

PROBLEMS AND PROSPECTS OF HANDLOOM INDUSTRY IN INDIA

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Abstract:

Handloom industry is one of the oldest industries in India and provided livelihood to millions of rural people across the country for centuries. However, it was reduced to ashes during the colonial rule by the entry of cheap and quality cloth made in the mills in England. But after independence it started reviving due to the government intervention. To-day, it contributes nearly 14 per cent share of the total production of textile industry. This Paper analyses the challenges and opportunities before the handloom industry and suggests few remedies to strengthen its position in the economy.

KEYWORDS:

Handloom, traditional skills, export, marketing and inclusive growth.

INTRODUCTION

The handloom industry has deep roots in the rich traditional, historical and cultural diversity of India which makes it unique in the world. This industry has innumerable items to offer to almost every section of the society. Handloom products are produced in different states of the country. "Some of the popular varieties are, riba, multa, munga silks of Assam, bedspreads and furnishing of Bihar, check shirting and bed sheets of Delhi, tie and dye cotton and silk saris of Odisha, cotton weft saris of Maharashtra, chiffon saris, dress materials of Karnataka, durries, carpets and muslin fabrics of Uttar Pradesh etc." Handloom, being a state subject, its development is primarily the responsibility of the State Governments. The Central Government through various developmental schemes and interventions plays the role of supplementing the efforts of state governments from time to time.

OBJECTIVES:

The objectives of this Paper are as follows.

1. To analyze the present position of handloom industry in the country.
2. To discuss the problems and challenges faced by the handloom industry.
3. To find the reasons of low popularity of handloom products among the people and
4. To suggest few remedies to make the handloom industry economically sustainable, more competitive and vibrant.

RESEARCH METHODOLOGY :

The secondary data required for the Paper is collected through published material such as government reports, Plan documents, articles, reference books and the primary data is collected through field work and opinion survey.

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Present Position of Handloom Industry in India

23.77 lakh handlooms in the country as per the latest (Third) Handloom Census of 2009-10..., Employment to 43.32 lakh weavers.

Women constitute nearly 70 per cent of the total handloom weavers and workers.

27.83 lakh households engaged in weaving and allied activities.

87 per cent of the households located in rural areas and remaining 13 per cent in urban areas.

13 per cent share in the total cloth production in the country.

Number of weavers declined by about 33 per cent during the last fifteen years.

Table 1: Statistics as per Handloom Census of 2009-10 (in lakh)

1	Number of looms	23.77
2	Number of persons engaged in weaving and allied activities	43.32
3	Number of adult weavers and allied workers	38.47

Source: Report of the Working group on Handlooms for the 12th Five Year Plan 2012-17

Out of the 38.47 lakh adult persons engaged in weaving and allied activities in the country, 77.90 % are women. 10.13% belong to the Scheduled Castes (SC), 18.12% belong to the Scheduled Tribes (ST) and 45.18% belong to Other Backward Classes (OBC). The details are given in Tables 2.2 and 2.3 below:

Table 2 : No. of Handloom adult weavers & allied workers by Gender

	Male	Female	Total
Number of Handloom adult weavers & allied workers (lakh)	8.48	29.98	38.47
Percentage	22.10	77.90	100.00

Source: Report of the Working group on Handlooms for the 12th Five Year Plan 2012-17

As per the Census, nearly 27.83 lakh handloom households are engaged in weaving and allied activities, out of which 87% are located in rural areas and remaining 13% in urban areas. The majority (82%) of handloom households are weaver households, which means that at least one member of every such household is engaged in weaving. A religion wise break-up indicates that about 78% households are Hindus, 15% households are Muslims, 6% households are Christians and the remaining households are Buddhists, Sikhs or from other religions. Most of the handloom households live in kutchha (54%) or semipucca (31%) houses; only 15% households live in pucca houses. Nearly 53% of the handloom households are engaged in commercial production and nearly 16% households undertake a mix of domestic and commercial production.

PRODUCTION AND EXPORTS

The contribution of the handloom industry to textile production and exports is significant. During 2010-11, the production of handloom fabric was 6903 million square metres, while the share of handloom cloth to total cloth/textile production (comprising handloom, mill and power loom) was about 14%. The production of handloom cloth during the last six years is given in Table 3 below:

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Table 3: Handloom Cloth Production over the years (Million Sq. Mtrs.)

Year	Million Sq. Mtrs.
2005-06	6108 (+6.75%)
2006-07	6536 (+ 7.00%)
2007-08	6947 (+6.29%)
2008-09	6677 (-3.89%)
2009-10	6903 (+1.42%)
2010-11 (P)	6903 (+1.42%)
2011-12 (April-May 11)	1081

Source Report of the Working group on Handlooms for the 12th Five Year Plan 2012-17
 Note: Figures in brackets indicate percentage increase/decrease over previous year.

The Table 3 reveals that handloom cloth production rose from 6536 million sq. mtrs. during the last year of the 10th Plan (2006-07) to 6947 million sq. mtrs. during the first year of the 11th Plan. Thereafter, there was a fall in production by 3.89% in 2008-09 which was marked by global recession. However, since then, production has consistently risen in the third and fourth years of the 11th Plan. The increase in production, despite growing competition from mill-made and decentralized power loom industry, is heartening.

Statistics on exports of handloom products available from 2009-10 onwards, indicate that exports rose by 32% in 2010-11 as compared to the previous year. During 2011-12, total exports in the first seven months had already reached almost 90% of the exports during the whole of the previous year. Figures are given in Table 2.6 below:

Table 4 Export of Handlooms (in Crore Rs)

Year	Target	Achievement
2009-10	NA	1252.81
2010-11	1350.00	1662.89
2011-12	2250.00	1483.21 (April-Oct 2011)

Source: Report of the Working group on Handlooms for the 12th Five Year Plan 2012-17
 Reasons of low popularity of handloom products

Table:5 shows the reasons of low popularity among the common people. Most of the people do not use handloom fabric because of its high price and maintenance, traditional designs, no guarantee of genuineness and non-availability.

Table: 5 Opinion of People about Handloom Products

Opinion	Easy Availability	High Price	Traditional Design	Genuineness	High Maintenance
Yes	08	81	82	09	92
No	92	11	18	91	08
Cannot Tell	-	08	-	-	-
Total	100	100	100	100	100

Source: Field Work

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PROBLEMS FACED BY THE INDIAN HANDLOOM INDUSTRY:

The present age of modernization and globalization has posed a number of challenges for the handloom industry in India. The issues of concern to this industry are discussed below.

1. Rising input costs:

The prices of yarn, dyes, chemicals and other inputs have increased sharply in the recent period. This has resulted into cost disadvantage to the weavers. In spite of more than 700 yarn depots being operated in the country; the weavers are not able to obtain the necessary inputs at reasonable prices. The problem is more acute for the individual weavers who need small quantities of yarn and chemicals. This situation is affecting the level of output in the handloom industry.

2. Credit problem:

The poor financial condition and independent functioning of weavers has made it difficult to obtain credit from the institutional sources. Hence they have to depend on the mercy of private money lenders, and their exploitation continues. In many cases the weavers have to divert the loan amount towards consumption needs. The lack of rudimentary financial literacy further aggravates the problem.

3. Marketing bottlenecks:

The largely unorganized handloom industry suffers from a number of marketing problems due to poor financial and managerial resources. There is no easy availability of handloom products in tier-II and tier-III towns. The prices are also high and not within the reach of common people. There is also problem of genuineness of the products available in the handloom emporiums. The problem of stiffness and limited designs also adds to the marketing difficulties.. Foreign markets remain under exploited due to the limited access and funds.

4. Lack of modernization:

The handloom industry has been using age old technology and looms. These results into low productivity and high cost. Again the continuous and repetitive movements of production process adversely affect the health of weavers in various ways such body pain, pulmonary problems, chronic bronchitis, decrease in hand-grip strength and eye-strain.

5. Migration to other fields:

Due to the lower income and instable work the younger generation of weavers has been migrating to other occupations. This has reduced the weaver community.

6. Poor infrastructure:

Since "handloom" manufacturing is carried on in the houses of weavers spread over a vast geographical area, it lacks the necessary infrastructure which is available in industrial estates. There are no separate sheds, water and power supply, technology support effluent treatment plants and waste management arrangements. The poor infrastructure affects the productivity, quality and cost.

7. Inadequate research and development:

Due to the vulnerable financial condition, the weavers, individually, are not able to set research and development facility and spend money on it. The state provisions are also not sufficient. Modern designs are not developed in sufficient number and in tune with the changing taste of the public.

Remedies:

The handloom industry has tremendous opportunities for growth as the tastes of consumers across the world are changing in favor of handloom products because of its good hygiene qualities and eco-friendly nature. Also its socio-economic value is great for it provides bread and butter to millions of people belonging to the vulnerable sections of our society. Hence, with a view to develop a sustaining, competitive and vibrant industry, following few remedies may be suggested.

1. Raw material availability:

The weavers need to supply with adequate quantities of yarn, chemicals, dyes and other material at subsidized rates. More yarn depots should be opened in the areas dominated by weaver population. These depots should ensure regular supply of the required varieties of yarn at low prices. Taxes like VAT and CST should be waived.

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2. Adequate credit supply:

Adequate credit at reasonable rate of interest should be supplied to the weavers. The institutionalized credit system should come forward to meet the credit needs of handloom industry, waive the provision of margin money, simplify the procedures and try to ensure financial inclusion of the poor weaving community. The credit guarantee scheme should be started to enable the banks and other financial institutions to sanction more loans to the handloom industry. Financial literacy campaigns should be organized to create awareness among the weavers about the various credit schemes.

3. Efficient marketing arrangement:

The Indian handloom industry needs an efficient marketing arrangement to popularize the handloom goods in different parts of the country and also in foreign countries. Handloom exhibitions, events and fairs need to be organized on regular basis in various cities and towns. Handloom Shoppes should be started at important tourist destinations in the country. Even the handloom counters may be started in big shopping malls. Funds should be provided for creating awareness amongst the domestic customers and the youth to increase the consumption of handloom items.

4. Export promotion:

The export potential of handloom industry needs to be exploited more to increase the flow of foreign exchange to the government. To achieve this purpose, Mega Handloom Expos should be organized during the festive season in different countries. Further, celebrity endorsement should be encouraged and "India Weaves Week" should be celebrated at the offices of Indian Embassies and High Commissioners abroad.

5. Promotion of Handloom Mark:

All handloom products should be sold under the common tag viz. Handloom Mark. This step will differentiate the handloom goods from the power loom goods and will ensure the genuine products to the consumers.

6. Restructuring of "Cluster Development Approach":

The existing norms regarding formation of "clusters" should be relaxed to enable small groups of weavers to take benefit of cluster approach of the government. New clusters should be developed in states/areas where none have been existed so far and where there is a concentration of weavers. The weavers should be provided financial assistance for pre-loom, on-loom and post-loom activities. Necessary infrastructure should also be provided in these clusters. Agencies like NGOs, associations and other reputed institutes should be allowed to implement the various government schemes.

7. Training and skill development:

The existing training and skill development programmes are not sufficient to train the young weavers and women weavers. Also there is need to install new and updated machinery at the Weaver Service Centers in the country. More financial and faculty support be provided to the handloom training institutes and weaver service centers. The help of local NGOs and management institutes may be taken in this regard.

8. Research and Development:

More funds should be made available for R&D activity in the handloom industry. New R&D centers should be set up in the leading states. Improvement of designs, product innovation and diversification should be emphasized to ensure handloom goods to gain a competitive edge and be able to respond to rapidly changing market trends.

9. Encouragement to private participation:

Greater participation of private enterprise is required in the handloom industry to supplement state resources for ensuring higher efficiency and faster growth. It is not desirable to depend fully on government support.

10. Co-operativisation of weavers:

At present only 15 per cent weavers are covered by the handloom co-operative societies. It is therefore, suggested to bring the remaining large chunk of weavers under the co-operative fold and increase their bargaining power. Alternatively, the weavers should be encouraged to form self-help groups. Further the co-operatives should be run on professional management basis.

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CONCLUSION:

Recognizing the socio-economic importance of the handloom industry in the India's economy, policies should be formulated in such a manner that they benefit the dis-advantaged sectors of the society on one hand and ensure the flourishing growth of the industry on the other hand in and outside the country. Besides, state help and intervention, private participation, modern outlook and induction of younger generation is required to faster, sustainable and more inclusive growth of the handloom industry.

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