

CHAPTER VI

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Conclusions and suggestions

6.1 Conclusions

The study investigates three issues linked to the decay of India's traditional handloom industry in Cachar district of Assam. First the study investigated into the factors that are responsible for the decay of handloom industry, second the socio-economic impact of the decay, and finally examined the possibilities to avert the decay.

The findings of the study drawn upon information from field survey of 405 weavers. A field survey using structured questionnaire relating to the above mention issues was conducted during 2011 to March 2012 in Cachar. The findings based on econometric models, percentage and tabular analysis made on the objectives and hypothesis set for study support the following major conclusions.

1) This study investigates the factors responsible for the decay of handloom industry in terms of the analysis of some important factors that are responsible for the present crisis. The analysis of the factors carried out by percentage method. The percentage analysis method used to examine the affect of the factors on the handloom operation. The results of the analysis involving the factors viz, Technology Gap, unfair competition from mills and power looms, Consumer preference to modern textile, Poor Institutional Management, low wages. The results confirm that unfair competition from mills and power looms severely affect the traditional handloom weaving. The

power-loom can imitate design of handloom product and produce it in low rates. Nearly 29.63% of respondents reported that the existence of the unfair competition with power loom greatly responsible for the decay of the industry in Cachar. Majority 20.25% of the weaver respondents reported that modern textile items are available at relatively cheaper prices, affecting the market for handloom products growing consumer preference and taste, in recent times, towards variety of modern fabrics has severely affected the demand for handloom items. About 17.77% of the weaver respondents felt that the handloom sector is in the path of extension due to the poor performance of the cooperative and less financial support by the govt. to the poor weaver. The handloom cooperative system is riddled with corruption and political interference. Nearly 13.83% of respondents reported that the low wage structure is one of the important cause of the decay of traditional handloom in Cachar. The handloom is labour intensive industry where wages should be satisfactory. But the fact is that the workers in labor intensive industries generally receive lower wages than the capital intensive industries. Lack of information to weavers regarding various policies and schemes is no less a significant cause for the dwindling fortunes of the weaver community. About 9.88% of weaver respondent felt that absence of information and resource gaps is also one of the important factor responsible for the decay of the industry. The technology gap is increasing in importance. The comparative advantage of the highly modern textile in these sectors, because of the use of advanced computer based technology has mainly responsible for their labour cost disadvantage, most of the new technologies have little or no applicability in the actual production. Nearly 8.64%) of the weaver respondents reported that use of traditional technology greatly hindering the improvement of the sector.

2) The study investigates the impact of the decay of handloom industry on the socio economic standard of living of the people of the people. The percentage analysis method and the multiple regression analysis is used to observe the impact of decay. Through percentage analysis method we found that nearly 68.64% of the weavers severely affected by the decay of handloom industry. Nearly 26.42% of the weavers moderately affected by the decay of the handloom industry and nearly 4.94% of the weavers not affected by the decay. The percentage analysis method involving the factors like food intake, health care facilities, education, recreational facilities and cooking fuel.

The OLS technique was used to estimate the multiple regression models to test the impact of the decay in terms of independent variable income both from weaving and non-weaving sources, Proportion of dependent family member, per -capita debt on dependent variable socio economic index. While calculating the socio economic index we have given value in respect of the indicator like amenities which include electricity. It is further observed that unstandardised coefficients (β^{\wedge}_1) on the socio economic index are positive and statistically significant for both two cases. But the coefficient for non-weaving income ($\beta^{\wedge}_1=2.87$) is higher and more statically significant as compared to weaving income ($\beta^{\wedge}_1=2.74$) implying that higher the income better will be the socio economic index .Thus income both from weaving and non-weaving sources has been an effective means of enhancing the socio economic standard of living of the poor people and thus their ultimate welfare. The coefficient for the proportion of dependent member is (β^{\wedge}_2) is negative for both the cases and statistically significant at 1% level. The sign of these estimates are correct on the theoretical grounds implying that there is an inverse relationship between the socio economic index and this variable. But higher value in case of non-weaving income implies the impact is less

($\beta^2 = -1.5$) because when income improves the proportion of dependent less affects the socio-economic index. The unstandardised coefficient β^3 is positive and significant at 1% level in both the cases. . But ($\beta^3 = 3.48$) is higher in case of weaving income than on non-weaving income. This implies that since the income is less the weaver community goes for taking more debt and when their income improves they will go for taking less debt. The sign of this estimate is correct on the theoretical grounds implying that there is a positive relation between the socio-economic index and per capita debt.

Thus our results show that, among all the independent variables the Proportion of dependent family member has significant negative impact on the socio-economic index in both the cases. It is further observed from the table that the value of R square is (0.60) in both the cases implying that the variables proportion of dependent family member, per capita debt, weaving income and non-weaving income explain (60%) variation in socio-economic index. Moreover, above estimated regression equation is also a good fit in case of socio-economic index depending on non-weaving income is also a good fit as the value of F is (203) is much higher statistically significant with p value < 0.01.

So according to our analysis the decay of the handloom industry has significant impact on the socio-economic standard of living of the people. As for the weavers, totally dependent on weaving for their livelihood are now facing great crisis because the income from non-weaving sources is not sufficient to meet their necessities,

3) The study examines whether there is any possibility to avert the decay of handloom industry in Cachar district. The multiple regression analysis is used to observe the possibilities to avert the

decay. The regression result of the model show that the regression of capital invest per unit of product and time spend to produce per unit of product on per unit product price. The unstandardised coefficient β^{\wedge}_1 i.e., the capital invest per unit of product on profit per unit of product is ($\beta^{\wedge}_1=9.95$) is statistically significant at 1% level and positive. This imply that if the weaver invest more in production the quality and the standard of the product improve, and this will increase the demand of the product and the weaver can charge high price of the product. Moreover, the coefficient of time spend to produce per unit of product on product price ($\beta^{\wedge}_2=11.35$) is positive and statistically significant at 1% level .This might be due to the fact that if the weaver spends more time in production it will be possible for them to produce variety of products and it can meet every need. Thus if they spend more time the output will be more perfect and artistic and hence they get high price of their product. The value of R square is (0. 56) implying that the variable capital invest per unit of product, time spend to produce per unit of product explain (56%) variation in price per unit of product. Moreover, the above estimated regression equation is also good fit as the value of F is (20509) and statistically significant with p value<0.01.

4) In order to examine the association of marketing network and the chances of survival we use simple linear regression the unstandardised coefficient β^{\wedge}_1 i.e., total number of marketing network used by the weaver to produce per unit of product ($\beta^{\wedge}_1=9.49$) is statistically significant at 1% level and positive .This may be due to the fact that as the weaver uses different marketing network they become well acquainted regarding the market information and avail the market opportunities and the extent of market will also become wide. The size of market i.e. the existence of wide market determines the possibility of profit. Moreover, the value of R square is (0.40) implying that the variable Total number of marketing network used by the weaver explain (40%) variation in profit

per unit of product. Moreover, the above estimated regression equation is also good fit as the value of F is (267) and statistically significant with $p \text{ value} < 0.01$.

5) It is important to note that in spite of growing competitions and pressure caused by a modern textile sector and shortage/irregular availability of raw materials, which adversely affect the traditional handloom in the District, very few weaver families surveyed are still been continuing their weaving operations to a limited scale. The growing consumer preferences for modern textile products is directly attributed to increasing investment made by the traditional sector on advertisement and promotion.

6) There has been steady decline of the functional performance of the weaver co-operative societies in the District, Even several societies and production centres have stopped working. The strength of membership has gradually been reduced in several societies and centres, as reported by the surveyed weaver. Sales volume of several societies has considerably been reduced. Membership in handloom cooperative societies is very low. Number of women employees in the cooperatives is also low.

7) About 64.20% of the weaver families, who expressed their need for modernisation, felt the need for repairing their old looms to make it more productive and functional. All the weaver families opting for modernisation reported that such modernisation could result in increase in the processing of yarns and improving their level of operation. This can be attributed mainly due to no availability of inputs as the major input as raw material either from cooperative societies or from master weavers and even the weaver himself cannot continue weaving on his own because of his/her petty producer's status with a high degree of dependence. The opinion of the surveyed

weaver respondent's call for modernization and up gradation of the traditional handloom in order to retain its unique position and to achieve economy in competitive environment. Provision of sustainable supply of good quality of raw materials can greatly aid in smoothening the operational crisis in traditional handloom.

8) The handloom products having their distinct position in textile sector enjoy a wide spread market in both rural and urban areas. The competitive pressure exerted by modern textile products has not created any change in the acceptance and the choice of customer segment for handloom products. Due to growing deterioration of functional performance of the weaver co-operative societies and production centres, majority of the weaver community has switched over to direct marketing. They are worse than any other type of organizational structure and also in the absence of a good marketing network for the sale of handloom cloth, the independent weavers cannot market their products. All these results, migration to other occupations.

9) The weaver communities in the District have been pushed down to the lower Strata of the economic ladder. There are 59 percent households, belongs to the low income group. All these households would come under poorest section of the society. Majority of the weaver families reported that the extent of their engagement in terms of working hour in handloom activities has declined. The weavers' earnings is lower in spite of the weavers' willingness to work for longer hours, the whole family involved in weaving activity but their per day income is not exceeding more than Rs.60,

10) The impact on living style and social status of the weaver families especially the women engaged in weaving activities have declined with regard to their food intake, children's education,

health and sanitation, domestic energy use, accessibility to means of entertainment. Nearly 95.06% of the weaver families reported that the quality and quantity of food intake has deteriorated. Weavers' food expenditure is less but Weavers' indebtedness is greater. About 4.94% of the weaver families reported having experienced no change in quality and quantity of food intake. Nearly 84.94% of the weaver families have suffered in availing recreational facilities due their financial problems caused by declination of handloom business.

11) Involvement of young generation in weaving is now less after the decay of the industry, only 17% of the younger generation is now involve in weaving. Younger generation in the weavers' community preferred to take employment in the town other than handloom weaving after their higher education. Therefore their involvement is very minimal in weaving.

12) It is found that maximum of weavers who continue the weaving practices are female, minimum number of male members are now involve in this occupation. The male weavers are now engaged in other occupation rather than weaving in order to maintain their family .More than 80 % of female are engaged in weaving in Cachar. The male constitutes only 19.75%. Women constitutes a major workforce in the handloom sector at present.

13) Single women weaver, widows are completely out of the bank-based system of loans. Further, institutional credit is currently being accessed mainly through the Scheduled Commercial Banks, Cooperative Banks, Regional Rural Banks, etc., which have limited reach in the weaver of Cachar District.

14) The analysis concludes with an observation of a huge deficiency in regard to the requisite infrastructure facilities for the weaving class were noticed during the course of survey. Apparently,

young persons were not found to be interested in weaving work due to its low earnings. The working conditions are very shanty and sometimes found to be unhygienic because of poor lighting and ventilation system.

15) Due to absence of a training and skill development center/institute in the district, there was a great shortage of educated, certified and professionally trained/skilled handloom sector workforce. On the other hand, new generation preferred to work in the Power loom sector instead of handloom due to relatively higher monetary benefits and ease of work in terms of operating a power loom. Scattered, isolated and remotely located producers lacked adequate domestic and International marketing information.

16) Apart from that, old and outdated designs made of low quality (i.e. recycled/used) raw materials is another hurdle.

17) The financial institutions were either reluctant or simply refused to extend financial support to weavers, due to their poor financial conditions. Resultantly, the weavers/handloom units were forced to obtain loan credits from informal sector at higher cost of capital. The lack of financial resources restricted any investment needed for improvements such as product diversification, innovation in designs etc. Therefore, traditional markets are being served by low value added and restricted product lines and the overall result is finally low income

18) Actually in handloom industry one man used to operate a single handloom at the most, thus the more the number of handlooms, more will be artisan required.

6.2 Suggestions

It is important to note that in spite of growing competitions and pressure caused by a modern textile sector and shortage/irregular availability of raw materials, which adversely affect the traditional handloom in the District, very few weaver families surveyed are still been continuing their weaving operations to a limited scale. The growing consumer preferences for modern textile products is directly attributed to increasing investment made by the traditional sector on advertisement and promotion.

Handloom weaving is an integral part of the rural culture and economy of Cachar. The growing awareness among various communities is about the role of indigenous textile items in verifying cultural identity has helped in their continuance. Handloom weaving is lightly to survive and prosper because of the force of traditions as well as for the new meaning and substance acquired by it in the present times. The distinctive cottage industry is indeed of organized help and assistance so that it can further develop and flourish. Traditional practices used are mostly organic, ecofriendly, sustainable, viable and cost effective. But there is a need to explore, verify, modify and scientifically validate these practices for their wider use and application.

The handloom Industry is a shrinking sector and may perish in the coming of modern industrialization if not properly encouraged and supported because it is almost at the verge of dieing out. At this stage it is very necessary to create awareness about the problems faced by craftsmen. In handloom industry labour absorption rate is very high, because most of the people associated with this industry are self-employed and amount of capital required is attractive as compare to capital intensive sector of the industry because traditional methods of manufacturing

and processing are used which is the core strength of handloom industry. Thus for any restrained resources such as financial resources, technical/skilled human resources etc. in developing country, this is a cost effective method of creating employment opportunities. Handloom and handicrafts have the potential to provide gainful employment to the weavers and the craft workers with very little financial investment mainly by exploiting their inherent strength. It is necessary to appreciate these emerging challenges and gear up the handloom and handicrafts industry of Cachar in the interest of rapid economic development and eradication of poverty

Handloom products require more visibility. This means better and wider market network, one off exhibitions organized with the support of Govt. is not sufficient for the development of this industry. In Cachar no proper market survey has been made so far. Traditional investors known as master weavers who have been investing for several decades in handloom production are moving away, and they don't help the weavers to adopt the changing consumer tastes. Majority of weaver members of the co-operatives feel that due to various reasons they do not get job satisfaction in their present occupation. Due to globalisation and modernization of textile industry the handloom co- operative weavers face lot of problems like meager wages, poor working conditions, inadequate non-monetary benefits, and insufficient work throughout the year. Besides, it suffers from disadvantages like unorganised structure, weak financial base of the weavers and bureaucratization/politicisation of cooperatives.

Thus, the involvement of members and weightage to their opinion will certainly improve the performance of weavers' co-operative societies not only in study area but also in other areas. So, the Government should take necessary steps to overcome the problems of handloom weavers and improve

the social status of the weavers. In many belts of handloom weaving, the crisis of weavers has reached such a situation that very significant numbers of weavers have been forced to give up their traditional skills and take up employment as construction workers, rickshaw-pullers, vendors etc. Massive amounts of money are spent on imparting vocational education, including industrial skills in an institutional set-up. But in the set-up of handlooms and several related crafts and artisan skills, an informal structure exists for imparting invaluable and intricate skills to the next generation without the government spending any money. Surely such traditional sustainable livelihoods based on beautiful skills need to be protected and promoted in a big way.

This industry is facing a lot of problems that have to be highlighted through our discussion and made necessary recommendations to bring the handloom industry at the blooming stage of development. We should extend our helping hand to the government and NGOs to pave the way of development for our poor weavers. We give free training for the young ones, we provide them looms and accessories free of cost, we provide them required raw materials as well so that they can start at once. The trainees are also paid a small amount of stipend during the six months of training. Weavers who do not possess a place for themselves can make use of our common weaving facilities.

The sector has survived on government subsidies but that too is not as readily available. Not many realise that the majority of weavers are actually women and they are still not well conversant with the modern tools and appliances. At present, in the whole of Textile industry, the Handlooms-cottage sector has to co-exist with other two sectors, namely unorganized power loom sector and organized mill sector. If we look at globally, due to the huge competition of these two sectors, many developed countries gave up the handloom industry, and there are no handlooms

exist at present in many of the countries. In India also, number of handlooms in different clusters is decreasing day by day. In the last fifteen years it has come down to 43.32 lakhs from 65.5 lakhs Handloom workers engaged in this sector. As the handloom industry occupies an important place due to the economic importance, it has been realized that India cannot leave away this industry as other countries did it. On the other hand, India has to pay much more attention to safe guard this industry. The causes for declining of handloom industry with respect to men, material, machines, methods, money, marketing and management categories have to be grouped in order to find the corresponding remedies.

Considering the relevant factors, issues and problems linked to the traditional handloom in Cachar and its consequential impact on the socio-economic condition of weavers engaged in handloom activities, as analysed by the present study, following suggestions and recommendations are made. The suggestions and recommendations made in this section are based mainly on the findings of field survey and the opinion of the targeted weavers and some important field level officers.

- ❖ The services of the co-operative societies and production centres have not been effective in delivering of necessary training and guidance, facilitating modernisation and up gradation of technology and providing marketing support to the weaver's beneficiaries. The major weakness of these societies and centres mainly pertain to their irregularity in supplying raw materials, inefficient administration, irregular and low wage payment, lack of professional approach in marketing and operational management. It is, therefore, essential to remove these impediments so as to enable these organizations to function efficiently and smoothly.

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- ❖ Modernisation of the looms and allied accessories is the most important step in increasing the productivity of weaving operation and ensuring high quality handloom products. It is highly essential to expand the modernisation activities. In order to View its direct impact on efficiency production, productivity and quality.
 - ❖ It is important to take appropriate measures to suitably upgrade the modern skill and technical capacity of the traditional weavers especially the women regarding weaving, design.
 - ❖ Publicity is one of the essential factors, which influence the sale of consumer products. Since the weaver's co-operative societies/production centres are unable to bear the expenses of publicity, the state Govt. should launch special publicity drive to promote handloom products.
 - ❖ Many weavers and even the co-operative societies/production centres are ignorant of the international market. The state government needs to encourage weaver to export handloom products by providing necessary financial assistance and proper guidance, facility and channel for foreign trade.
 - ❖ The average productivity of handlooms is much lower than that of power looms. Hence, the survival of the poor handloom weavers lies either in increased production of higher value items or in increase in overall productivity. Handlooms remain idle for some period on account of non-availability/inadequate and irregular availability of raw material,

leading to loss of earning of weavers. Appropriate measures needs to be taken to ensure steady and adequate supply of raw material.

- ❖ In consideration of large-scale poverty among the handloom weaver communities in the District, there is an imperative need to improve the lots of handloom weaver by providing high priority to support the poor weavers under various ongoing Poverty alleviation and income-generating programme.