



The Journal of Sri Krishna Research & Educational Consortium

**International Journal of
Marketing and Management
Research**

Internationally Indexed & Listed Referred e-Journal



An Analysis of Handloom Industry in India

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Abstract:

The handloom sector in India plays an important role on account of source of livelihood for millions of people, particularly in rural areas since ancient times which attained its peak during Mughal period owing to the practice of flexible manufacturing system at that time. The tradition of weaving by hand constitutes one of the richest and vibrant aspects of the Indian cultural heritage. This sector is one of the largest unorganized sectors and it provides employment opportunity next to agriculture having being advantages of less capital investment, minimal or no use of power, eco-friendly, adaptability to market requirements etc. It saw its decline during British Period due to implementation of unfavorable policy by the than ruler. In spite of getting independence, handloom industry is facing multifarious problems that other industries did not face. The Govt. of India is paying more importance to develop and improve the productivity and marketing of handloom industry, still the people involved in this sector are facing livelihood crisis.

Keywords: Handloom industry, Flexible manufacturing system, Unorganized sector, Livelihood.

(I) Introduction:

In our country, Handloom industry is an oldest industry. In the era of science and technology, this handloom industry continues to play a significant role in the economy of the country. In terms of industry accounts, a significant portion of the total cotton cloth output made by this industry and in terms of employment account this industry provides employment millions people and is second largest rural employment provider next to agriculture. This industry also earns substantial foreign exchange by the way of export. Handloom weavers are known for their knowledge, innovation and brilliance in designs. Considering deployment of skill and knowledge, weaving is almost an art. Though, it is considered as a sunset industry. Yet there are many advocates among the Indian population, who support the cause of handlooms for various reasons, like ideology, philosophy, sheer love for handloom products, economic arguments, etc.

(II) Review of Literature:

M.Soundarapandion (2002) in his publication '*Growth and Prospect of Handloom Sector in India*' mentioned that, the handloom sector plays a very important role in the country's economy. The handloom sector is the largest economic activity after agriculture. This sector has flexibility in small run production, uniqueness, innovation and adaptability to export requirement. For the development of the sector, export of handloom has been identified as 'Thrust Area'. About 22% of the total cloth produced in the country is produced by handloom sector. It contributes the export linked income of the country substantially. He identified the problems relating to handloom industry are, short supply of quality raw materials, clutches of middle men and master weavers, faulty management of co-operatives etc.

A.C.K. Nambiar (1996) in his publication '*Handloom Industry in India*' mentioned that, in this scientific and technological era, handloom industry is technologically backward. This industry depends on organised mills for her required raw materials. It requires coarse variety yarn which the mills claim to be un-economic. Competition from power looms and mills is another problem. Institutional sources of financing in capital expenditure for handloom sector are practically limited; as a result, most of the owner relied on middlemen or money lender. Most of the weavers use pit looms. It is the most backward technology.

Tirthankar Roy (1993) in his books '*Artisans and Industrialisation*' mentioned that, the textile industry is often cited as the disruptive effects of colonial rule on Indian economy. The employment in hand spinning and weaving has been declined. Productivity in the mill rises due to cheap labour and modern technology. The ability of weaver is not commensurate with that of mills. This is also reflected in the old theory of capitalist, which states that a household weaver who uses his own and his family's labour, does not able to calculate profit. It is more obvious instance; the craftsman cannot survive the competition not by making the same product cheaper, but by making different products. It had virtually endless scope for differentiating products in textiles.

(III)Objective of the Study:

The present study based on the following objectives-

- ✓ To make an overview of Handloom Industry in India.
- ✓ To study the problems or constraints faced by Indian Handloom Industry.
- ✓ To study the strengths of Indian Handloom Industry.
- ✓ To study the measure taken by the Government.

(IV)Importance of the study:

The study of handloom sector is important because it plays a vital role in term of employment generation in Indian economy. Weavings and allied activities provide livelihood to the people particularly in the weaker section of the society. Weaving is an effective medium that plays an imperative role to enhance the socio-economic status of the economically weaker section of the society. Moreover, hand weaving is very important for Indian culture to preserve our traditional heritage. India is burdened with a large number of unemployed people. But handloom sector is able to absorb large number of unemployed labour force due to its labour intensive character. Even activities relating to handlooms do not requires always skilled labour forces. Again women may involve themselves in these activities after meeting their normal family activities. Now a day a drive of women empowerment has gained impetus all over the world. In this context, Indian women may be helped to be self sufficient and

empowered with earnings and social status, that is to much essential for a civilized balanced society.

(V) Characteristics of Indian Handloom Industry:

Handloom weavers are known for their knowledge, innovation and brilliance in designs. The tradition of weaving by hand constitutes one of the richest and vibrant aspects of the Indian cultural heritage. Even in modern technology oriented sophisticated surroundings, back-ward technology based rural handloom industry still plays a vital role in our Indian economy, not only in terms of employment opportunity which ranks next to agriculture but also in terms of production quantity, this industry provides nearly fifteen percent of the total cloth output. Beside this, handloom sector earns substantial foreign income by way of export.

The main characteristics of Handloom Industry are –

- ✓ Less capital investment is required to form a Handloom unit.
- ✓ It is labour intensive industry, which does not require all skilled labour.
- ✓ It is largely household based industry and run by the contribution of family members.
- ✓ It is an ancient cottage industry.
- ✓ Handloom industries are located in unorganized way both in rural and urban.
- ✓ Most of the weavers are beyond the co-operative fold.
- ✓ Handloom industries are known for distinctive style, innovations and traditionalism.
- ✓ Weaving occupation is a hereditary occupation generally.

(VI) Handloom Boards:

Government of India felt vastly the importance of cottage industry after immediate independence and was set up Cottage Industry Board. This was reflected in the Industrial Policy Resolution, dated 4th April 1948. Realising the different problems of various groups of industries in the small-scale sector, the Cottage Industry Board recommended to set-up of separate Board for each group. For these reasons five Boards were set up in the period 1952-53, named **Handlooms**, Handicrafts, Coir, Silk and Khadi and Village industries. Later, in different times, Government has set up various handloom boards to enhance the production level, marketing facilities, exports etc. and has tried to provide necessary funds for the growth of handloom sector. Main objective for formation of boards is to uplift the socio-economic status of the handloom artisans. These boards are –

- ✓ All India Handloom Board
- ✓ Cotton Advisory Board
- ✓ Central Wool Development Board
- ✓ Jute Advisory Board
- ✓ Central Silk Board

(VII) Problems faced by the Handloom Sector:

The age old problems faced by the handloom industrial units are the problem of raw materials, problem of marketing, problem of finance etc.

- ✓ The shortage of the right type of raw materials at standard prices has affected the entire handloom sector. Raw materials are available neither in sufficient quantity, nor of requisite quality, nor at reasonable prices.
- ✓ Without good marketing, a product could not survive in the market due to competition of similar products. The problems which handloom industries face in marketing their products are - Poor finish of the product, Poor designing, Lack of quality control, Lack of knowledge of marketing, Competition from technically more efficient units, Ignorance of potential markets etc.
- ✓ Like other industrial units, handloom unit needs both fixed capital as well as working capital. The scarcity of finance and credit is the main constrain in the development of handloom industry. The position of handloom industries in this regard is even worse.
- ✓ Modern machinery and equipments are necessary to sustain the existence in modern growing and competitive situation, so that proprietors can provide their cheapest quality product to their customer. But machinery and other equipments in many handloom industrial units have grown obsolete. On account of this reason while their costs of production are high and the quality is inferior.
- ✓ Another important problem which handloom industrial units face is that of competition from power looms and mill sector.
- ✓ Lack of information to weavers regarding various polices and schemes are no less significant
- ✓ Lack of Formal Training
- ✓ Weakness of the weavers' co-operative Society

(VIII) Strength of Handloom Industry:

Handloom is unparalleled in its flexibility and versatility, permitting experimentation and encouraging innovations. The strength of handloom lies in the introducing innovative designs, which cannot be replicated by the power loom sector. These strengths are-

- ✓ Availability of labour force.
- ✓ Traditional mode of production which require low technology and less or no power.
- ✓ Eco friendly production process.
- ✓ Minimum investment in infrastructure set up.
- ✓ Flexibility in production.
- ✓ Production of intricate wide variety fabrics.
- ✓ No need to acquire compulsory institutional knowledge (i.e. formal training) for weaving and allied activities in handloom.
- ✓ Many weavings still beyond the scope of power loom and high technology based mill sector, which are possible smoothly in handloom units.
- ✓ Innovativeness of Indian artisans.
- ✓ Diverse design base i.e. handloom industry has a power to switchover to new design quickly.

(IX) Government measure:

For promoting and encouraging the handloom sector, Government of India has been taking different policies through a number of programmes and schemes, such as cluster approach, aggressive marketing initiatives, various social welfare schemes etc. In order to promote the handloom sector; Govt. has initiated during 10th plan period the following measures.

In this plan period emphasis had been given on training, research & development and skill up gradation to develop the handloom sector. The main objectives of the research & development programmes on account of handloom sector are –

- ✓ To assist weavers through input support for marketing their product.
- ✓ To improve the living and working condition of the workers involved in the handlooms etc.

For the development of handloom sector, assistances were released to different WSCs (Weaver Service Centres); NHDC (National Handloom Development Corporation) Ltd; institutions engaged in research & development work relating to handlooms etc. Integrated Handloom Training Project (IHTP) was introduced in 2002 with the objectives of skill up gradation of handloom weavers or workers. A scheme regarding reimbursement of Central Value Added Tax (CENVAT) was started by the Government of India in the Year 2002. Under this scheme, Government reimburses the excise duty.

Novel Innovation Scheme for the handloom development was introduced in 2005-06. Earlier health package scheme covered only the individual weaver not the other members of his/her family. But this new introduced scheme covers the weavers, his/her spouse and their two children also. It covers all the pre existing and new diseases. On 28th June 2006, Dr Manmohan Singh, Prime Minister of India launched 'Handloom Mark' with the objective, to show the guarantee about purity of handloom products through this mark in India and abroad.

(X)Conclusion and Suggestions:

The handloom products have wide demand in local as well as foreign markets. As this industry is mainly labour intensive so it has the potential to absorb a very large size of unemployed labour force. Most of the weavers have lack of the knowledge about the modern techniques of production, customer's taste, different government schemes from which they may get benefit etc. However, the handloom sector suffers from myriad of problems related to input supply, credit facilities, marketing, information etc. But, if proper attention is taken for the development of this sector it may significantly contribute in the field of generation of income, output, employment and foreign exchange earnings. Some suggestions may be put forward for the future improvement of the handloom units. These are –

- Good and qualitative raw materials such as yarn, dyes etc. should be provided to the weavers in right time and requisite quantity in regular way through a central yarn bank at cheaper rate so that handloom entrepreneurs are saved from the exploitation of the middle men or *mohajons*.
- For better financing, banks should come forward and more financial aid should be given to the small entrepreneurs. Growth of self-help groups among the weavers must be encouraged with matching grants and other initiatives.
- For the survival of handloom units government should create marketing facilities through different active channels, which purchase the products of handloom units. Also payment made by such channels should be as quick as possible so that the production process of handloom units can continue without interruption.
- Women empowerment is to be enhanced through effective participation in decision making process in every step relating to production, finance, marketing etc. of handloom products.
- Proper training should be imparted to the weavers for using well-developed loom, developed designs, dying system frequently. Though, it is claimed that handloom is

popular for its texture quality, health friendly quality and brilliant designs, but handloom weavers are continuing their traditional method in weaving of products without introducing their innovativeness generally.

- Training on development of management and co-operation may be organized at a suitable interval so that artisans of P.W.C.S may participate in those training classes. The handloom co-operative system is punctured with exploitation, political interference, lobbying etc. So weavers' co-operative have to become independent in administration, marketing management, general management, accounting, finance etc.
- Seminar, workshop etc. may also be arranged at district level at least twice in a year.
- Proper market survey should be arranged. Handloom Development Office should take proper initiative and active steps for the same. Products should be produced according to the customer's choice as per present market demand. More publicity on handloom products is urgently needed.
- Sophisticated and modern well developed looms and designs machinery should be supplied to the weavers at a lower cost, which may facilitate to produce better quality handloom cloth in bulk amount.
- Government should make necessary arrangement in which different Govt. circulars and current information regarding handloom industries to reach the small entrepreneurs as soon as possible, so that they can take the benefits of initiatives taken by the government.
- Fairs and exhibitions should be organized so that weavers can get the exposure of customer understanding.

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