

**Socio-economic analysis of handloom industry in Andhra Pradesh
A Study on selected districts**

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Introduction

Handloom industry in India is an ancient cottage industry with a decentralized setup. Handloom industry provides employment to nearly 65 lakh of people with 35 lakh looms, of people are depending upon the ancillary occupations connected with this Industry. Handloom Industry is highly concentrated on Man Made Art and Tradition. The handloom sector plays a very important role in the country's economy. Tracing the importance of the textile sector in the Indian economy also brings us face to face with the different components such as the mill segment, the handloom segment and the powerloom segment that make up this whole. All these three sectors are making three types of clothes, i.e., cotton, blended fabrics and non-cotton fabrics. In handloom sector weavers are classified into independent weavers, weavers working under master weavers, weavers working for cooperative societies, weavers for Non Government Organizations and shed (wage) weavers.

There are totally 46 lakh handlooms in the whole world, 85 percent of handlooms representedly to 38,90,576 located in India. Out of this, 32,80,087 looms are in the rural areas, while 6,10,489 looms are in the urban areas. In case of employment, handloom industry provides direct employment to about 106 lakh people with 3.9 million handlooms. In the present socio-economic climate where dependency on foreign capital and know-how is increasing in all round, the handloom industry presents a sustainable model of socio-economic activity, which is not energy-intensive and has low capital costs, as well as an extensive skill base.

The Handloom Industry has not received the attention by the economists and researchers as it deserves. Only a few studies are conducted so far dealing with some aspects of the industry.

Need for the Study

The present study concentrates on the socio-economic analysis of handloom industry in Andhra Pradesh. The handloom industry is facing several problems such as non-availability of adequate quantity of quality raw material, shortage of working capital, non-availability of marketing facilities, credit needs to handloom weavers in co-operative field, low capacity utilization due to not utilizing of new technology, failure of co-operative movement, facing stiff competition from organized mill and powerloom sector in the area of marketing the handloom products and central and state government's low budget allocations and non-utilized budgeted funds in a proper way. 613 weavers suicide cases have been registered and 1500 weavers have attempted to commit suicide due to lack of reimbursement of their personal loans taken from micro financial institutions and money lenders during 1997 to 2010. Majority of the weavers in the state are not financially sound because of the inadequate earnings from their profession. Many Primary Weavers' Cooperative Societies are defunct, Very few societies are earning profits and the other societies are eagerly waiting for a savior to lift them from the disastrous conditions.

Research Problem

‘Impact of low financial performance of the handloom organizations on socio-economic conditions of handloom weavers’

Objectives

To trace the industry structure, the production trends and marketing system in the Indian Handloom and Textile Industry.

To evaluate the overall Financial Performance of Andhra Pradesh State Handloom Weavers’ Cooperative Society Ltd (APCO) in terms of Ratio Analysis and Growth Analysis.

To appraise the performance of Region-wise Cotton Weavers' Cooperative Societies, i.e., Andhra, Rayalaseema and Telangana in Andhra Pradesh.

To assess performance of select district-wise Cotton Weavers Cooperative Societies, i.e., East Godavari, Prakasam, Kurnool and Nalgonda in Andhra Pradesh.

To Assess the Socio-Economic Profile of the traditional handloom weavers in Andhra Pradesh and select villages, i.e., Bandarulanka, Chirala, Yemmiganur and Pochampally located in select districts covered by the three regions.

Data Collection, Tabulation and Analysis

The main source of the collection of data is the annual reports of various handloom organizations such as Ministry of Textiles National Handloom Development Corporation, Handloom Census Reports, whose financial information is provided in the Directorate of Handlooms and Textiles Progress Reports, Andhra Pradesh State Handloom Weavers Cooperative Society (APCO) annual reports and financial literature and published articles on the related aspects. The collected information was suitably classified and tabulated in the form of simple and bi-variate tables and with the help of the statistical techniques like averages, ratio analysis, budgetary variance analysis and trend analysis; the data was objectively analyzed and the conclusions were drawn.

The data for contingent valuation has been collected through sample survey method in person with the help of a comprehensive questionnaire from a sample of 600 weavers’ respondents consisting of 150 each from four different villages situated in three regions of Andhra Pradesh.

Period of the Study

For the purpose of the handloom organizations performance study, ten years of data beginning with 1998-99 and ending with 2007-08 was adopted. However, in case of weavers’ socio-economic analysis, as on visiting time was taken. For comparative handloom census reports , First Census 1987-88, Second Census 1995-96 and Third Census 2009-10 was taken for analysis socio-economic conditions of handloom weavers.

Design of the Study

The study is organized in six chapters including introduction, conclusion and policy implications. The first chapter is an introductory chapter, which deals with the scenario of Indian handloom and textile industry, the second chapter presents the review of literature, objectives and methodology. The third chapter discusses the profile of the Indian Handloom and Textile Industry. The fourth chapter presents performance analysis of handloom organizations in Andhra Pradesh. The fifth chapter assesses the socio-economic analysis of handloom weavers in select villages of Andhra Pradesh. The last chapter summarizes the study and presents the conclusions. In addition, the study also attempts to offer a few suggestions.

Profile of the Indian handloom and Textile Industry

The industry, mainly confined to the cottage and cloth manufacture, was a family occupation. Spinning, ginning, weaving and other processes were done only by hand. The entire handloom industry comes under the umbrella of Ministry of Textiles, National Handloom Development Corporation Limited at the central level, Directorate of Handlooms and Textiles Development Corporation, The Andhra Pradesh State Handloom Weavers' Cooperative Society Limited at state level and Primary Weavers' Cooperative Societies at village level. Government of India announced New Textile Policy 1985 and it was the most comprehensive textile policy of Independent India. According to the Konejeti Rossaiah committee report, the Government of Andhra Pradesh announced 'Handlooms and Textile Apparel Promotion Policy 2005-2010' for strengthening the handloom industry in Andhra Pradesh.

The union budget allocation to handloom sector has been decreasing gradually and continuously for the past 11 years. Actually, overall budget allocation for the textile industry has been increasing, while there was continuous reduction in the allocations for handlooms and utilization of the allocation was also not proper

Socio-Economic Analysis of Handloom Weavers' in Select Villages

Table 1 representing the various Socio-economic factors affected handloom weavers in select villages viz., Bandarulanka, Chirala, Yemmiganur and Pochampally in consolidated and comparative form. According to this table the following analysis were made out in various aspects. The average age of all the respondents together is 42 years. A deep insight if rolled into the table reveals the presence of young weavers i.e., belongs 30 years is 12 percent, and old weavers, i.e., above 60 years is 7 percent. As it can be seen that out of the total dependents 2398, 1104 representing 46 percent belong to four members each, whereas 600 dependents representing 25 percent are belongs to five members each. Out of the total 1942 dependents, as many as 1494 are assisting the respondents in the weaving profession.

The weaving population is fairly large. Running into millions, it is confined to a limited number of castes. Weaving is the hereditary occupation of certain communities. There are four major communities, namely Padmasali 40%, Devangula 36%, Kurini 20%, and Karnabhaktulu 4% have taken a large number of weavers in Andhra Pradesh. The literacy levels of the weavers are inadequate. A little over 39 percent of the total respondents are illiterates, 34 percent had education only up to S.S.C.

The average monthly income of all the respondents put together has come to 3,497. It is interesting to note that the average earnings of the weavers working under cooperative societies is relatively more than those working independently and working for master weavers and dealers. From the above, it may be concluded that the cooperative form of organization is best suited to the handloom industry, since the weavers can earn more on the one hand and can reduce the troubles of acquiring inputs and disposing the finished fabrics on the other. Out of the sample 600 respondents, only 378 representing about 63 percent have their own houses. Out of this, 106 representing 28 percent are living in thatched houses 204 representing 54 percent are living semi-permanent houses and 68 respondents representing 18 percent are living in permanent houses. There are about 71 percent engaged in this profession because of their traditional activity and coming from their fore-fathers; it has become a hereditary occupation. The people engaged in this profession have been suffering a lot. There is a great need to develop the traditional skills in the country as a whole.

A greater number of weavers in the country try to change their profession. There are about 78 percent who said that they would continue in this profession because there is no other choice. This is mainly because the weavers are habituated to weaving activity and they are accustomed to the conditions since their childhood. The pattern of production reveals that the weavers are weaving Sarees and lungies because they know to weave them only. The weavers are not able to meet their requirements because of the hike in the cost of raw material. The capacity of annual production reveals that about 56 households are utilizing the maximum capacity. Those households working for master-weavers and households working independent weavers are getting maximum capacity. The survey tries to examine the idle capacity of the weaves and identifies that the weavers are using one beam in their looms. After finishing the set of items they lose their employment for a minimum of 4 or 5 days to prepare another set of beam. All the sample respondents produced 28, 98,000 metres cloth representing 64 percent of original capacity for sarees, dhotis and others. Out of this, 83 percent share occupied only for sarees. An attempt is made to know 91,152 idle loom days in a year. Expected production has been calculated by applying the formula of $(n_1 \times P_1) / (n_1 - d_1)$ and it was 44, 92,698 metres. Expected loss of production capacity utilization is 36 percent. It has suggested to government to provide 30 additional looms for utilizing idle capacity and the weavers purchase another beam with an investment of Rs. 12,000 per loom.

Irregular supply of yarn is a major hurdle of the handloom industry and the like in the cost of the raw material results in many problems regarding employment. Source of raw material takes 44 percent from master weavers and 29 percent from Cooperative Societies. The weavers find it difficult to get loans from commercial banks. They are depending on private agencies like money-lenders 22 percent and micro financials 41 percent and 20 percent from master weavers. Banks are provided only 17 percent loans to weavers. Marketing of handloom cloth is one of the important problems that call for the drawing up of a suitable strategy. The most important and powerful rivals of handloom sector are the powerloom and mill sectors. It is too well known that mill and powerloom sectors have an edge over the handlooms.

The threat to handloom sector therefore is not imaginary, but a distinct possibility in a non-distant future. The handloom workers should be provided with alternative sources of employment near the place of their present-day employment.

Table 1

Socio-Economic Conditions of Handloom Weavers in select Villages

Sl. No	Major Indicators	Bandarulank a		Chirala		Yemmiganu r		Pochampall y		Total	
		Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
1	Age-wise distribution										
	Below 20	8	17%	14	29%	10	21%	16	33%	48	8%
	20 - 30	16	22%	20	28%	18	25%	18	25%	72	12%
	30 - 40	44	34%	32	25%	30	23%	24	18%	130	22%
	40 - 50	64	25%	62	24%	68	27%	60	24%	254	42%
	50 - 60	10	19%	12	22%	14	26%	18	33%	54	9%
	60 Above	8	19%	10	24%	10	24%	14	33%	42	7%
Total	150		150		150		150		600		
Average Age (Years)	40.07		39.53		40.87		40.87		40.33		
2	No. of Dependents										
	Family Size Two Nos	8	5%	6	4%	12	8%	6	5%	32	6%
	Family Size Three Nos	42	28%	30	20%	28	19%	34	22%	134	22%
	Family Size Four Nos	64	43%	70	47%	66	44%	76	50%	276	46%
	Family Size Five Nos	26	17%	34	23%	36	24%	24	16%	120	20%
	Family Size Six Nos	10	7%	10	6%	8	5%	10	7%	38	6%
	Total Weavers' Add Dependents	150		150		150		150		600	
Total Family Size	588		612		600		598		2398		
Total Family Size	738		762		750		748		2998		
3	Dependents age Years										
	Below 10	106	18%	118	19%	110	18%	122	20%	456	19%
	10-20	126	21%	102	17%	118	20%	84	14%	430	18%
	20 - 30	94	16%	112	18%	96	16%	106	18%	408	17%
	30 - 40	94	16%	86	14%	94	15%	86	14%	360	15%
	40 - 50	76	13%	84	14%	82	14%	94	16%	336	14%
	50 - 60	52	09%	54	09%	58	10%	52	09%	216	9%
	60 Above	40	07%	56	09%	42	07%	54	09%	192	8%
Tot Dependents	588		612		600		598		2398		
4	Occupational Structure										
	Weaving	364	75%	384	77%	374	76%	372	78%	1494	77%
	Business	56	12%	38	08%	52	11%	30	06%	176	9%

	Agricultural Labour	28	06%	42	09%	30	06%	36	08%	136	7%
	Employment	34	07%	30	06%	34	07%	38	08%	136	7%
	Total	482		494		490		476		1942	
5	Caste Composition										
	Padmasali	52	35%	76	51%	22	15%	92	46%	242	40%
	Devangula	88	59%	54	36%	28	19%	48	24%	218	36%
	Kurine	6	4%	12	8%	94	62%	6	3%	118	20%
	Others	4	2%	8	5%	6	4%	4	2%	22	4%
	Total	150		150		150		150		600	
6	Educational Level										
	Illiterates	58	39%	54	36%	58	39%	62	41%	232	39%
	Up to S S C	54	36%	52	35%	48	32%	46	31%	202	34%
	Intermediate	22	14%	26	17%	22	15%	26	17%	94	16%
	Graduation &Above	16	11%	18	12%	22	14%	16	11%	72	12%
	Total Respondents	150		150		150		150		600	
7	Residential Status										
	Rented	50	33%	48	32%	40	27%	50	33%	188	31%
	Own	90	60%	92	61%	102	68%	94	63%	378	63%
	Others	10	7%	10	7%	8	5%	6	4%	34	06%
	Total	150		150		150		150		600	100

Source: Field Survey

Table 2

Socio-Economic Conditions of Handloom Weavers in select Villages

Sl. No	Major Indicators	Bandarulanka		Chirala		Yemmiganur		Pochampally		Total	
		Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
7	Monthly Average Income										
	Below 1000	14	9%	12	8%	4	3%	7	5%	37	06%
	1000 to 2000	14	9%	11	7%	6	4%	12	8%	43	07%
	2000 to 3000	16	11%	11	7%	10	7%	18	12%	55	09%
	3000 to 4000	72	48%	68	45%	59	39%	99	66%	298	50%
	4000 to 5000	16	11%	24	16%	31	21%	13	9%	84	14%
	5000 Above	18	12%	24	16%	40	27%	01	1%	83	14%
Respondents	150		150		150		150		600		
Average Income	3274		3518		4013		3183		3497		
8	No. of Looms and Avg. Monthly Income	Nos	Avg Income	Nos	Avg Income	Nos	Avg Income	Nos	Avg Income	Nos	Avg Income
	One	108	2933	104	2815	110	3812	112	2880	434	3110
	Two	30	3769	26	4898	24	4448	22	3687	102	4200
	Three	8	5517	12	5300	10	4467	10	4200	40	4871
	Four	4	4333	8	5500	6	5200	6	5300	24	5083
	Total	150		150		150		150		600	
Average Income in		3275		3518		4013		3183		3497	
9	Category wise Average Earnings(in `)										
	Independent weaver		2955		3454		4022		3193		3275
	Working for Middlemen		3260		3443		3746		2826		3518
	Working for Co-operative society		3610		3657		4271		3530		4013
Total		3275		3518		4013		3767		3183	
10	Average Monthly expenditure on Some Selected Items									Total	Avg %
	Food Grains	1938	52%	2189	57%	2234	53%	1969	54%	8330	54%
	Household Exp	596	16%	653	17%	590	14%	656	18%	2495	16%
	Clothes	298	8%	346	9%	506	12%	292	8%	1442	9%
	Children Education	559	15%	499	13%	548	13%	401	11%	2007	13%
	Personal Exp	336	9%	153	4%	337	8%	328	9%	1154	8%

	Total Exp	3727		3840		4215		3646		15428	
	Difference	-452		-322		-55		-463			-326
12	Nature of the Houses										
	Thatched	52	35%	56	37%	24	16%	36	24%	168	28%
	Semi Permanent (Tiles)	76	51%	70	47%	88	59%	92	61%	326	54%
	Permanent (Dhaba)	22	14%	24	16%	38	25%	22	15%	106	18%
	Total	150		150		150		150		600	
13	Reasons for Selecting the Present Line of Activity										
	Traditional	102	68	106	71	104	69	112	75	424	71%
	E more income	10	7	10	6	16	11	14	9	50	8%
	Low Capital Required	22	14	16	11	14	9	10	7	62	10%
	The only known work	16	11	18	12	16	11	14	9	64	11%
	Total Respondents	150		150		150		150		600	
14	Categories of Weavers'										
	Independent	8	5	16	11	22	15	28	18	74	12%
	Co-op. Society	50	33	52	34	38	25	34	23	172	29%
	Master-Weavers'	64	43	64	43	70	47	66	44	266	44%
	Wage Workers	28	19	18	12	20	13	22	15	88	15%
	Total Respondents	150		150		150		150		600	

Source: Field Survey

Table 3

Socio-Economic Conditions of Handloom Weavers in select Villages

Sl. No	Major Indicators	Bandarulan ka		Chirala		Yemmigan ur		Pochampall y		Total	
		Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
15	Motivated Factors to enter Weaving work										
	Self	40	23%	42	24%	46	26%	48	27%	176	29%
	Family Members	72	28%	58	22%	64	24%	68	26%	262	44%
	Friends/Relatives	6	30%	4	20%	4	20%	6	30%	20	03%
	Local Merchants	4	25%	4	25%	4	25%	4	25%	16	03%
	Master Weavers'	8	23%	18	53%	4	12%	4	12%	34	06%
	Co-operative Society	20	22%	24	26%	28	30%	20	22%	92	15%
Total Respondents	150		150		150		150		600		
16	Opinion on Leaving Present Profession										
	Willing to Change	22	15%	28	18%	20	13%	22	15%	92	15%
	Not Willing to Change	116	77%	112	75%	118	79%	120	80%	466	78%
	Not to Say	12	8%	10	7%	12	8%	8	5%	42	7%
	Total Respondents	150		150		150		150		600	
17	Problems-Middle Men										
	Late Payment	86	57%	72	48%	66	44%	80	53%	304	50%
	Irregular supply of Raw Materials	40	27%	44	29%	40	27%	36	24%	160	27%
	Low margin	24	16%	34	23%	44	29%	34	23%	136	23%
	Total Respondents	150		150		150		150		600	
18	Value (worth) of Looms Owned										
	Total Looms (in Nos)	107	25%	110	26%	106	25%	105	24%	428	
	Total Value (lakh)	1.02	29%	0.81	24%	0.93	27%	0.70	20%	3.47	
	Avg. value per Loom`	955	29%	740	23%	881	27%	669	21%	811	
19	Source-wise loans (in `)										
	Master Weaver	5961	24	5713	23	6458	26	6706	27	248400	

		6	%	2	%	4	%	8	%		
	Money Lenders	7650	28	6831	25	6284	23	6557	24		273240
		7	%	0	%	5	%	8	%		
	Banks	6123	29	5700	27	5067	24	4222	20		211140
		1	%	8	%	3	%	8	%		
	Micro Fin. Institutions	9675	19	1273	25	1374	27	1476	29		509220
		2	%	05	%	89	%	74	%		
	Total	294106	24%	309755	25%	315591	25%	322548	26%		1242000
20	Total No. of Looms	Resp	Nos	Resp	Nos	Resp	Nos	Resp	Nos	Resp	Nos
	One Loom	112	112	108	108	110	110	112	112	442	442
	Two Loom	16	16	22	22	24	24	22	22	84	168
	Three Looms	18	18	12	12	10	10	10	10	50	150
	Four Looms	4	4	8	8	6	6	6	6	24	96
	Total	150	150	150	150	150	150	150	150	600	856
21	Item-wise Production										
	Sarees	110	73%	128	85%	122	81%	130	87%	490	82%
	Dhotis	22	15%	16	11%	24	16%	14	09%	76	12%
	Others	18	12%	6	4%	4	03%	6	04%	36	06%
	Total	150		150		150		150		600	
22	Monthly Production Capacities										
	Below 100	22	15%	18	12%	20	13%	24	16%	84	14%
	100 -200	20	13%	16	11%	24	16%	22	15%	82	13%
	200-300	36	24%	42	28%	46	31%	38	25%	162	27%
	300-400	34	22%	40	27%	32	21%	36	24%	142	24%
	400-500	22	15%	20	13%	16	11%	20	13%	78	13%
	Above 500	16	11%	14	9%	12	8%	10	7%	52	9%
	Total	150		150		150		150		600	

Source: Field Survey

Table 4

Socio-Economic Conditions of Handloom Weavers in select Villages

Sl. No	Major Indicators	Bandarulanka		Chirala		Yemmiganur		Pochampally		Total	
		Qty lakh mtrs	` in lakh	Qty lakh mtrs	` in lakh	Qty lakh mtrs	` in lakh	Qty lakh mtrs	` in lakh	Qty lakh mtrs	` in lakh
23	Production										
	Sarees	3.05	17.26	4.21	17.69	3.34	18.16	3.92	16.68	14.52	69.78
	Dhotis	0.48	1.73	0.59	2.66	0.44	1.67	0.59	2.39	2.10	8.45
	Others	0.28	1.01	0.21	1.79	0.18	1.42	0.20	1.04	0.87	5.26
	Total	3.81	1.20	5.01	22.14	3.96	21.25	4.71	20.11	17.49	83.49
24	Loom-Wise Idle Days in a Year										
		Idle Looms		Idle Looms		Idle Looms		Idle Looms		Idle Looms	
	No. of Days	Nos	Days	Nos	Days	Nos	Days	Nos	Days	Nos	Days
	5	9	540	7	420	10	600	9	540	35	2100
	6	13	936	9	648	14	1008	11	792	47	3384
	7	12	1008	11	924	15	1260	14	1176	52	4368
	8	10	960	12	1152	6	576	10	960	38	3648
	9	8	864	11	1188	5	540	8	864	32	3456
	10	11	1320	17	2040	6	720	9	1080	43	5160
	11	7	924	10	1320	8	1056	5	660	30	3960
	12	9	1296	9	1296	11	1584	7	1008	36	5184
	13	11	1716	3	468	12	1872	16	2496	42	6552
	14	8	1344	7	1176	4	672	9	1512	28	4704
	15	5	900	5	900	3	540	4	720	17	3060
	F.T	4	0	9	0	12	0	3	0	28	0
	TOT	107	11808	110	11532	106	10428	105	11808	428	45576
	<i>*Idle Loom days per year = No. of Loom Idle days X Idle looms X 12</i>										
25	Expected Production in Metres										
	Total Looms	107		110		106		105		428	
	Total No of Loom days = n ₁	32100		33000		31800		31500		128400	
	No. of Idle Loom Days = d ₁	11808		11532		10428		11808		45576	

Actual Production	381159	50080	39637	47089	1749240
Expected Production	602957	76982	58978	75326	2715827
Expected Loss	221798	26902	19340	28236	966587
Utilization%	63%	65%	67%	63%	64%
% of Loss	37%	35%	33%	37%	36%
$**\text{Applying formula } (EP)_i = \frac{n_i}{(n_i - d_i)} \times p_i$					
<p>Where: n_i = Total number of days by the weaver on 'i' th loom in a year Assumed that No. of working days in a year is 300 days N_1 = Total No. of Looms X 300 e.g. 428 X 300 = 128400 d_1 = Number of the idle days of 'i' th loom in a year e.g. 45576 p_1 = Actual production of the 'i' th loom in a year, e.g. 1749240 $(EP)_1$ = Expected production of 'i' th loom in a year</p> <p style="text-align: center;"> $\text{e.g. } EP_1 \text{ for Total} = \frac{128400}{128400 - 45576} \times 1749240 = 2715827$ </p>					

Source: Field Survey

Conclusions:

Average incomes of handloom households from all sources have doubled in nominal terms since 1995-96. However, in real terms, the average earnings have come down. Assuming an annual inflation of 6.5 percent per year since 1995-96, the average annual income of handloom households should have grown to Rs.32, 766 in 2009-10 to keep parity with the real income has thus actually declined. The share of income from purely handloom activities is 62 percent across all handloom households. While it is 60 percent for urban households, the rural households have a share of 63 percent.

Both the central and state governments are currently active in the handloom sector, providing a number of incentives for handloom production and marketing. The Central Government, through the Ministry of Textiles, Office of the Development Commissioner (Handlooms), implements a number of schemes such as Integrated Handloom Development Scheme, scheme for supplying hank yarn at mill gate prices, marketing and design support, health and life insurance schemes etc. The Andhra Pradesh Government is also implementing various schemes for the benefit of the handloom workers. The Plan allocation of the Ministry of Textiles for handloom schemes is Rs. 460 crores for 2011-12. However, in spite of these, we have seen that the real incomes of handloom workers have declined over the years instead of increasing in tandem with the growth of the economy. This calls for policy changes both at the Centre and the State levels. There is also a need for scaling up and intensifying both the Central and State Governments, interventions in the handloom sector.

At the Central Government level, instead of designing schemes of pan-India nature, it may be desirable to design separate schemes for the North East and the rest of India especially in Andhra Pradesh, taking into consideration the state specific and region specific special requirements. The development schemes should have adequate flexibility. The established retail chains should also come forward and collaborate with government agencies to assist in product development and marketing. The banks should provide adequate credit for such activities. The schemes that the Ministry of Textiles currently implements rightly focus on cluster development, health and life insurance coverage of the handloom workers and input and marketing support. Mega clusters of handlooms are also being developed. However, there is need for scaling up such efforts and improving the effectiveness and outcome of such interventions. There is also need for better coordination of the efforts of the central and state governments. Involvement of NGOs and the corporate, especially those that are active in textiles and apparel, also need to be encouraged.

As handloom production is a supplementary activity for most households, it is necessary to provide alternate avenues of employment for the handloom households. Special attention needs to be given to such households in the form of educational and health assistance, income support to the most vulnerable households in the form of cash or food coupons, etc. As benefits of higher economic growth are not reaching the handloom workers, it is the responsibility of not only the governments but also the corporate sector, Non Government Organizations etc. to give a helping hand to them in the form of development and welfare interventions. In the year 1985 the Union Government announced New Textile Policy, which was favourable to large scale Mill sector and Powerloom sector. As a result of this the share of powerloom cloth production was increased to 51 percent whereas handloom cloth production was reduced to 26 percent.

At the same time hike in the raw materials, i.e., yarn, dyes and chemicals costs are increased by 30 to 40 percent. The price of the finished handloom products was declining to 15 to 20 percent. As a result of this the industry has fallen into several crises, and larger sections of weavers have lost their employment and lead a very miserable life. Union government budget allocation to handloom sector has been very low and failed to utilize allocated funds fully and properly. Majority of the weavers in A.P. are subjected to dire poverty and under employment. In this state it was about 30 lakh of weavers are depending on 5 lakh 30 thousand looms. However they are continuing in the profession not because of they like it, but they have no other way out.

The financial performance of the APCO was not satisfactory. There was no controlling to reduce operating costs and interest burden on borrowing funds. The state government organizations should realize their dues in proper time. Accumulated stock balances and losses are increased year by year due to lack of market demand and high competition for other sectors. In region wise CWCS analysis, half of the Loomage situated in out of the cooperative fold. It reflects that weavers are not showing interest to join in cooperative societies. Weavers Cooperative Societies do not fulfill the entire cooperative principles like '*one for all and all for one*'. These societies act like big size Master Weaver Role. APCO sales targets are achieved only 69 percent during the period of 10 years. But Total Expenses are spent more than the budgeted value. In all cases, budgetary cost variances are showing in adverse. The primary weavers' cooperative societies could not bring out significant changes positively in the social and the economic aspects of the weaving

community. Organization is an association of human beings for the attainment of a common purpose. It is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives.

With the organization of Weavers' Cooperative Societies on a large scale since 1940 many weavers joined the said societies. As these societies later fell on bad days due to stoppage of rebate and curtailment of credit facilities, weavers in the societies were forced to revert to the master weavers. These master weavers were advancing yarn in the past to weavers working in their own houses. But in recent times, many of the master weavers have been setting up common sheds for weaving.

They also provide advance raw materials to individual weavers, who produce the goods at their household units and sell the finished products to master weavers. . The master weavers have gained very good strength with the inefficient functioning of the weavers' co-operative societies.

The success of any form of organization depends on the satisfaction of its members. Handloom cooperative society type organization could not satisfy its members. The average age of the weavers was recorded as 42 years. Hence, young generations are not showing interest to enter in handloom weaving work. The weavers are working till they are very old. Continuity of work will affect their health. They cannot concentrate on their weaving work due to ill-health and high family burden. The income particulars of the respondents clearly indicate that the weavers are economically backward and most of them are living below the poverty line. This is really a pathetic situation which can seriously damage the growth and development of handloom industry.

Weavers are not maintaining specific timings for work. Every weaver spends more or less 10 to 14 hours a day on the activity. This will also affect concentration on work and result in poor performance. In general, APCO supplied yarn and other raw materials to the weavers through Primary Weavers' Cooperative Societies and these societies have credited to the weavers' account by the cost which was decided by the APCO. After processing it, the PWCS collects weaving cloth from the weaver and sent it to the APCO. On performance of such handloom cloth, APCO decided the price of finished goods and it was debited to concern weavers' account. The difference between the cost of yarn and other raw materials which was credited previously and now the price of finished goods which was determined by the APCO has been debited to weavers' account. The difference has been treated as wage coolly of the weavers. Moreover, that coolly has not been realized immediately. It has taken a long period. For family survival purpose, weavers are making some misuse activities and this also involved official members of the society. This type of activity was going on for a long period. This is the main setback to the industry development.

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