time employment to millions of persons. Though at one time there was fear of handloom cloth not getting a fair market in view of the sophistication entering the society, it is by now established that the handlooms have definitely an important role to play in the textiles field and given the required protection, it can satisfy a very large internal market. In addition, the export potential for handloom has risen substantially because of the capacity of handlooms to meet the artistic demands which are changing from time to time in the different societies of the world. Given the right backing and the technological and design support, the export market for handlooms could be an expanding one. Therefore, handlooms are definitely an industry which can be developed to give remunerative employment to the handloom weaver.

Economists are reasonably certain that by the end of 20th Century, chances of rural popula-

1. The Telegraph, August 30th, 1994, p.4.
tion migrating to urban industries is remote. The rural areas have to provide employment for the expanding population. Cultivable land does not expand with the increase in population and so there is a need to ensure a good line of employment to the rural population. From this view-point, it is becoming clear that handloom should not only stay, but also should developed to the maximum possible capacity to meet the internal and external demand.

The handloom industry in India is markedly predominant in a few states such as Tamil Nadu, Uttar Pradesh, Maharastra, pockets of Andhra Pradesh, Karnataka, Manipur and Mizoram and to some extent in Punjab, Haryana and Himachal Pradesh. Handloom industry is the oldest and the most important cottage industry in Manipur. Though Manipur is a small state with an area of 22,366 sq.km., she stands sixth in the country in terms of loom population. The total population of Manipur being 18 lakhs approximately, out of which 5 lakhs depend for their livelihood directly or indirectly on handlooms. The production of handloom products in Manipur is mostly carried out by women living in rural and semi-urban areas.

1.2 NEED FOR THE STUDY

Although handloom enjoys a pre-eminent patronage from the Government, the handloom sector itself is not free from handicaps. Though the contribution made by the handloom sector to the Indian Economy may represent a rosy picture but an insight into the socio economic conditions of the weavers leaves much to be desired.

Every state in India has a heritage of weaving which is an orchestration of its own very distinct art, colour, heritage and texture. The production of handloom in Manipur is carried out by women only living in rural and semi-urban areas. Most of these women belong to the economically backward who are either widows or socially estranged. Although on one hand, is the reality of their pitiable existence, while on the other hand, there is the curious relationship they share with their profession. The study is an attempt to breakaway from poverty which has its origins in the low earnings and to find an alternative means of financing for the weavers from the traditional method
of financing.

According to the findings and suggestions of the Hate Committee, there is a chronic shortage of finance in this sector. The state of affairs in this sector is yet to be improved to a satisfactory level. This is an attempt to find some possible solutions to the problem.

Thirdly, studies have not been carried out on the production and marketing costs of handloom. Studies do have been carried out on the handloom finance by institutions but not on the production and marketing cost of the products. It is also an attempt to study the procurement of the funds for the weavers.

1.3 OBJECTIVES

The objectives of the study has been laid down as follows:-

i) to study the socio-economic profile of the handloom weavers of Manipur.

ii) to assess the production costs and marketing costs of the handloom products of Manipur.

iii) to make a comprehensive study of the procurement of the alternative funding for the weavers.

iv) to study the handloom-finance assistance made by the institutions (Banks, Non-Banks and Govt.) to the weavers of the state.

v) to identify more areas where handloom has potentials and to determine the ways and means for further development of the handloom sector in the state.

The hypotheses adopted to explore the measures for meeting (serving) the aforesaid objectives of the study is as follows: Right time of awareness to the concepts of production and marketing cost by the weavers matched by regular and sufficient flow of finance shall enhance the optimal performance of the handloom sector.

1.4 AREA OF STUDY AND COVERAGE

The study encompasses the state of Manipur covering the 6 (six) out of the total eight districts. Although originally planned to cover all the eight districts, the districts of Ukhrul and
Tamenglong could be covered due to the prevailing ethnic clashes of Nagas and Kukis. The six districts covered are Imphal, Thoubal, Bishenpur, Senapati, Churachandpur and Chandel. The weavers from these districts has been interviewed under a stratified random sampling. Stratification of the weavers has been done on the basis of the type of looms used by the weavers. The Hill-districts i.e. Senapati, Churachandpur and Tamenglong cover join-loom weavers while the valley-districts i.e. Imphal, Thoubal and Bishenpur cover weavers of frame looms. The sample size of the study is 800 weavers with a coverage of at least 100 weavers in every district. The sample size of Imphal and Thoubal districts are 200 each as concentration of weaving population are higher in these districts.

1.5 METHODOLOGY

The data for the study has been collected from both the primary and secondary sources. The primary data has been collected through a pretested interview schedule by interviewing the weavers directly. Apart from the weavers, the researcher has also met Government officials, Government agencies, voluntary organisations etc.

The secondary data are collected from the publications of the Central and State Government organisations involved in the promotion of handloom. Publications of various research organisations which deals with research and development on handloom and textiles like Ahmedabad Textiles Institute and Research Association (ATTRA), Indian Institute of Management, Ahmedabad (IIMA), Silk and Art Silk Mill’s Research Association (SASMIRA), Indian Standard Institute (ISI) and export promotion organisation, as well as financial institution’s annual reports have been extensively used. The study has used tools like force field analysis to find potential areas for development of Handlooms.

1.6 PRESENTATION OF THE STUDY

The entire study is divided into nine chapters. The first chapter deals with introduction, need
of the study, scope, objectives etc. Chapter two discusses the profile of the handloom industry of India. It deals with the history of the handloom till the present context. The third chapter confined itself to the handloom industry of Manipur. It covers the history of handloom in Manipur and describe the tools and implements used in weaving. The fourth chapter mainly makes an overview study of the socio-economic conditions of the weavers. The fifth chapter assesses the production costs and marketing cost of select handloom products of Manipur. The sixth chapter elaborates the role of finance played by institutions viz. commercial banks, non-bank institutions, central and state governments. The seventh chapter examines the available sources of finance for an individual weaver and presents an alternative source of financing. The chapter eight exclusively explores the potential areas for development of handloom. The last and final chapter nine present an account of conclusions and suggestions of the study.

1.7 LIMITATIONS

The study has been faced with some limitations regarding non-availability of some important data. Data for the production cost of the select product has been based on few weavers only. The data on the export of handloom products from Manipur, the amount sanctioned on the schemes are not available with the Handloom section, Directories of Industries Imphal. The figures are available upto the financial year 1993-94 for the secondary data.