Chapter 2

REVIEW OF LITERATURE
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2.1 Introduction

The present chapter reviews the available literature in the areas of handloom industry. The handloom industry is considered to be one of the traditional industries of India; and therefore, several studies at regional and state level on different aspects of the industry have been conducted by researchers, Central and State Government agencies in the sector; and Research institutions. By considering the extensive research in the area, the researcher has made an attempt to classify and review the studies into different groups on the basis of areas of research in the handloom sector.

2.2 Studies in the Area of Production and Marketing

Ranga (1930) analysed the nature of economics and organizational structure of handloom industry. It also analysed the pattern of production and market condition of handloom products. The unique contribution of the study was that it provides a detailed description about the important handloom centres. The study suggests that Co-optex should conduct market research to identity the needs of foreign and domestic consumers and should try to reduce the interest burden on loans by creating its own internal source.

Venkataramanan (1935) explores the nature of relationship between production and marketing of handloom products. The Study found that the system of production determines the method of distribution of handloom products. While the individual weaver sells his product mainly through paddling, the organised producers market their products through show rooms, commission agents etc.
Gosh (1947) stressed the location importance of handloom industry. The study states that weaves with proximity to market enjoy the location advantage of marketing. The weaves who are away from market had to walk 20 to 25 miles losing 2 to 2½ days to market their products. At the same time, the location advantage need not be over emphasised. The study states that even though the outlook of the handloom industry is dismal at a macro level, in some states the industry has performed well. Hence a location specific study of the industry will provide better insights into the dynamics of handloom industry.

Sahai (1956) studied the handloom industry in north India, focussing the attention on the competition faced by handloom sector from power looms and mills. The study suggested that handloom weavers should learn more designs and the production technology should be improved to face the competition. The Government should take steps to impart training to the weavers, and supply design books and other instruments free of cost.

David Anterro Aloysius (1960) stated that production and marketing are two areas which require immediate attention. The study pointed out that the producers are compelled to fix high prices for their products due to the increased cost of production; and suggested the Government should supply raw materials at subsidized rates to the weavers.

Nanekar (1968) stated that in order to gain tangible results in the handloom sector, the volume of production should be increased substantially. The long term significant improvement in the earnings of the weavers can only be achieved by improving the productivity of labour, a problem ultimately related to the technique of production.
Sinakandhan, (1972) observes that the hike in the raw material cost is the main reason for the continuous decline in the production of handloom cloths. Lack of marketing facilities and absence of proper organisational support are adding to the woes of the sector. The study suggests that the Government should give priority to the handloom industry and allocate more resources for the development of this sector.

Angadi, (1975) points out that customer prefer power loom cloths to handloom cloths due to the price advantage. This makes the marketing of handloom products extremely difficult. Under such circumstance, it is necessary that the Government should reserve certain items exclusively for handloom sector for the sector to survive.

Ramakrishnan, (1978) pointed out that that exploitation by middlemen and competition from power looms are the major problems faced by weavers in the handloom sector.

Varada Raj (1979) stated that the yarn market was capable of providing sufficient quantities of yarn for the handloom industry in India but the export policies of the government had created scarcity of yarn. The study recommended that the government should allot more resources for the development of co-operative spinning mills, and should take steps to improve the present yarn distribution system so that sufficient quantity of yarn is available for the handloom sector.

The Centre for Studies in Decentralised Industries (1980) observed that the subsidy system largely benefited the traders. The study which covered all the
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functional areas of selected handloom centres of Tamil Nadu, and Maharashtra, stressed the need for building up market intelligence in the absence of adequate market information especially in the co-operative sector.

Chakraborthy (1982) observed that the quality of handloom products was declining over the years. Due to the increase in the input costs, weavers were using substandard raw materials for handloom production. As a result the consumer demand shifted from handlooms to mill made cloths and a number of weavers lost their employment. The study suggested that the Government should supply raw materials at subsidised rate to avoid such situation.

Gujjula Rajaiah (1985) attempted to analyse the technological factors, wage structure, market structure, changes in tastes in clothing etc related to handloom industry in the coastal belt of Andhra Pradesh. The study found that the early 20th century witnessed considerable technological improvement in this sector. The strong local market helped the industry to attain high volume of handloom activity in the region during that period.

Jain (1985) studied the policies and programmes of the government have lead to the technological stagnation in the handloom industry. The study pointed out that the move to entrust the production of controlled cloth to the handloom sector in the 1985 textile policy would adversely affect the handloom industry. The earnings of the weaves would come down as the programme was not fairly remunerative.

Venkatachalam (1987) explores the export production and marketing policies and practices followed by the government. The study found that the exporters have not made any special efforts to promote their trade abroad. The handloom products
are marketed under the brand names of the importers. The insufficient and uneconomic nature of operations and on account of outmoded and traditional looms, the Indian handloom products are lagging far behind in terms of quality and fashion in export market except for a few varieties.

Rajamani Singha (1992) stated that the national productivity levels of weavers and looms as a whole was quite low and varied from state to state. The marketing of handloom products is in a rudimentary stage and only middlemen are benefiting out of that. The government sponsored agencies lack professionalism in exploring new export market for handloom products.

Soundarapandian (2000) stated that a change should be brought out in the outlook of the weavers and they must be oriented at grass root level to the betterment of their skills, knowledge and technology in order to ensure quality of product, improved efficiency and increased productivity. The study suggested that branding should be introduced in the handloom sector in order to enhance marketability.

Kanakalatha Mukund, and Syamasundari (2001) observed that the market for handloom products is really growing. The study stated that the inability of the official agencies to market the handloom products effectively is the main reason for the failure of the handloom sector. The study recommended that the government should act only as a facilitating agency and give autonomy to weavers’ co-operatives.

Krishna Anand, (2002) analysed the crisis in handloom sector during the globalisation era by examining the plight of handloom weavers in the country,
particularlly in Tamil Nadu. According to the study, the handloom weavers are unable to produce handloom fabrics that would compete in the global market as they are not wealthy enough to implement modern methods in weaving. There is no market for handloom products. The weavers are suffered further by their debt burden.

Darma Raju Pillai (2007) commented that the crisis in the handloom sector started due to the entry of power looms and textile mills into the market, making the demand driven market for handlooms to supply driven market.

2.3 Studies in the Area of Finance

Somappa, (1970) found that the government so far neglected the handloom sector, and focussed the attention on power loom and mill sector. The priority was given for the development of agriculture. As a result, the handloom industry started declining in the country. The study states that the government should spent huge resources for the development of this sector.

Geetha Devi (1982) analysed the cost structure of handloom industry in Kannur and Thriruvananthapuram districts of Kerala and found that the cost-structure in Kannur was higher due to various reasons. The study compared the operational cost structure, efficiency, productivity, and capacity utilization levels of co-operative societies in handloom and power loom sectors. The study also analysed the financial performance of the Handloom Weavers’ Co-operative societies in terms of liquidity, profitability and turn-over.

Rejula Devi (1983) found that due to lack of adequate financial support, the handloom industry had fallen into deeper crisis in recent years. The socio-economic
conditions of majority of the weavers were very poor and they were changing their profession to alternative jobs. Majority of the PHWCS were in dormant state. The study recommended that the government should allocate huge funds for the development of the handloom sector.

Jabarullahan, (1998) has made an attempt to analyse various aspects of procurement of fabrics, the pricing policy, and the financial performance of Co-optex. The study reviews the role of Co-optex in the development of handloom industry in Tamil Nadu. The study suggested the need for opening yarn banks by including professional co-operators who have faith in co-operative principles as government nominees in the Board of Directors and imparting training and education to the professional managers.

Revathy (1998) in her study examined various aspects of working capital management of co-operative societies like the sources and application of funds, problems related to working capital mobilization etc.

Ajit Kanikar (2006) studied the credit flows to the handloom sector, attempted to make a preliminary estimate of the demand for credit to the handloom Industry. The study reviewed the existing credit delivery mechanisms and all possible alternate mechanisms. The study also made an inquiry into the discrepancy between the policies and the real credit flows to the sector and brought to light the consistent declining trend in credit flows to the handloom sector over the years.

Seemanthini Niranjan (2007) in her study identified the strength and weakness of handloom industry and suggested that the right kind of investment in the handloom sector will result in gainful occupation. The right kind of investment
includes developing appropriate infrastructure, designing suitable production technology, capacity building across the production-marketing value chain and strengthening institutions that can ensure producer equity.

Khairul Islam et al (2013) have made an attempt to study the cost-benefit analysis of handloom industry in Bangladesh. The Handloom industry is the biggest and the most important cottage industry of Bangladesh. It plays an important role in the economy of Bangladesh and on the livelihood of the rural people. The study is an attempt to analyze the cost-benefit of handloom weavers operating in Kumarkhali Upazila of Kushtia district. The study is mainly based on primary data. A total of 57 handloom units were randomly selected for the study. The cost-benefit analysis approach enabled us to assess the profitability of the handloom industries. The major findings of the study shows that handloom weaving activity is profitable and per-loom profit for small scale and large scale units is higher than that for the medium scale units.

2.4 Studies Related with Weavers of the Unit

Kakade (1947) analysed the socio-economic condition of handloom weavers in Sholapur municipality. According to the study, the socio-economic condition of weavers in Sholapur is not satisfactory. The study recommended that the government should introduce more schemes for the benefit of handloom weavers.

Mohanan, (1977) identified that the main reasons for the widespread unemployment among handloom weavers in Kannur are unplanned production, lack of innovation, the role of intermediaries and master weavers and the failure of the government to build a strong base for the industry.
Kantikumar (1978) observed that the handloom weavers formed a major component of the rural poor, a significant proportion of them falling into the lowest income group. The average earning of a handloom weaver was estimated at less than Rs. 3.50/day and they do not even get this meagre amount all through out the year. Most of the weavers are semi-starved and ill clad.

Sarangapani (1987) attempted to analyse the socio-economic condition of handloom weavers in two important handloom centres of coastal Andhra Pradesh namely Mangalagiri and Pedana. The study observed that the incidence of poverty was the highest among coolie weavers. The study recommended that the weavers should learn modern designs to increase their earnings.

Venkata Subbaih (1991) studied socio-economic condition of handloom weavers in Cuddapah district of Andhra Pradesh. The study identified that weavers in the western parts of the districts produced only coarse varieties of handloom cloths and weavers in the Eastern region were usually weaving superior varieties of cloths like pure silk saris etc. The study also observed that the weavers were living below poverty line. The study suggested that proper training should be given to the weavers, and more weavers’ service centres should be opened to assist them. The weavers should try to learn modern techniques of weaving to increase their earnings and to improve their living conditions.

Kotaiak Pragada (1992) pointed out that the New Textiles Policy 1991 was favourable to power looms and mills. The study stated that due to the scarcity of yarn, there was loss of employment in the handloom sector and most of the weavers were leaving their profession for alternative jobs. The study suggested that the government should give 40% subsidy on raw materials purchased by weavers.
The High Level Committee appointed by the Kerala State Planning Board (1994) suggested that the government of Kerala should support the policy of converting handlooms into power looms as there is strong case for such a move. The committee further stated that in order to prevent the shifting of handloom industry from Kerala to Tamil Nadu, the state government should encourage the weavers to concentrate in the production of high value items for export. The committee strongly recommended the government to enforce the real wage policy in the state in a phased manner to improve the productivity and to reduce the physical strain of weavers.

Premavathy (1995) in her study, “The Modernisation of Handloom Industry in Kerala with reference to Ernakulam District” pointed out that the benefits of government policies are not reaching the real weavers. The study observed that the modernisation of handloom industry is inevitable. The gravity of unemployment among weavers in the district can be reduced to some extent by injecting new vigour and vitality into the handloom industry in the rural and semi-urban area through modernisation. The study recommended financial subsidies for the implementation of modernisation programme in handloom sector and free training for weavers.

Narasimha Reddy (2006) studied the issues of women weavers in handloom industry. It has been stated that the trade policies are defining the production system to suit the international trade which in turn affect the existing socio-economic relationship between man and woman against woman. The study chalked out an action plan for the up-liftment of poor woman weavers. The study suggests woman to benefit from the current scenario need to move up the value chain in production and need to be in the leadership and value addition levels. It also recommended that
there should be specific development programme and budget allocation at National level for the benefit of woman handloom weavers

2.5 Studies Related with Handloom Co-operative Societies

Shetty (1963) conducted a study on the small industries of Delhi with special reference to handloom Industry; and identified that the scarcity of capital, and low capacity utilization were the main problems faced by the industry. The study founds that Co-optex, the handloom apex society in Tamil Nadu failed to rescue the handloom sector. Co-optex is not procuring the whole products of PHWCS. There is delay in the settlement of rebate claims of co-operative societies and the tardy payment schedule of Co-optex is making working capital problems to PHWCS in the state. The study stressed the need for earmarking a fixed percentage of sales towards reserves and for strengthening the capital base of PHWCS.

Vinkatappa (1977) studied the problems of weavers’ co-operative societies in Karnataka state. It has been observed that the members of the societies fail to utilize the weavers’ co-operative societies effectively.

Bhatra (1978) stressed the need for creating proper link between the weavers’ co-operative societies and the spinning mills in co-operative sector for the growth of handloom industry.

Choubey, (1978) in his study reviewed the progress of weaver’s co-operative societies in Bihar and as a step towards revitalisation of the weavers co-operative societies, suggested that the societies should be classified as (a) viable societies (b) societies which can be made viable (c) societies to be liquidated. According to the
study the weavers co-operative societies should be linked with the whole sale co-operative consumer stores to ensure speedy disposal of the handloom products.

RBL Garg, (1978) in his study enquired about the importance of co-operatives in improving the condition of handloom industry. According to the study, co-operatives have a very significant role to play in this regard due to the employment potential of the handloom industry, traditional nature of the sector and the economic backwardness of the weavers.

M. Sarngadharan (1985) evaluates the role of primary co-operative societies in promoting the handloom industry in Kerala. The study examines the impact of co-operativisation in handloom sector on the economic condition and social status of member weavers. The study revealed that the co-operativisation has a positive impact of improving the social condition of member weavers. However it did not succeed in promoting the economic condition of member weavers compared to non members. The study suggested that appropriate steps should be taken to create awareness among handloom weavers about the need, importance and the working of co-operative societies, the importance of learning new techniques of production, acquiring knowledge about the sources of raw material supply, imparting skills for solving managerial problems, developing leadership qualities and savings habit among weavers.

Seetharaman (1987) studied the optimisation of marketing, production, financing systems for handloom textiles; and analysed the production and financing functions of the apex handloom weavers’ co-operative society in Tamil Nadu. The study deals with the marketing of handloom textiles by Co-optex, consumer...
perception and marketing environment: The study also covers the practices and issues relating to production and finance.

C.S. Rayudu (1988) has made an attempt to study the economics of textile co-operatives, and explored the nature of handloom industry in Andhra Pradesh. The study also analysed the marketing structure of handloom co-operatives, and suggested that the handloom industry should be protected from unfair competition from mills. The study emphasised the importance of the state providing financial assistance for modernisation of the looms, and bringing all weavers under co-operative fold.

Anandan (1989) has made an attempt to study the design and product development pattern of Co-optex. The study analyses the consumer perception towards the products offered by the Co-optex. The study suggested that there should be improvement in the design and product development of handloom goods marketed by Co-optex.

Saeed, and Ansari (1990) analysed the operational, organisational and managerial problems faced by co-operative societies functioning in marketing and processing areas of handloom industry. The study suggested that there should be sound organizational structure for marketing and processing co-operative societies in handloom sector, to ensure better services to members, employees, customers and the community as a whole.

Mridul Eapen (1991) examined the functional performance of HANTEX, and pointed out that despite the active funding by the government, the apex society had not only a poor financial record, but also failed in discharging its primary function of
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assisting primary weavers co-operatives. The study attributed this failure to the incompetent marketing strategy of the society and its organisational failures.

Pyarlal Raghavan’s study (1995) analysed the general crisis of the industry and its impact on the performance of co-operatives in the handloom sector. The study found that though the co-operatives helped to increase the wage rates significantly, the number of days of employment declined. According to the study, the failure of the central co-operatives to increase sales, which resulted in the under utilisation of the installed capacity by the industry is the reason for this. The study stated that in Kannur, north Kerala, which had better industrial organisation, superior technology and conscious trade union movement and co-operatives, had a slightly better performance in all sectors of the handloom industry compared to south Kerala. The study also highlighted the relatively high price of handloom products and the failure of the sector to bring product diversification by way of new products.

Greeshma, (2001) pointed out that the co-operative societies failed to ensure regular supply of yarn to weavers and were often dominated by a few individuals. It has been observed that the handloom production showed a declining trend over the past 10 years.

Lahori (2006) studied the prospects and problems of a decentralised sector in textile industry with special reference to Co-optex; and attempts to analyse the organization pattern, production issues, financial aspects and the effectiveness of marketing by Co-optex. The study suggested that the handloom sector should concentrate on those fabrics which require the artisan and handcrafted work and low count yarn products which other sectors cannot produce and leave the production of
plain finer cloth to power loom which can be economically produced by their operational efficiency. The study emphasised the need for implementing effective Management Information System in this sector and the importance of producing value added products like garments. Handloom should give special attention to the production of items which attract younger generation.

Selvaraj (2007) studied the production and marketing performance of handloom weavers’ co-operative societies in Madurai district of Tamil Nadu. The study states that due to obsolete technology and competition from mills and power looms, the handloom sector is incurring continuous loss. The management of the societies is not sound, and the financial and operational efficiency are poor. The study recommends that the Government should reserve products for handloom sector, provide financial support to co-operative societies and provide training to develop managerial skills. The handloom co-operative societies should try to improve accessibility to raw materials, should ensure continuous employment to the member weavers and try to expand the market for handloom products. It found that majority of the weavers are illiterate or semi literate. The weavers had several years of experience in weaving with majority having age above 46 years.

Sivagnanasithi (2008) studied the problems faced by the co-operative societies and their members. It analysed the working conditions prevailing in the co-operative societies and the socio-economic conditions of member weavers. The study also tried to identify the factors influencing the utilization of the co-operative society by the members. The study states that health hazards, low and irregular wages, shortage and untimely supply of raw materials, low status in the society etc are the major problems faced by the members of the co-operative society. The co-
operative societies are facing problems like poor marketing facilities, poor performance, low income and the hold of financially sound master weaver over weavers.

Suresh Kumar (2008) has made a study on the role of primary handloom co-operatives in Kerala; and states that handloom co-operatives in Kerala are in the grip of a crisis in terms of economic indicators such as production, marketing and finance; and depend heavily on the budgetary support of the government for their survival. The study also examines the socio-economic condition of weavers, and finds that even though the handloom co-operatives serve a vital social function of supporting the marginalised section of the society, cannot succeed in enhancing the socio-economic condition of the weavers.

The Department of Economics and Statistics, Tamil Nadu (2009) states that majority of the handloom weavers in Tamil Nadu (53.54%) are working under Co-operative societies. The report finds that despite the welfare measures introduced from time to time by the Government; the workers are gradually shifting from co-operative societies to master weavers to get their needs fulfilled by way of availing money in advance. The average monthly income of weavers under master weavers is also higher than the weavers under co-operative societies. This is another reason for the weavers to switch over from co-operative societies to work under master weavers. According to the report, the socio-economic condition of the weavers in Tamil Nadu has not been improved much over the decade.

Vijalakshmi (2009) evaluates the benefits of weavers in handloom weavers co-operative societies in Coimbatore district. The study founds that the improved performance of the restructured co-operatives is evident in the rise in exports of the
region. The inherent characteristics of the co-operatives qualify these societies as an instrument for development mixing the benefits of private ownership with common good. The study suggests that the research and development must be encouraged in co-operative societies for product development and effective market practices.

2.6 Studies Related with Problems of Handloom Units

A survey conducted by National Council for Applied Economic Research (1958) on handloom industry in Karnataka and Sholapur, listed the problems of the industry in the areas of production, marketing, finance; and recommended the need for re-organisation of the industry through the formation of co-operatives.

The Committee on Employment in Handloom Industry, (1960) discussed about the minimum wages for the handloom weavers in Kerala, explained the main problem areas of handloom industry are marketing, finance and over dependence on traditional items for weaving.

Zahir (1967) analysed the operational problems of handloom industry in Varanasi. The study observed that the shortage of raw materials was the main problem faced by the handloom industry, and suggested that government should provide raw materials directly to the weavers at subsidized rates; and to open raw material supply centres with government intervention.

Riazuddheen (1968) studied about the economies of cottage industries of Gangpur, Uttar Pradesh; and points out that the disorganised nature of the handloom industry is the main reason for the marketing problems persisting in the handloom sector. According to the study, procedural delay, lack of skill and inadequate government assistance are the other problems faced by the sector.
Rao (1973) finds that the employment in handloom sector is declining over the years. The existing workers in this field are trying to change their profession for alternative jobs. The handloom weavers are directly affected by problems like hike in raw material prices, scarcity of inputs, absence of proper facilities for production, marketing, finance etc due to the inadequate financial support from government.

Yagaiah, (1973) observes that the handloom industry is facing marketing problems and shortage of raw materials and other inputs. The study suggests that the Government should give priority to handloom sector in the five year plans and should ensure adequate supply of inputs at reasonable rates. The existing marketing system of the handloom sector should also be revamped to ensure growth of the sector.

Nedungadi (1977) pointed out that the main problem faced by the handloom industry is lack of internal demand for its products. The study suggested that creation of internal demand for the handloom products is the permanent solution for the problems faced by this sector.

Rao (1979) stated that Indian handloom sector is facing the shortage of yarn due to the export of cotton to foreign countries. Such export should be banned and more co-operative spinning mills should be opened to meet the yarn requirements of the country.

Sharada (1979) found that the handloom weavers are facing unemployment or under employment. The sector is facing shortage of yarn and other inputs. Marketing of the handloom products are extremely difficult compared to the mill made cloths. Majority of the weavers is living below the poverty line.
Gupta (1980) studied marketing problems of handloom weavers’ co-operative societies; and stated that marketing is the main problem faced by the handloom weavers’ co-operative societies. The study recommended that the Government should direct all its departments to use only handloom cloths as uniforms, furnishing cloths etc. The co-operative societies should make use of mobile sales depots and exhibitions to promote sales. The study suggests that the exporters should try to develop their own brand names and open their own branch shops abroad and market the uniqueness of Indian handlooms.

Narayan (1982) observed that the main problems faced by handloom industry include high price of raw materials, absence of research and development, intense competition, ineffective rebate system, wage policy prevailing in the sector, and lack of proper contact with export markets.

Natesan (1983) has made a study which deals with the problems of finance faced by handloom industry in Salem district. The study analysed the sources and extent of finance required for strengthening the current operations of the industry and pointed out that a separate bank should be established to cater the needs of handloom sector. The study recommended that an export centre and a warehouse at National level should be set up exclusively for handloom products; and suggested that co-operation between societies and master weavers should be strengthened for the development of handloom industry.

Manuel (1987) found that under utilization of the installed capacity is the main problem faced by handloom industry in Kerala. The study reveals that the various government programmes failed to improve the capacity utilization in the handloom sector. The study recommended for modernisation of the industry through
technological innovation and product diversification. It further suggested that the government should introduce well planned reservation system for the development of handloom industry in the state.

Mathew George (1987) studied the problems and prospects of handloom industry in Kerala; and identified the major factors affecting the price, profitability and employment in the handloom sector. The study found that the competition from mills and power looms forced the sector to sell its products below normal profit. The fluctuations in the prices of yarns, dyes and other inputs also affected the profitability of the handloom industry.

All India Handloom Conference in New Delhi (1995), discussed about the problems of handloom weavers in India, and observed that the raw material shortage was very severe in the country. The conference suggested that the Government should supply raw materials on a regular basis at a subsidised rate to provide continuous employment for the weavers. The government should also open marketing centres for handloom products at rural areas and should continue the present reservation policy in the handloom sector.

Meher (2007) the study on Bargarh handloom cluster in Orissa stated that the apex handloom co-operative society gives a sketch of the major cluster actors and an analysis of the business operations in the region. The major problems associated with production, technology, finance, and marketing were analysed. The study stressed the need for the cluster to have direct market linkages with big traders, design development, improvement in dyeing quality, strong market base etc for the development of handloom weaving in the region.
Elango (2009) studied the problems faced by handloom weavers in co-operative societies with special reference to Thiruchirappally district. The study focused on the production, marketing, finance and the socio-economic problems of weavers under co-operative fold. It reveals that there is difference between the handloom weavers of different age groups as regards to the dimension of their problems, but, the number of looms owned by the weavers has no relationship to the dimensions of production, finance, marketing, and the socio-economic problems faced by the weavers. The study suggested that the government should take steps to improve the literacy levels of handloom weavers, provide loans at easy terms to weavers, start handloom research centres at district levels, and conduct exhibitions and fairs to promote handloom industry.

2.7 General Studies in the Area of Handloom Sector

Arumugam (1972) evaluates the effectiveness of government measures over the years for the benefit of handloom sector. His study recommends that there should be creative intervention by the government in all aspects of the handloom industry.

Oommen (1972) analysed the working of development programmes for the growth of small scale industry with reference to coir and handloom industry of Kerala. His study investigated about the development programmes related to (a) The modernisation of traditional sector; (b) The Industrial Estate Programme; (c) Rural Industries Project; (d) Special programme of assistance namely finance, marketing and services. According to the study, the development programmes for the promotion of small scale industry have failed to achieve its objective. The study recommended that in order to avoid large scale displacement of labour, the
introduction of modern techniques in the traditional sector have to be a gradual process.

The High Power Study Team, Government of India (1973) analysed the organizational, technical and financial aspects of the handloom industry and suggested that many of the problems of the handloom industry can be resolved by increased co-operativisation of the sector. It studied the functioning of the reservation system and the availability of necessary inputs of the industry and stated that in practice; very little protection was given to the handloom industry mainly due to the poor implementation of the policy measures of the government. The report suggests that there exists tremendous opportunity for product diversification, innovation, quality improvement, improving productivity, better technology, tapping local and export markets and thereby achieving the overall development of handloom industry in this region. The study found that most of the co-operative societies suffered shortage of funds for working capital and for modernisation. The other problems faced by co-operative societies include managerial inefficiency, lack of research and development, organizational rigidity and low level of education among weavers. The study suggested a dynamic marketing policy and gradual diversification in production, reduction in the production of dhotis and a shift towards the production of sarees. The study further recommended that, in order to ensure proper working of the co-operative societies, the government should settle rebate claims in time and allot huge resources to co-operative societies.

Arulandam (1979) analysed the Socio-economic impact of handloom Industry in Tamil Nadu. The study examined the problems faced by handloom industry in the areas of production, marketing and export. The growth and
development of handloom industry in India in general and in Tamil Nadu in particular are highlighted in the study. The study stated that the Government allocated huge resources to large scale sectors like agriculture and neglected the handlooms. This is the root cause of all the problems of the handloom sector.

Chandra Sekhar (1982) in his article “Textile Industry; Growth of the Decentralised Sector” reviewed the policies and programmes of the government since independence and found that the policies and programmes of the government largely benefited the power loom sector.

The Kerala state Planning Board (1983) studied the efficiency of Kerala State Handloom Development Corporation in implementing the programmes of Export Promotion Projects and Intensive Handloom Development Projects. The study observed low pace of progress of the programmes and persistence of actual problem of unemployment among weavers covered by the programme. The existence of low wages, mismanagement of the Handloom Weaver’s Co-operative societies and the potential of the industry to generate large scale employment were also discussed in the study. The study suggested that the government should introduce All India Wage Policy and more social security measures to attract weavers to the handloom industry. A joint export promotion wing comprising of HANVEEV and HANTEK should also be set up to increase the volume of sales and thereby improving the profitability of the handloom industry in the state.

Kutty Krishnan (1985) studied the economics of handloom industry in Kannur district and stated that the handloom industry in Kannur is highly unorganized. The traditional and outdated techniques of production, untrained and illiterate labour force, lack of entrepreneurship etc are the salient features of
handloom industry in this region. The capital structure of the handloom industry is highly lopsided. Only the middlemen are benefiting out of the game. According to the study, the quality of handloom products from Kannur was in doubt and due to that the handloom industry would be losing its markets in the long run.

Mahapatro (1986) made a comprehensive analysis of the handloom industry in the state of Orissa. The study provided a historic background of the handloom industry in the state, reasons for the decline of the industry, its strength for survival and its importance for the overall development of the economy of Orissa. The study stated that the industry was facing problems mainly in the areas of raw material supply, finance, and marketing.

Raja Gopalan (1986) studied about the handloom Industry in north and south Kerala, categorised the handloom units in Kerala into four namely: house hold units, Industrial co-operatives, primary co-operatives, and private non house hold units.

Bharatham (1988) studied organisational structure of the handloom industry in Tamil Nadu; and suggested that the handloom industry should be developed under co-operative lines. The study recommendations include various measures to be taken by the government for the development of handloom co-operatives in Tamil Nadu.

Kanakalatha Mukund, and Syamasundari (2001) studied growth and prospects of the handloom industry in Andhra Pradesh, and identified the areas of potential growth in handloom sector and indicated models for intervention based on the real situation of handloom industry. The study deals with the distinct features of weaving and problems associated with weaving in different handloom regions of Andhra Pradesh. The report states that the reservation policy introduced by the
government actually benefited the power loom units than handloom units. competition from power looms, non availability of sufficient quantity of hank yarn, absence of planning in the implementation of welfare schemes, and problems related to conversion of pit looms into frame loom are the other major issues prevailing in this sector. The report suggested that credit institutions should be designed to clear the credit needs of the co-operative societies and its members by providing a large number of small loans to suit the dispersed nature of the handloom industry.

Asha Krishnakumar (2003) stressed the need for developing a well defined regional identity for the handloom products by way of regional specialisation in India. In the present era of globalization, in order to meet the competition from countries like China, Bangladesh etc, identity of handloom fabrics must be protected and reinforced. The government should encourage region specific research as a step to achieve this objective.

The Government of Madhya Pradesh (2003) conducted a diagnostic study about Chanderi handloom weaving cluster, and it provides the socio-economic profile of the handloom cluster in Madhya Pradesh. The study presents SWOT analysis and deals with the major issues related to different economic segments in the cluster. According to the study there exists poor institutional base with limited capability for the capacity building of weavers, master weavers and traders in the cluster. The major issues remaining unresolved include competition from power looms, dyeing related issues, lack of adequate market information for the weavers and absence of efforts for building social capital.

Ajithan (2006) evaluates the impact of globalization on handloom industry in Kerala by comparing the performance of handloom industry in the pre globalisation
and post globalization era. The study reveals that the handloom industry in Ernakulam district was less prepared to meet the challenges and opportunities of globalization. According to the study there is good prospects for handloom industry in Kerala during the post Globalization period, which is evident in the increase in handloom export from Kerala during that period. The study recommended that the PHWCS in Kerala should be de linked from the apex co-operative society and linked to Self Help Groups and Non-Governmental organisations. The Handloom clusters should be connected to tourist destinations. The recommendation also include the restructuring of PHWCS, de-politicisation of PHWCS, promoting private sector, training to weavers, special credit packages for the societies, modernization of looms and better advertisement for the handloom products.

Sinha (2007) analyzed the impact of handlooms in the national economy in his study and found that handlooms enjoy a position of its own in the textile sector. The study suggested that in the present era of globalization, the handloom sector should match its price, quality and productivity and delivery time with big players apart from facing the competition by power looms and mills.

Government of West Bengal (2009), studied the cluster development programme of Shantipur handloom cluster. The study explains the structure of handloom industry in the region. The report states that over the years, the Shantipur cluster acquired poor image on account of poor quality of the handloom products compared to other clusters in the region due to lack of willingness to adopt new technology and product innovation.

Cathelina (2010) attempted to bring out the operational problems and the export potentials and opportunities of handloom industry in Erode District. The
study tried to recognise the impact of government policies and schemes on handloom industry in this region. The socio-economic profile of the handloom weavers working under the co-operative fold are also dealt with by the study. It has been suggested that the government should give more publicity in foreign countries about the importance of handlooms and speciality in its weaving.

2.8 Conclusion

Thus, it is obvious from a review of the work done so far in the field that most of the studies are micro in approach and regional in nature. There had been no comparative study on the economic and financial analysis between the two states. The study available in the area of cost and profitability of the handloom products manufactured by the units is rare. Further, the studies in the areas of overall efficiency, survival, and sustainability of handloom units in Kerala and Tamil Nadu have not been considered by the researchers. Thus, it is in this context that the researcher has made a humble attempt to fill this lacuna.

References


Review of Literature


