

Study Report on Problems and Prospects of Handloom Sector in Employment Generation in the Globally Competitive Environment



Study Team

Dr Sudhanshu K K Mishra, Rakesh Srivastava and K I Shariff,
Dy General Managers/Faculty Members



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Bankers Institute of Rural Development (BIRD)

**Sector 'H', LDA Colony, Kanpur Road,
Lucknow-226 012, Uttar Pradesh (India)**

Phone – 0522-2421187, 2421137

Fax No. – 0522-2421047, 2421176;

e-mail: bird@nabard.org or

[training.birdlucknow@nabard.](mailto:training.birdlucknow@nabard)

Website: www.birdlucknow.in

Disclaimer

This document has been prepared by Bankers Institute of Rural Development, Lucknow (BIRD) based on the field study by a team comprising of Dr. Sudhanshu K K Mishra, S/Shri Rakesh Kumar Srivastava, and K I Shariff, Faculty Members.

The study report has been prepared based on the field study and also the feedback received from various stake holders in the handloom sector. While BIRD has undertaken all efforts to ensure the accuracy of information, errors and omissions cannot be ruled out.

The views expressed in the report are that of the study team. It does not necessarily represent/reflect the policy/view of BIRD or National Bank for Agriculture and Rural Development (NABARD).

Foreword

The handloom sector is special as it nurtures and preserves ancient weaving skills which are unique to each state and region and also provides employment to large number of rural households. It is also true that handloom weaving as an activity is in deep crisis with low productivity, low wages, low literacy levels, firmly entrenched middlemen and very little formal bank finance flowing to the sector. Large number of people including policy makers believe that the handloom industry is declining. However, the resilience which handloom weavers continue to show in terms of survival and ability to innovate indicates that the handloom sector can still be revived.

As per the Handloom Census of 1995, the total number of weavers was 65 lakh which declined to 43.32 lakh in 2010. The decline can be attributed partly to the external factors like impact of the economic recession, tough competition from power loom sector, changing choices of customers etc., and partly due to factors internal to the handloom sector like inability of the weavers to come up with new products, designs, market oriented production, etc.

Although the number of weavers has declined between 1995 and 2010, the number of full-time workers remained more or less the same at 28.6 lakh in 1995 and 28.16 lakh in 2010. There is also an increase in the days of work per weaver household from 197 person days per year in 1995 to 234 person days per year in 2010. In effect, it means that with all the problems which this sector faces, it is not dying. In fact the sector shows the signs of revival and vibrancy.

Recognising the importance of the handloom sector, the Governing Council of BIRD advised BIRD to undertake a study on “**Problems and Prospects of Handloom Sector in Employment Generation in the Globally Competitive Environment**’. Accordingly, the study was taken up in three states, viz., Andhra Pradesh, Uttar Pradesh and West Bengal with a broad objective to understand the sector for its uniqueness, its operating ecosystems, the issues, the concerns and interests of various stakeholders of the handloom sector.

The report also highlights innovations and suggestions for sustainability of the sector.

It is with great pleasure we release the study report. I hope the readers will find this report both informative and interesting and that it will give a greater understanding of the handloom sector.

(Dr D V Deshpande)

Director

Bankers Institute of Rural Development, (BIRD), Lucknow

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Dr Sudhanshu K K Mishra

Rakesh Srivastava,

K I Shariff

Faculty Members, BIRD Lucknow

(The Study Team)

Abbreviations

AAY	Antyodaya Anna Yojana
AP	Andhra Pradesh
APCO	Andhra Pradesh State Handloom Weavers Society Ltd.
AWCS	Apex Weaver Cooperative Society Ltd.
NGO	Non-Governmental Organization
BIRD	Bankers Institute of Rural Development
BPL	Below Poverty Line
CAB	College of Agricultural Banking
CAD	Computer Aided Design
CAPART	Council for Advancement of People's Action and Rural Technology
CFC	Common Facility Centre
CPF	Central Provident Fund
DC(H)	Development Commissioner (Handlooms)
DRDA	District Rural Development Agency
DUDA	District Urban Development Agency
DCCBs	District Central Cooperative Banks
DAMA	Dastkaar Andhra Marketing Association
DARAM	Dastkaar Andhra Retail Agency for Marketing
EPW	Economic & Political Weekly
FPO	Farmers Producer Organization
FYP	Five Year Plan
GoAP	Government of Andhra Pradesh
GOI	Government of India
GoUP	Government of Uttar Pradesh
GoWB	Government of West Bengal
HDEF	Handloom Development Equity Fund
HWG	Handloom Weaver Groups
H& T	Handlooms and textiles
IAS	Indian Administrative Service

Abbreviations... Contd.

IHCDS	Integrated Handloom Cluster Development Scheme
JLGS	Joint Liability Groups
KVIB	Khadi and Village Industries Board
KVIC	Khadi and Village Industries Commission
MoU	Memorandum of Understanding
MSME	Medium Small and Micro Enterprises
MASUTA	Mahila (woman), Suta (thread) and Tasar. MASUTA Producers Company Limited (MASUTA)
Mudra	Micro Unit Development and Refinance Agency
NABARD	National Bank for Agriculture and Rural Development
NCAER	National Council for Applied Economic Research
NER	North Eastern Region
NHDC	National Handloom Development Corporation
NPA	Non-Performing assets
NRLM	National Rural Livelihood Mission
NIMRC	National level Implementation, Monitoring and Review Committee
OBC	Other Backward Classes
P/L	Profit and Loss
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyothi Bima Yojana
PMSBY	Pradhan Mantri Swasth Bima Yojana
PO	Producer Organization
PWCS	Primary Weavers Cooperative Society
PRIs	Panchayat Raj Institutions
RBI	Reserve Bank of India
RRB	Regional Rural Bank
RRR	
Package	Revival Reform and Rehabilitation Package for Handloom Sector
SC	Scheduled Castes
SHGs	Self Help Groups

Abbreviations... Contd.

SIMRC	State level Implementation, Monitoring and Review Committee
SHDCs	State Handloom Development Corporations
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SIDBI	Small Industries Development Bank of India
ST	Scheduled Tribes
STCCS	Short-Term Credit Cooperative Structure
ToR	Terms of Reference
UP	Uttar Pradesh
UPICA	Uttar Pradesh Industrial Cooperative Agency
WCC	Weavers Credit Card
WB	West Bengal

Basic Concepts/ Definitions -

It is important for the readers and data users to familiarise themselves with the concepts and definition of the terms that have been used in this report for proper appreciation of the contents of this report.

- 1. Household:** A household is defined as a person or a group of persons who live under the same roof and share the same kitchen and have been living together for more than six months. Household members may include servants, lodgers, farm workers and other such individuals who live and take meals within the household, even though they may have no blood-relation to the household head.
- 2. Handloom household unit:** A *handloom household unit* is defined as one that has any member of the household undertaking handloom related work (either weaving on the loom, or as pre-loom or post-loom allied activity, other than marketing) even for one day in the last one year (preceding the survey date), either within the premises of the house or outside the household premises.
- 3. Handloom non-household unit:** A *handloom non-household unit* is an establishment, which could be run by a private owner or a society, such as a master weaver, cooperative societies, handloom Development Corporation, etc. These could be placed in work sheds in the premises of non-household units, or else, they could be distributed in the houses of the hired weavers.
- 4. Allied worker household:** An *allied worker household unit* is defined as one that has any member of the household who has undertaken pre-loom (dying of yarn, warping/winding, weft winding, sizing, testing, etc.) and/or post-loom activities (dying of fabric/calendaring/printing of fabric, made ups, etc.).
- 5. Cooperative society:** The cooperative structure in the handloom sector is twofold: Apex society and primary society. The apex society is an umbrella body for primary societies. Hence, weavers are basically members of primary societies.
- 6. Handloom Development Corporations:** The main aim and objective of corporations is to assist the individual handloom weavers. They are also undertaking other activities for the benefit of weavers which include modernization of looms, planning of production, payment of remunerative wages and technical training for weavers.
- 7. Short Term Cooperative Credit Structure (STCCS):** Short-term Rural Cooperative Credit Structure (STCCS) provides mainly short and medium-term credit besides other financial services. At present (March 2015), the three tier STCCS consists, , of nearly 93 thousand Primary Agricultural Credit Societies (PACS), 371 District Central

Cooperative Banks (DCCB) 31 State Cooperative Banks (SCB). On an average, there is one PACS for every 6 villages; these societies have a total membership of more than 120 million rural people making it one of the largest rural financial systems in the world. STCCS is the traditional source of working capital loans to weaver societies.

- 8. Master weavers:** A master weaver also refers as a generic term to people who get the yarn sized, supply beams to smaller owner, get the fabric woven and get the cloth processed. This system of master weaver has evolved over years. In the past, master weavers used to advance yarn to weavers working in their own houses. In recent years, many master weaver have set up common sheds for weaving, where hired weavers come and undertake production activities.
- 9. Handloom:** A loom is a device used to weave cloth and tapestry. The basic purpose of any **loom** is to hold the warp threads under tension to facilitate the interweaving of the weft threads. A Handloom has non-mechanised operations
- 10. Pit looms with dobby/jacquard:** These are fly shuttle pit looms fitted with Dobby/Jacquard. A Dobby loom is a type of pit loom that controls warp threads using a device called a Dobby, short for "draw boy" which refers to the weaver's helpers who used to control the warp thread by pulling on draw threads. The other accessory for controlling the design element in the fabric is the 'Jacquard', which operates through a series of punch cards.
- 11. Other pit looms:** A pit loom is one where the weaver sits in a pit and operates the loom and the loom itself is fitted into the pit. The pedals for working the shedding motion (tana) are placed in the pit.
- 12. Loin looms:** Loin looms are largely found in the North-Eastern states of the country. This is a simple device where one end of the loom is tied normally to the trunk of a tree or any other fixture like a pole, etc., while the other end is rested at the loin of the weaver, and there is usually a belt tied around the weaver's waist to keep the frame taut. There is no pedal for the shedding motion, and every weaving motion is done by hand. Usually fabrics like shawls, chaddars, and sometimes wall-hangings and small durries are woven on these frames.
- 13. Hank yarn:** In the textile industry, a hank refers to a unit of yarn or twine that is in a coiled form. This is often the best form for use with hand looms, compared to the cone form needed for power looms. Hanks come in varying lengths depending on the type of material. For instance, a hank of linen is 300 yards or approximately 270 metres, and a hank of cotton or silk is 840 yards or approximately 768 metres.

- 14. Count of yarn: Yarn count** refers to the thickness of a **yarn** and is determined by its mass per unit length. A count is a number which indicates the mass per unit length or length per unit of mass. It is usually measured by the number of grams per one kilometre of **yarn**, a unit of measure called “Tex”. The higher the number, the finer the yarn. A 500 count yarn weighs 2 gms for 1000mtrs indicating that it is a very fine yarn.
- 15. Khes:** it is a thick cotton blanket usually used as a floor spread and bed covering that is traditionally made of cotton. The thinner ones are used as bed coverings in winter and the thicker ones are used in place of shawls during winters. It is a household craft and is mostly woven by the women folk for their daughters, as an article for dowry.
- 16. Chikan Zardozi:** is a traditional embroidery style from Lucknow, India. Literally translated, the word means embroidery. It is one of Lucknow’s best known textile decoration styles.
- 17. Himroos: Himroo** is a fabric made of silk and cotton. The word Himroo originated from Persian word Hum-ruh which means ‘similar’. Himroo is a replication of Kum-khwab, which was woven with pure golden and silver threads in olden days, and was meant for the royal families. Himroo uses Persian designs, and is very characteristic and distinctive in appearance. Himroo from Aurangabad is in demand for its unique style and design. Some historians believe that Himroo was the innovation was local craftsmen with very little Persian influence.
- 18. Patola: Patola** are a double ikat woven sari, usually made from silk, made in Patan, Gujarat, India. The word patola is the plural form; the singular is patolu. They are very expensive, once worn only by royalty and the aristocracy. They are popular and in demand from those who can afford them. Patola-weaving is a closely guarded family tradition.

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Executive Summary

Governing Council, BIRD, recognising the unique features of the handloom sector and the need to probe into issues concerning the sector's growth, advised BIRD to undertake a study on 'Problems and Prospects of Handloom Sector in Employment Generation in the Globally Competitive Environment'. Accordingly the study was undertaken by BIRD taking up representative sample in three states namely Uttar Pradesh, Andhra Pradesh and West Bengal. The summary of the study is presented below:

1. The handloom weaving is a sector caught between subjective perceptions and objective realities. While it continues to nurture and preserve ancient weaving skills which are unique to each state and region and also provides employment to large number of rural households. It is also true that handloom weaving as an activity is in deep crisis with low productivity, low wages, low literacy levels, firmly entrenched middlemen and very little formal bank finance flowing to the sector.
2. As against the total number of weavers at 65 lakh in 1995 (as per 2nd Handloom Census of India 1995) the number of weavers in 2010 (3rd Handloom Census of India 2010) declined to 43.32 lakh indicating a significant fall in weavers employed in the sector. Although the number of weavers has declined between 1995 and 2010, the number of full-time workers remained more or less the same at 28.6 lakh in 1995 and 28.16 lakh in 2010. Moreover, there is also an increase in the days of work per weaver household from 197 person days per year in 1995 to 234 person days per year in 2010. In effect, it means that with all the problems which this sector faces, it is not dying. In fact the sector shows the signs of revival and vibrancy.
3. The handloom sector in India was encouraged to adopt a co-operative model and the Government policy facilitated the formation and running of Primary Weavers Cooperative Societies (PWCS) at the village / taluka level and Apex Weavers Cooperative Societies (AWCS) at the State level to arrange for procurement and supply of the yarn to Primary Societies for producing cloth and, thereafter, also undertake marketing activities for the cloth and handloom products produced at the level of primary weavers societies. Similarly Handloom Development Corporations were established at the state level for catering to weavers working outside the Cooperative fold.
Unfortunately, in the last 5 to 10 years, several Apex Societies /Handloom Corporations have become dormant due to losses, lack of professional management, overstaffing, and poor marketing & distribution channels. This has adversely affected the health of the Primary Cooperative Societies involved in handloom sector. The weakness further accentuated because of the weakness in Short Term Cooperative Credit Structure.
4. Estimates show that of the 21,765 registered Primary Weavers' Cooperative Societies (which cover only around 15% of the weavers in the country), only 50% are functional and

that too, partially. About 85% of weavers in the country are outside the cooperative fold, as they work either under Master Weavers/ traders or independently.

5. Raw Material availability:

Observations:

- i. Under the “Mill Gate Price Scheme”¹ of Government of India (GOI), yarn and dyes are supplied by National Handloom Development Corporation (NHDC) to weavers through its 660 depots spread throughout the country. Mobile vans are also used to supply yarn to weavers in remote areas. In actual practice, cotton yarn is sold in the minimum quantity of two to three bales. Individual weavers are unable to access the smaller quantities that they need, thereby reinforcing their dependence on trader and the master weavers. Apart from NHDC, Apex Handloom Weaver Society and Handloom Development Corporations in the respective States are mandated to supply yarn to handloom weaver societies and individual weavers respectively in each State.
- ii. The “Hank Yarn Obligation”² is a mechanism devised by GOI to ensure adequate availability of hank yarn to handloom weavers at reasonable prices. The existing Hank Yarn Packing Notification dated 17.04.2003 promulgated under Essential Commodities Act, 1955 prescribes that every producer of yarn who packs yarn for civil consumption, shall pack at least 40% of yarn packed for civil consumption in hank form on quarterly basis and not less than 80% of the hank yarn packed shall be of counts 80s and below.
- iii. The Primary Weaver Cooperative Societies (PWCS) assess the type of hank yarn (counts) to be procured and quantum of yarn required and place indent to the NHDC or Apex Society at the State level. The payment by PWCS to NHDC/Apex Weaver Society/Handloom Development Corporation is made in advance. On receipt of the payment, the NHDC/ State level agency places order with the mills and the mills directly deliver the yarn to the societies. It was observed that the entire cycle i.e. from making advance payment by PWCS to receipt of material from the mills takes about one to two months and in some cases even more. Discussion with the PWCS revealed that there are delays in getting yarn and the requisite quality (required counts). There were also delays up to more than a year in getting 10 percent price subsidy on hank yarn.

Suggestions to improve availability of hank yarn

- i. Yarn supply arrangements through NHDC should be strengthened by opening more depots (at least one depot in the block or major block level clusters). In case if it not

¹Government of India introduced a scheme for Supply of yarn at the price in which it is available at the Mill Gate in 1992. Under the scheme the transportation expenses involved in supply of yarn are reimbursed by the Government of India. The nodal agency for the implementation of this scheme is NHDC.

² The Textiles (Development & Regulation) Order, 2001, an order issued under section 3 of the Essential Commodities Act 1955, empowers the Textile Commissioner appointed by the Central Government, inter-alia, for the protection of the handloom industry (a rural based industry) by way of ensuring that the yarn in hank form is available in adequate quantity at reasonable prices to the handloom industry

- able to open such large number of depots, NHDC may enroll financially strong PWCSs as its agents or give franchise to such PWCS.
- ii. Government may encourage the private mills to open depots in the major clusters or the mills may appoint financially sound PWCSs as their agents.
 - iii. A Handloom cluster, which has approximately 40-80 handloom weavers' societies and about 3000-4000 weavers working in the area, the monthly requirement for the yarn in terms of amount would be in the range of Rs 5.00 to 7.00 crore per month. In such clusters PWCSs may be encouraged to federate themselves to form Producer Companies/Organizations. These federated bodies can be financed by banks on the basis of the value of immovable assets and also on the value of the stock mortgaged.
 - iv. The NHDC may provide facility to the PWCSs/ PWCS appointed as agents or franchisees to purchase yarn by making 'Online' payment. NHDC may design a portal and place list of approved suppliers/ mills of hank yarn so that PWCSs can operate through the portal and purchase the yarn. This will also facilitate in providing credit by banks and banks can sanction and release amount against the bills raised through portal against online payment.
 - v. Government of India may encourage the cotton farmers, spinners and the weavers to form Producer Companies with spinning mills of low technology i.e. micro spin technology. This will combat the distress of both the cotton farmers and also the weavers
 - vi. There is a need to standardize norms with quality mark for hank yarn so that the quality of yarn is assured. To encourage export, the American and European quality standards may be disseminated through Common Facilities Centers(CFCs) so that the weavers weave quality products, which fetch good price and encourage the youth to be associated with the Handloom sector and it also would enhance the potential for employment.

6. Work Environment in Handloom Sector:

Observations

- i. Since the sector basically consists of family driven enterprises, the women members of the family are associated with various activities connected to weaving. It is the only manufacturing sector wherein one finds large number of women producing products which are worn by large number of women. A unique feature of handloom sector is women producing for women.
- ii. It was observed that handloom weaving requires long and patient hours of work in various harmful posture/positions on traditional looms and instruments of handloom weaving which caused strain and affected health.
- iii. The 3rd Handloom Census of weavers and allied workers 2010 found out that a majority (60%) of adult handloom workforce has attained little or no schooling. The handloom weavers in Uttar Pradesh (60%), Andhra Pradesh (42%), Karnataka

(39%) and West Bengal (37%) have a very high proportion of adult handloom workers reported of never having attended the school.

- iv. **Condition of Looms:** Most of the looms visited were old and in many cases the structure is weak. Although the weavers desire to improve or install new looms, they neither had required capital nor was credit available from banks. During the discussions many of the weavers reported that banks were not willing to extend investment loans to handloom sector.
- v. Work of weaving is very tedious and weavers are prone to weakness and ailments. The major health ailments which people reported were muscular-skeletal in nature and the weavers were suffering mainly from knee pain, joint pain, back ache and weakening eyesight.
- vi. **Wages:** Private traders control the wages paid to weavers because of their hold on input supply as well as marketing. During the study it was observed that, the wages were found to be low at Rs 15 to Rs 20 per sq m for cotton cloth weaving. Although the weavers were able to get work round the year, the wages are one third of the minimum wages for the skilled labour, as in a day a weaver can weave only 5-6 m of cloth, the daily wage works out to only Rs 75 to Rs 120, which is a cause of big concern. The weavers are trapped in vicious circle of poverty.
- vii. **Process of Dyeing:** The entire process is done by the dyers either at their homes or in separate dyeing premises by hand and using crude measuring balance, stoves, utensils and makeshift kind of gadgets. The dyers therefore do not control the process parameters like temperature, time, pH, quantity and purity of dyes & chemicals properly. As a result of poor process control, quality of dyes and chemicals used, the quality of the finished product is affected. Hence products go to the lower end of the market with very less amount of unit price realization. Thus it was felt that quality improvements in the processes ancillary to the handloom weaving are also critically important.
- viii. **Designs and Patterns:** As regard to designs it was observed that the weavers are comfortable with the traditional designs and slow in changing the patterns as they are not very conversant with the new designs and also because of low risk bearing capacity. In cotton handloom products there is little innovation in the designs and patterns, but there is change in silk products. The designs are developed on computers and the weavers very comfortably adopt. The lack of change is partly due to the weaver, partly due to unwillingness of the investor to take risks and provide incentive to weavers for effecting the change. Although Government is spending considerable amount in bringing this change through various interventions like CFC, clusters, mega clusters etc., but at present, the change is slow and its impact is not significant at the ground level.
- ix. **Insurance & Social security:** Government of India in 2009-10 launched a Health Insurance Scheme for handloom weavers in collaboration with the ICICI Lombard. The same has been discontinued since the last 3 years. There is a need for effective

insurance scheme for the weaver households as the health related problems are common to the weavers as the work involved is too strenuous.

- x. **Compulsory Provident Fund**—State Government and Central Govt. contribution not coming forth, only societies are contributing. CPF scheme is a big assurance to weavers and it should be revived. GOAP started a new Scheme called Thrift Fund cum Savings & Security Scheme where the WCS contributes 8% of the total wages earned by the weavers into a thrift account and GOAP contributes an equal amount. Similarly KVIC also follows a policy of compulsory PF deduction from the wages with matching contribution coming from the agency. Such schemes should be brought at the national level.

Suggestions to improve work environment:

- i. The Department of Handlooms and Textiles need to look into issues related to wages and should facilitate in getting the minimum wage rate as specified by the Government. The nodal department too may be involved to enforce minimum wage rates.
- ii. At the Apex Society level there is a need to establish a design centre which will coordinate the entire work of developing latest designs, patterns, bringing newer dyeing technologies, colour combinations etc. The centre should also provide training to all the weavers associated with handlooms and in each cluster at least one 'Weaver Resource Person' may be identified who will provide hands on training to the weavers. Civil Society organizations may be entrusted with the work of organizing the weavers for skill development and adopting modern techniques in designs, patterns, dying, e- trading etc. Many State Governments and Apex Societies are already working in this area. This needs to be further strengthened.
- iii. Solar home lighting systems may be included as a part of scale of finance and can be made a part of Weavers Credit Card.
- iv. Credit for renovation of work shed and loom may be made a part of scale of finance /the Weavers' Credit Card so that the weavers can maintain the looms.
- v. The District Urban Development Agency/ District Rural Development Agency/Panchayat Raj Institutions (PRIs), may be made responsible to create basic amenities on health and hygiene, drinking water, lights, drains, etc., in handloom concentrated areas.
- vi. Department of Handlooms and Textiles should make all efforts to link the weavers with the flagship programmes of the GOI, like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jivan Jyothi Yojana (PMJJY), Old Age Pension Scheme, Widow Pension Scheme, Atal Pension Yojana, Pradhan Mantri Awas Yojana, etc., so that the weavers are provided with social security and livelihood enhancement.
- vii. Andhra Pradesh launched Arogya Shree Yojana for poor people wherein cash less medical facility is provided to poor people and State Government pays for the

same. State Governments should come forward with such effective schemes for assisting weavers.

7. Marketing Systems in Handloom Sector:

Observations:

- i. **Decline in Institutional effectiveness:** Since inception the cooperative system was devised in the manner that the Primary Weavers Cooperative Societies would be production units and Apex level Cooperative societies would provide them with the raw material, designs and marketing support. Different state governments also established State Handloom Development Corporations to provide marketing support to the individual weavers. Despite this, it is estimated that 80% of the marketing support is provided by the private traders/ master weavers indicating decline of these institutions over the years.
- ii. **Lack of availability of market information:** There is lack of availability of information regarding the marketing of handloom products. The traders continue to be main source of information on product specifications in terms of colour, design, patterns, trends and other market related information.
- iii. **Lack of awareness among customers about the product features:** During interaction with the cooperative societies and individual weavers in the field, the weavers have expressed a very strong need for a national awareness and publicity campaign for familiarising people about uniqueness of handloom products.
- iv. **Insufficient Promotion and Advertisement of Handloom:** Generally, the promotion is only through exhibitions and fairs with limited outlets for a limited periods, mainly only during festival seasons. Hence the customer purchases such handloom products, only when available and switch to the other competing products when handloom products are out of sight (out of sight, out of mind). Therefore handloom sector needs a focussed strategy of continuous promotion and regular advertising campaign.
- v. **Lack of Quality Standardization:** The handloom cloth is often not able to compete because of lack of quality consistency in terms of finishing, colour and dye. A procedure is needed for checking the quality standards of the products like durability, shrinking, fastness of dye and colours etc., so that the customer is assured about this. Ministry of textiles GOI, is promoting use of **Handloom Mark, Silk Mark and Wool Mark** which is indicative of superior quality of products and fetches them better price in the market. However, adoption of handloom mark is not widespread amongst the weavers.

Suggestions to improve marketing systems:

- i. There is a need to create awareness about handloom products in general public. A national awareness and publicity campaign may be initiated by the GOI and State Governments for familiarising people about uniqueness of handloom products.

- ii. Restructure Management and Governance in Apex Weaver Societies and Handloom Development Corporations: These organizations need to be restructured for improving the management quality so as to effectively help handloom weavers.
- iii. Although the Handloom Reservation Act lists 22 traditional textile items as reserved to be produced on handlooms alone, its implementation is an issue. It was widely quoted by the PWCS that many items woven on power looms are sold in the market as handloom products. Therefore there is a need to improve the systems and mechanisms to enforce the provisions of the Act.
- iv. Schools, hospitals, Railways, Defence Establishments, hotels etc., should be encouraged to procure bed sheets, curtains, covers towels etc., from handloom sector. Government may think about providing incentive to such institutions for using handloom items. This would generate large local demand and in turn will generate rural employment. The Dept. of Handlooms may have to play positive role in facilitating the process of integrating the handloom clusters in the procurement process/procedures of the government departments.
- v. Reviving janata Cloth Scheme/janata Dhoti scheme³
- vi. **Strengthen local Haats:** Encourage and facilitate weavers to sell within a radius of 200 Kms. This would probably have the effect of reducing the middlemen. Establishment of exclusive haats in rural areas may be supported by Government and also NABARD. To facilitate the same, each handloom concentration area must create a community level organisation which would interact with buyers, government departments and also show case its product.
- vii. **Creating a distinct identity for handloom products:** The Weaver societies and individual weavers must be encouraged to adopt “Handloom Mark”. Government can start with a policy objective of coverage of all handloom weavers and weaver institutions by “Handloom Mark” in next 2 years.

8. **Bank Credit to Weavers and Weaver Organizations:** We are aware that in states like Andhra Pradesh, Telangana, Tamilnadu, Odisha and Karnataka, banks are giving fresh credit limit to weaver. As a result the working of weaver societies in these states is robust. The weaver societies are able to provide work to its weaver members for major part of the year. However the situation is totally different in the North Indian States and also in North East. The discussions with stakeholders in the field revealed that the banks are reluctant to finance to weavers and the reasons include lack of awareness about the potential, lack of information on the schemes implemented by the Handloom Department and also Margin Money scheme implemented by NABARD on behalf of Gol. It was also reported that there is delay in getting margin money contribution from NABARD/Gol. Besides these issues, the buildup of over-dues on outstanding loans given to sector has

³ Introduced in 1976. Started as a welfare scheme for making available cloth to weaker sections of the society at cheaper rate. Part of the costs were subsidised by the Government. The scheme had an effect of creating Volume markets for handloom products.

also deterred bankers from financing to the sector. Some of the weavers indicated that applications sponsored by department are sanctioned by the banks for the sake of sanction but the banks either do not release funds or there were considerable delays in disbursing the loans.

NABARD provides refinance to all banks for extending loans to Apex and Primary Weavers Societies, Handloom Development Corporations, Weavers outside the cooperative fold-SHGs, Weaver Activity Groups, Producer Organisation of Weavers. NABARD is getting response at present only from Tamilnadu, Puducherry and Andhra Pradesh. Banks in Other States should be encouraged to take benefit of concessional NABARD refinance. NABARD should also do regional workshop of Bankers and State Governments for Popularisation of its refinance products.

NABARD earlier was running a District Rural Industrialisation Programme (DRIP) for supporting rural non-farm sector with the coordinated effort of all concerned agencies. The programme yielded very good results. A similar programme with specific focus on handloom weavers is required in select handloom concentration districts.

Suggestions to improve institutional credit to Weavers:

- i. **Cluster adoption - one cluster one lead bank** - The PWCSs and the Clusters may be made the focal points for future growth strategy of the sector. Government may come up with a policy of identifying major clusters and identify a bank to finance all the weavers of the clusters. Continuous monitoring of such intervention should be carried out at the block level, district level, state level, and national level.
- ii. It is suggested that the Dept. of Handlooms in consultation with DDM, NABARD and LDM of the district conduct specific programmes at the district level for the Branch Managers of banks to firm up an implementable action plan. The workshops may deliberate on the scope for financing to weavers, issues relating to subsidy, marketing etc.
- iii. Efforts should be made to also extend long term investment loans in the sector in form of sales depot, dye houses, godowns for storage of raw material, semi-finished and finished stocks and mobile sales van.
- iv. Financing to handloom sector may be included as an agenda item in the District Level Consultative Committee meetings, District Level Monitoring and Review Committee meeting and in the Block Level Bankers Committee meetings. The District Collectors/ District Commissioners may review the financing to handloom sector in a separate meeting on quarterly basis and review the credit limits proposed and disbursements by DCCB of the concerned district to the PWCS. In such meeting PWCS representatives also may be invited.
- v. **Enhancing credit** – Propagation of different models and developing support system such as inclusion of micro finance institutions (mFI) in handloom sector for providing credit. Government may identify major Commercial Banks and Regional Rural banks working in the Weavers Clusters and give annual financing targets to them for financing weavers.

- vi. At the GoI level, there should be a mission for bank credit to all eligible weavers. Since most of the working capital requirement of weavers is around Rs. 50000/-and also the fact that most of the weavers come from SC/ST and backward Communities, there is a need for a special credit product for weavers under MUDRA scheme.
- vii. **Computerization in PWCS:** Technology may be used in maintaining accounts and audit of the PWCS. Capacity building of the weavers and weavers' societies on operation of computers, computer aided accounting system, maintenance of books and updating of accounts.(Preferably on basic computerized soft wares like Tally). This would help them in meeting requirements of the banks for financing.

9. Effectiveness of the Organizations:

- i. **NHDC:** There is a need to revamp the working of NHDC which is presently limited in nature as it is the only agency to support supply of yarn at the subsidised prices. There is a need to put an end to the process of advance payment and procuring material by the PWCS and instead, the market may be opened up for the weavers for purchase of yarn. The restricted nature of supply of yarn is hampering the progress of the PWCS and also individual weavers. NHDC may open more depots in the high concentration areas of hand looms. If the opening of large number of depots is a constraint, it may offer franchisee to good working PWCS or appoint the good working PWCS to sell yarn on behalf of NHDC. The institutional mechanism in input supply needs to be completely revamped with decentralised procurement system, where the PWCS should have options. Online procurement of yarn may be introduced.
- ii. **Primary Weavers Cooperative Societies:** Based on the visit, the study team is of the view that the ineffectiveness of PWCS is mainly because of the environment in which these institutions are working. At present the PWCS are working in a largely unorganized and in inefficient production systems consisting of old looms, old designs, inconsistent quality, lack of diversification etc. Therefore it is desirable that a survey may be conducted in detail across the country by an independent organization/department other than Department of Handlooms to identify dead and defunct PWCS and remove them from data base.

Focus post RRR package has to be on the following:

- A. Work on strengthening viable and potentially viable PWCS, (block wise, district-wise and state wise), already identified and assisted under RRR handloom package.
- B. There is a need to work towards sustainability of PWCS as an organization and the following steps are suggested:
 - a. Strengthening of the organization: development of capacities of Board of Directors, CEOs, member and refining/ redefining the management practices.
 - b. Capacity development and training in maintaining accounts, audit and submission of returns are crucial link to their survival as commercial entities.

- c. Handholding support at the level of production in introducing new colours, design & patterns etc., need to be extended.
 - d. Wherever possible, particularly in the high handloom concentration areas, PWCS may federated.
 - e. It is suggested that, the federations of PWCS in high handloom concentration areas may work as 'HUB' for all "front end" activities and "back end" solutions of PWCS i.e. for ensuring availability of yarn and also act as marketing hubs.
 - f. In the cotton growing areas, low cost decentralized yarn spinning mills with the involvement of producers, weavers and spinners may be established as hubs and these institutions may be treated at par with Producer Companies. The benefits available from GOI (SFAC and NABARD) for Producer Companies may be extended to these institutions also.
- III. **Financing Institutions:** The District Central Cooperative Banks (DCCBs) traditionally were extending credit to PWCS for working capital requirements. It was observed that the weavers are not getting required credit support from the Co-operative Credit Structure. In many instances like in Gorakhpur and Varanasi PWCS are strong but the DCCB in the district has very weak financial health. In North East, though weaver concentrations are very strong, institutions of weavers are very weak and in both the cases the sufferer is the weaver. It is seen that in northern state, the main focus of the DCCBs is on agriculture and there were very little efforts from DCCBs to support, review and provide credit to the PWCS.
- IV. Weaving requirements should be reflected in credit Planning at district level-The District Consultative Committee and Block Level Bankers Committee (BLBC meetings should have a specific agenda to review credit disbursement to handloom sector. In districts where weaving is a predominant activity, a separate chapter needs to be included on Handloom and Handicraft Sector in the Potential Linked Credit Plans prepared by NABARD.
- V. **Department of Handlooms:** The department of Handlooms is prime mover in the handloom sector and looks after regulatory functions and is also involved in developmental functions. The regulatory function needs the organization to be more authoritative so that the PWCS fulfil the regulatory requirements whereas developmental functions are persuasive in nature and require a different type of working relation with the PWCS, which is more consultative, inclusive and participatory.

Therefore the regulatory functions may be kept with the department with a focus on upkeep of books, completion of timely audit, inspection of the PWCS, enforcement of transparency etc., and developmental function of PWCS like training, capacity building, administering subsidy, credit planning, credit support and marketing may be given to an organization like Apex Handloom Cooperative Society or NHDC, Producer Organization of weavers etc., involved in the handloom sector.

10. New Shoots of Innovations in Handloom Sector: New age agencies like Dastkaar Andhra, Dastkaar Andhra Marketing Agency (DAMA), Dastkaar Andhra Retail Agency in Marketing (DARAM) sister constituents of Dastkaar Andhra are working with the weavers' organization. They are involved in providing marketing support to weavers through exhibitions and melas. These institutions organize workshops, conduct studies/ meetings of weavers to understand their problems. The production level interventions include designing, dyeing and organizing training for skill development in association with NIFD and other agencies. Working closely with weavers and PWCS to develop social and human capital and policy advocacy at the State and National Level is also an important area of their work.

Similarly the initiatives of MULKHA (Mulmul and Khadi) in Telangana and Maharashtra, Chanderi in Madhya Pradesh, MASUTA in Orissa and Jharkhand, Biswa Bangla in West Bengal etc., are a few examples which are working in the sector to bring innovations. Similarly, Handloom Mark, Geographical Indication⁴ (GI) Patenting, E-Marketing, Technology interventions in designing, dyeing, colouring etc., adopted by these agencies will help the sector to learn and upscale such efforts.

11. An Agenda for Employment Generation in the Handloom: The interactions with various stakeholders in the field indicated that employment in handloom sector can increase through the Livelihood promotion route. i.e. attending to infrastructure development, skill enhancement and availability of required credit through formal credit delivery system. The suggestions made under different heads ultimately focus on employment generation potential of the sector.

12. Sustainability of the Handloom Sector: To achieve sustainability of the sector, it is essential to introduce new models for supply of raw material; at production level interventions are required in bringing new designs, patterns, colour dyeing techniques; information technology need to be introduced for designs, accounting and marketing; different credit models as suggested in the respective chapters are required to be implemented. Sensitisation of banks in handloom concentration areas on topics such as sanctioning weaver loans, proper assessment of working capital requirement etc. While State Cooperative Banks would have to take a lead in this, Commercial Banks should also be encouraged to provide working capital finance to good working societies. Effective training to the weavers in use of new methods of marketing handloom product should be imparted. This may involve greater use of local haat bazaar, use of mobile sales points, greater interactions between the buyers and sellers, increased use of web marketing etc. All these are new areas and region specific suitable models would need to be evolved.

⁴A **geographical indication (GI)** is a name or sign used on certain products which corresponds to a specific geographical location or origin (e.g. a town, region, or country). The use of a geographical indication may act as a certification that the product possesses certain qualities, is made according to traditional methods, or enjoys a certain reputation, due to its geographical origin.

13. High level Committee of Gol for recommending financial package for handloom sector [April 2009] had **recommended setting up of a Handloom Development and Equity fund (HDEF)**. The study team is of the view that to achieve the objectives indicated above, the fund may be created. The support from the fund would be in the form of promotional and developmental assistance and also as equity support to eligible PWCS, Apex Cooperative Societies and other similar agencies wherever found necessary. This would ensure increased and hassle free credit flow to handloom weavers.

As suggested in the High Level Committee, following activities could be supported by the fund:

- a. Meeting the equity and other forms of capital needs of implementing and supporting agencies.
- b. Credit guarantees Scheme for fresh handloom loans.
- c. Meeting the operational deficit of financial intermediaries like HWGs, NGOs, federations and producer organizations of weavers etc. during initial years.
- d. Funding the expenses for developing a “performance-cum-credit rating’ model for HWGs providing support to promotional agencies/ Banks to form, nurture and facilitate linkage of HWGs with Banks.
- e. Training of Handloom Weavers Groups, NGOs and other community based organizations, master craftsmen, entrepreneurs, etc. engaged in handloom development.
- f. Capacity building of staff of institutions like PWCS, Apex societies, Federations, Cooperative banks, RRBs and commercial banks engaged in HWG promotion and credit linking.
- g. Supporting agencies providing services such as ground level data build up, generation of cluster- wise, state-wise and national- level information system on Handloom weavers, developing an electronic networked backbone including developing and maintaining a web site for handloom weavers) and generating real-time information on financial and non-financial aspects of handloom sector; Documentation of successful efforts and models, conduct of evaluation studies and publications; Consultancy services, Design Development, Market research, etc.; Promotion of seminars, workshops, conferences and discussions; Any other activity with the recommendation of the Advisory Board of the Fund.

Conclusion

The handloom sector is an important sector providing large scale employment in rural areas as well as preserving heritage. The sector is facing several challenges but the future growth in the handloom sector could be achieved through a series of strategic interventions in the key constraint areas highlighted above. Many of these interventions may be market led and ushered in by private market players. Government would have to play the role of enabler and facilitator. Institutions like banks (especially Cooperative Banks), NABARD, Handloom

Development Corporations, Apex Weaver's Cooperatives, PWCS, technology providers, private corporates and traders, and several others, can play an important role in bringing back vibrancy to this sector.

Chapter 1

Terms of Reference and Methodology of the Study



1.1 Terms of Reference of the Study

1.1.1 In terms of the direction of the Governing Council of BIRD this Study on the “Problems and Prospects of Handloom Sector in Employment Generation in the Globally Competitive Environment” was taken up. The Terms of Reference (ToR) were discussed and deliberated in the Faculty meetings. During these deliberations, consensus emerged on fact that the factors which affect the overall health and employment prospects in the sector would be culmination of many factors like Government Policy, consumer preferences, private sector initiatives, existing and new institutions in handloom sector, production and marketing systems -both existing and evolving.

1.1.2 Terms of Reference (ToR) of the study:

- i. To study the status, problems and prospects of the handloom sector in the country.
- ii. Assessing the working and marketing model of weavers working independently/working through the master craftsman/weaver society and/or other private institutions.
- iii. Evaluating existing weaver organisations, weavers’ societies and new organisations of weavers supported /spawned by Private Players like Fabindia and Dastkaar Andhra for their ability to ensure round the year quality work for weavers.
- iv. Exploring the opportunities of promoting activity based Joint Liability Groups amongst weavers.
- v. Making weavers acceptable clients to formal financial institutions-efforts required for uninterrupted formal credit flow.
- vi. Improving poor ergonomics and working conditions so as to attract new generation to weaving.
- vii. Explore technology & IT as instrument for business growth and employment generation.
- viii. Competition from local players and foreign products and mitigation strategies.

1.2 Methodology

1.2.1 The main focus of the study is on the problems and prospects in employment generation in the globally competitive economy .We acknowledge that though handloom weavers in terms of their products, production systems, marketing channels and weaver organisations have not changed much over the years, the world has changed. Product designs, production systems, financing and marketing methods need to be changed. Accordingly, taking into account the direction and magnitude of the Government interventions in the past years and the needs of the changing times, the study is an effort to interact with the various stakeholders in the handloom sector.

1.2.2 The Study team was of the view that the employment potential in the sector depended on many factors. The focus of this exercise is to identify the critical factors which according to weavers, affect the employment opportunities in the sector and the possible solutions to overcome the problems, so that the employment potential is created and sustained.

1.2.3 The observations of the study were derived by interacting with Primary and Apex Weaver Cooperative Societies, individual weavers, people engaged in allied weaving related

activities, people engaged in marketing of handloom products, Directorate of Handlooms, Banks representatives and master weavers.

1.2.4 Based on the coverage of weaver societies under the Revival, Reform and Restructuring Package for handloom sector, the Study team decided to cover representative sample in 3 States of Uttar Pradesh, Andhra Pradesh and West Bengal. In addition, the team also visited Dastkaar Andhra to study its model. Detailed questionnaires were developed for Interacting with Primary & Apex weavers' societies, individual weavers (enclosed as Annexure –I & II).

1.2.5 The Regional Offices of NABARD and Directorate of Handloom in each State were approached for arranging the field visits to handloom clusters/handloom concentration districts and facilitate interaction with different stake holders of the sector. It was also understood that Khadi has restructured itself in last few years and Commercial banks are extending ready finance to KVIC institutions. While KVIC/KVIB comes under MSME sector under Ministry of Micro, Small & Medium Enterprises (MSME), handlooms is covered by Ministry of Textiles. Similarly while the weavers at the ground level are same, the administrative setup and the financing patterns differ for KVIC/KVIB and handloom sector schemes. In order to understand the factors that are responsible for the transformation, the study team also visited KVIB West Bengal and KVIC assisted institutions in Nadia and Bardhwan districts.

Chapter 2

Overview of Handloom Sector



2. Overview of Handloom Sector

2.1 The handloom products of India have been known worldwide. Some well-known high quality Indian handloom products are: Silk Brocades of Varanasi, the tie and dye products of Rajasthan and Orissa, the cotton and silk material from Tamilnadu, the ‘Himroo’⁵ of Aurangabad (Maharashtra), the Khes (thin cotton blanket) of Punjab, the prints of Farrukhabad, the Chikan Zardozi (embroidery on cotton cloth) work of Lucknow, the Maheshwari sarees of Madhya Pradesh and the Patola sarees of Baroda.

2.2 The handloom sector in India is a major employment generating sector after agriculture. As per the Third National Handloom Census of Weavers and Allied Workers 2010, there are 23.77 lakh handlooms in the country, providing employment to 43.32 lakh handloom weavers and ancillary workers (Table 1). This includes 38.47 lakh adult handloom weavers and ancillary workers, of which 24.72 lakh are engaged full time and 13.75 lakh on part time basis.

Table 1: State Wise Handloom Units, Workers and Looms in India

Sr. No	State/UT	Total handloom worker household (Nos)*	No. of handloom weavers and allied workers (Nos)**	No. of Looms (Nos)**
1.	Andhra Pradesh (Erstwhile)	176996	355838	124714
2.	Arunachal Pradesh	30343	33041	27286
3.	Assam	1240817	1643453	1111577
4.	Bihar	25485	43392	14973
5.	Chhattisgarh	2664	8191	2471
6.	Delhi	1875	2738	2560
7.	Gujarat	3676	11009	3900
8.	Haryana	6455	7967	4876
9.	Himachal Pradesh	7006	13458	5578
10.	Jammu & Kashmir	17293	33209	7301
11.	Jharkhand	14178	21160	2128
12.	Karnataka	37680	89256	40488
13.	Kerala	11690	14679	13097
14.	Madhya Pradesh	8691	14761	3604

⁵ A fabric of silk and cotton unique to Aurangabad (Maharashtra). It used to be woven with pure golden and silver threads in olden days.

Sr. No	State/UT	Total handloom worker household* (Nos)	No. of handloom weavers and allied workers (Nos)**	No. of Looms (Nos)**
15.	Maharashtra	1977	3418	4511
16.	Manipur	178975	218753	190634
17.	Mizoram	39499	43528	24136
18.	Meghalaya	11400	13612	8967
19.	Nagaland	60891	66490	47688
20.	Odisha	40683	114106	43652
21.	Puducherry	1754	2803	1771
22.	Punjab	2377	2636	261
23.	Rajasthan	22668	31958	5403
24.	Sikkim	568	568	345
25.	Tamilnadu	189069	352321	154509
26.	Tripura	120652	137177	139011
27.	Uttar Pradesh	110542	257783	80295
28.	Uttarakhand	10606	15468	3766
29.	West Bengal	406761	779103	307829
	Total	27,83,271	43,31,876	23,77,331

(Source: Gol; The Third Handloom Census of India 2010- National Council for Applied Economic Research (NCAER) -Annexure II: table 3.1 ;** annexure II table 5.1)

2.3 The profile of handloom weavers

Out of the 38.47 lakh persons engaged in weaving and allied activities in the country, 77.90 % are women. The participation of different communities in Handloom sector indicates that, 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). About 87% of handloom weavers are located in rural areas and remaining 13% are in urban areas. A comparison of census pertaining 1995-96 and 2009-10 on number of weavers, number of looms and number of weavers in NER etc. are given in Table -2:

Table -2: Weavers profile 1995-96 and 2009-10

S No	Particulars	Census of 1995-96	Census of 2009-10
1	No of weavers and allied workers (lakh)	65.51	43.32
2	No of weavers households in NER (lakh)	14.5	15.1
3	No of looms (lakh)	34.87	23.77
4	No of looms in NER (lakh)	18.23	15.50
5	Women weavers (% age)	60.60	77.90
6	Man days worked per weaver per annum	197 days	234 days
7	Total man-days of worked by weaver households during census year	4977 lakh	5313 lakh
8	Share of full time weavers to total weavers	44 %	64 %
9	Share of weaver households reporting more than 60 % income from Handlooms and related activities.	31 %	35 %
10	Share of idle looms	10%	4%

(Source: Gol; The second Handloom Census of India 1996 & The Third Handloom Census of India 2010- NCAER)

2.4 Important Highlights of Census conducted in 2009-10:

The first two rounds of the census in 1987-88 and 1995 were conducted by the government with NCAER serving as the nodal consultant in 1995. NCAER was responsible for conducting the third round in 2009 with coverage extending to the entire country. Broadly, the census was to provide a socio-economic profile of households involved in the sector.

Report of the Steering Committee on Handlooms and Handicrafts constituted for the Twelfth Five Year Plan (2012 – 2017), based on the Handloom census conducted by NCAER in 2009-10, highlighted the following features:-

- (i) Handloom Census, indicating that the number of household in the sector has exhibited a declining trend over the last two decades. The total weaver household units recorded a decline from the first handloom census (29.9 lakh weaver households), to the second handloom census (25.3 lakh weaver households) and the third handloom census (22.6 lakh weaver households).
- (ii) Despite decrease in the number of weavers, the cloth production has increased from 3120 to 6930 million metres because of increase in man-days per weaver.
- (iii) Nearly 47 per cent of handloom worker households own Below Poverty Line (BPL) ration cards, and 10 per cent households own other BPL cards or the Antyodaya Anna Yojana (AAY) ration cards. Together **total BPL households account for 57 per cent of the total handloom households.**
- (iv) Most of the workers are female (78%) and the number of male workers (22%) is comparatively smaller.
- (v) Nearly 33 per cent of the handloom worker households do not have looms and about 67 per cent of handloom households have looms, however, which may or may not be owned by them.
- (vi) The average annual household income in 2009-10 was Rs. 36,498 for an average household size of 4.59 persons.
- (vii) Only 25% of the households report that their children are interested in taking up handlooms as profession.

2.5 Handloom Sector in North Eastern Region -As per the latest Handloom Census of 2010, there were 16.83 lakh handloom worker households in North Eastern Region (NER). This works out to 60.5% of the total handloom worker households in the country. Among the States of the country, Assam is the State with highest handloom worker households at 12.41 lakhs and highest number of looms at 11.11 lakh. Further 90% of the handloom weaver household in the North Eastern Region (NER) are weaver households. Also, in contrast to the national trend, the NE States have recorded an increase in the number of weaver households from 14.6 lakh in 1995 to 15.50 lakh in the latest Census (2009-10).

However, the activity of handloom weaving in North eastern states is not done on commercial scale as the data indicates that 52% households produce less than one meter of fabric per weaver per day. This region has the highest concentration and a rich heritage of handlooms in the country. Over 65% of the looms in the country and around 50% of the weavers belong to the North-East and bulk of the handloom output is contributed by people residing in hills and rural areas. Hence, handloom sector plays a significant role in the economy of the region. The distribution of Handlooms in NER is given in Table – 3.

Table – 3: Distribution of No of Handloom in North Eastern Region (2010)

State	Working Looms	Idle looms	Total Looms	Approximate no. of weavers
Arunachal Pradesh	24392	2894	27286	33041
Assam	1085601	25976	1111577	1643453
Manipur	161987	28647	190634	218753
Meghalaya	8967	0	8967	13612
Mizoram	16422	7714	24136	43528
Nagaland	47338	350	47688	66490
Tripura	138060	951	139011	137177
Total	1482767	66532	1549299	2156054

(Source: The Third Handloom Census of India 2010- National Council for Applied Economic Research (NCAER) - Annexure II: table 3.1 ;** annexure II table 5.1)

2.6 Arunachal Pradesh, Assam, Manipur, Nagaland and Tripura contribute 82% of the domestic loomage of NER States. However, only 13.4% of the commercial looms of the country are in these five States. The type of looms used are fly shuttle looms⁶, loin looms⁷ and throw shuttle looms⁸ and the weavers use mostly cotton and acrylic yarn. The handloom fabric produced ranges from shawls, sarees, mekhalas (dress of Women), gamochas (cotton angvastram used for honouring guests), lungis, dhotis, gent's jackets, women wear, bed sheets, towels, bed covers, furnishings, carpets, shoulder bags, etc.,. Bulk of the handloom goods produced in the region comprise of dress materials, whose texture, designs and distinctive features are customarily preferred by the men and women folk of the region. These goods do not have substantial market potential in the rest of the country where dress habits and fashion concepts are completely different. This factor, coupled with the fact that over 88% of the active looms are extensively used in the non-commercial sector (i.e. being used for production of cloth for self- consumption) makes it difficult to estimate the actual production of handloom goods in the region.

⁶A "wheeled shuttle" for the [hand loom](#). It greatly accelerated [weaving](#), by allowing the shuttle carrying the [weft](#) to be passed through the [warp threads](#) faster and over a greater width of cloth. It is designed for the broad loom, for which it saved labour over the [traditional process](#), needing only one operator per loom.

⁷These age-old looms are simple in construction and ease of operation. They are cheap too. They have neither permanent fixtures nor heavy frames and so are easily portable. Apart from these, the greatest advantage that lies with these looms is the unlimited scope that they offer for designing. It is also called the Back strap loom.

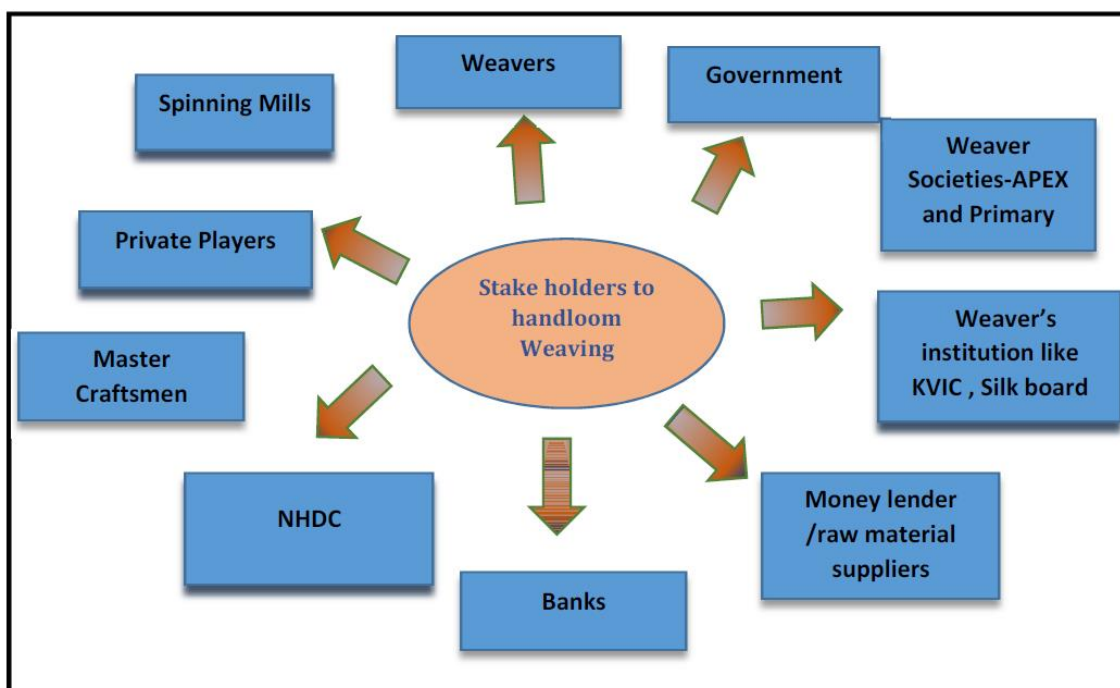
⁸The throw shuttle is a loom in which the shuttle is thrown across the shed by hand.

(Source: GoI, Ministry of Textiles, Accelerating Growth & Development of Textile Sector in the North Eastern Region 2010)

The formation of co-operatives and other weaver organisations is viable only in Assam, Tripura & Manipur. In other states, most of the weavers are weaving through individual efforts and are unable to derive the benefit of the schematic support provided by the Ministry of Textiles through the Office of the Development Commissioner for Handlooms. Non-Government Organizations (NGOs) are also unable to assist weavers to make them economically and socially better off. However, the present concept of formation of Self-Help Groups (SHGs) is bringing some individual weavers on a common viable platform.

2.7 Important stake holders involved in handloom sector are depicted in Figure 1

Figure 1: Stakeholders in Handloom Sector



The role played by and issues of each of the Stakeholders are discussed in the report in relevant paras.

2.8 Institutional Architecture of Handloom Sector

The handloom sector in India was encouraged to adopt a co-operative model and the government policy facilitated the formation and running of primary cooperative societies at the village / taluka level and apex societies at the state level. Besides, State Handloom Corporations were also promoted with a view to supporting individual weavers. It was envisioned that the Apex Societies/ State Handloom Agencies would, inter-alia, arrange for procurement of yarn from organized mills, supply the same to primary societies for producing cloth and, thereafter, also undertake marketing activities. Unfortunately, in the last 5 to 10 years, several Apex Societies /Handloom Corporations have become dormant due to a host of reasons such as financial losses, lack of professional management, overstaffing, and poor marketing & distribution channels. These organisations are, therefore, not able to arrange for

sufficient work for the weavers' community, which has further adversely affected the health of the Primary Cooperative Societies involved in handloom sector. The weakness inherent in the weaver societies got further accentuated because of weakness in Short Term Cooperative Credit Structure (STCCS). In North Indian states, STCCS has not done adequate fresh lending to weaver societies even after the implementation of RRR package which is mainly on account of the poor financial health of these organizations.

2.8 Gol estimates⁹ show that of the 21,765 registered Primary Weavers' Cooperative Societies (which cover only around 15% of the weavers in the country), only 50% are functional and that too, partially. About 85% of weavers in the country are working outside the cooperative fold, as they work either under Master Weavers/ traders or independently. The details are given in Table 4.

Table 4: Distribution of handloom household workers who have membership of Cooperative society

States	Member handloom household (lakhs)	Share to total handloom household (%)
	Regions	
North eastern states	45,993	2.7
Other than North eastern states	2,27,921	20.70
	Major States	
Andhra Pradesh	49,579	28.0
Tamilnadu	75,614	40.0
West Bengal	22,746	5.6
Uttar Pradesh	8,427	7.6
Odisha	19,661	48.3
Karnataka	21,744	57.7
Other States	30,150	20.7
All India	2,73,914	9.8

(Source: Gol; The Third Handloom Census of India 2010- National Council for Applied Economic Research (NCAER) -Annexure II: table 6.12)

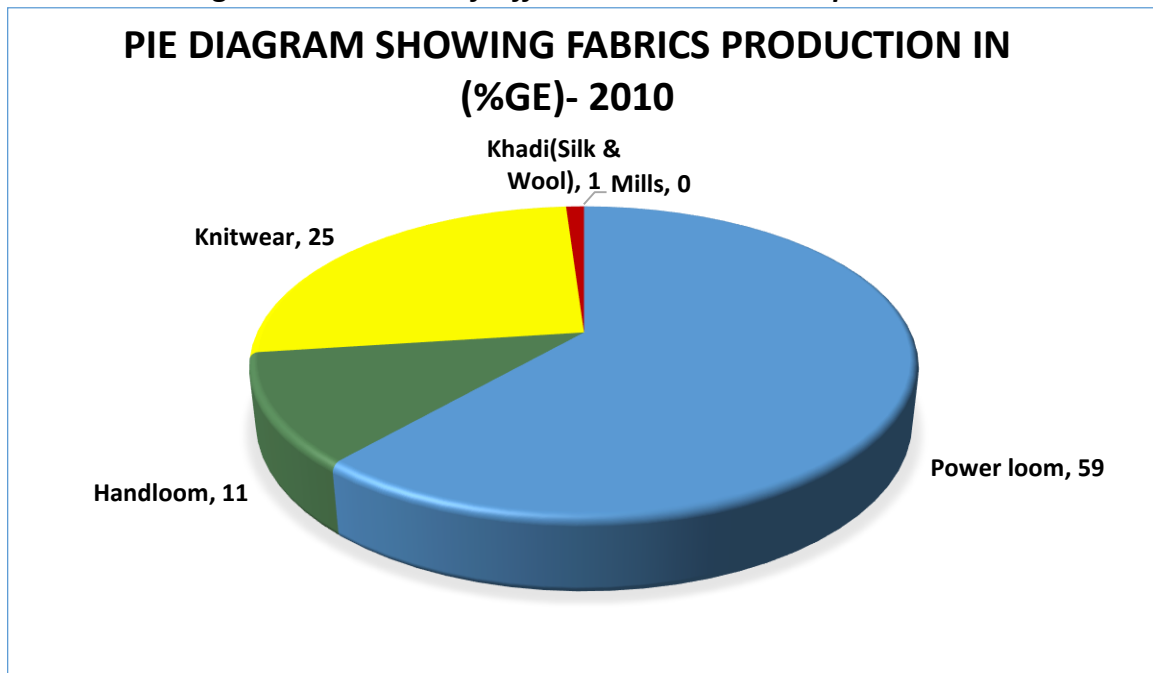
As is seen from the table only 9.8% weavers are members of the cooperative societies which account for the bulk of the formal loans to handloom sector.

2.9 **Share of different sectors in fabric production:** The data of Ministry of Textiles on fabric production indicates that the Power loom sector is the major sector which contributes more than half of the country's fabric production at 59%, followed up by Knit wear at 25%, the contribution of handloom sector is about 11 percent in the total fabric production and

⁹Estimate made by Report of the High Level Committee for Financial package for Handloom Sector, Government of India August 2008. However NCUI data on total number of PWCS registered in the country in 2008 is indicated at 24950. We take the figure estimated by above mentioned High level committee of Gol.

rest 5 % comes from mill sector and Khadi, silk and wool sectors. The share of different sectors in fabric production in terms of percentage to total fabric production is depicted in Figure 3:

Figure- 2 The share of different sectors in Fabric production



(Source – Draft Consultation Paper on Handloom Sector, Planning Commission, Government of India. October 2014)

2.10 Problems of Handloom Sector:

Given the above background of handloom sector, the major challenges facing the sector are as follows:

- a. **Raw Material Constraints:** Easy availability of yarn at reasonable prices remains a persistent problem for weavers across the country, especially in the NER States. Independent weavers face a major difficulty as the delivery of yarn by NHDC is in bulk, whereas independent weavers need small quantities.
- b. **Sparse Credit Coverage:** A majority of handloom weavers operate outside the fold of institutionalized financing. Of the total households surveyed in the 3rd Handloom Census, nearly 44.6% were dependent on Master Weavers for their credit requirements, while 13.4% still relied upon moneylenders. Only 14.8% had access to institutionalized sources of credit. Further, lack of even rudimentary financial literacy aggravates the existing credit-related obstacles faced by the weavers.
- c. **Weak Institutional Arrangements:** The cooperative model for the sector has not been successful in general and, moreover, covers only about 15% of total weavers in the country. The States in India as far as handloom sector is concerned fall in 3 categories: first, states with strong cooperative network- AP, TN, Karnataka, Kerala and Himachal Pradesh; second, states where the weaving activity is strong but short term cooperatives are weak - UP, Odisha, West Bengal, Madhya Pradesh; and third, states of northeast where weaving activity is strong but institutions are missing.

d. Marketing Difficulties: Dearth of innovation and limited dynamism is associated with the handloom sector, particularly in the field of marketing. One major factor impeding the expansion and growth of this sector is lack of adequate investment, participation and stake-holding by the private sector, mainly in marketing and supply chain. As 61.1% of the total weaver workforce (24% for non-North Eastern States) comprise of independent workers, a majority of the weavers necessarily bear all the risks associated with the business of procurement, marketing and sale, with obvious consequences.

2.11 RRR Handloom Package:

Given the problems faced by Weaver Cooperatives and individual weavers, the Revival, Reform and Restructuring (RRR) Package for Handloom Sector was formulated on the lines of Vaidyanathan Committee-I Package for short term credit cooperatives. The package was designed to address critical constraints faced by weavers:

- A. High cost of credit and
- B. Choked lines of credit for weaver societies and individual weavers.

The package was approved by the Government of India on 24 Nov. 2011. It covered both:

- i) Weaver societies at primary and the apex level and
- ii) Loan waiver of individual weaver loans.

National Bank for Agriculture and Rural Development (NABARD) was the implementing agency for RRR Package. The RRR Package, more specifically, included the following:

- i. Reform of the legal and institutional framework of the Handloom Weaver Cooperative Societies,
- ii. Detailed assessment of losses and subsequent one time recapitalization for viable and potentially viable weaver cooperative societies at the primary and the apex level,
- iii. One-time waiver, of overdue individual weaver loans and interest as on 31st March, 2010, disbursed by Banks (Scheduled Commercial banks, Regional Rural Banks and Cooperative Banks) and overdue as on 31st March 2010 to weavers, master weavers, Handloom Weaver Groups, Self Help Groups (SHGs) and Joint Liability Groups (JLGs) engaged in handloom weaving and related activities.
- iv. Provision of interest subsidy of 3% for an annual cycle of up to 3 years for each fresh weaver loan, This was increased up to maximum of 6% w.e.f 27 Sept. 2013.
- v. Computerisation of accounts of all viable and potentially viable primary weavers' societies and putting in place a Common Accounting System for all weaver societies across the country.

2.12 Coverage under RRR Package: There are 44 Apex and 15926 PWCS functional across the country. As per the guidelines of RRR package, all viable and potentially viable Apex and Primary weaver societies (as per the package norms) were to be covered under the package.

The quantum of assistance to be made available to each weaver society was linked to the audited Financial Statements (Balance sheet and P/L Account), finalised on the basis of special audit. A total of 39 Apex Weavers Societies, 9361 PWCS and 54305 individual weavers including 5645 Self Help Groups across 27 States of India have been covered for according benefits under the Package as presented in Table 5.

Table 5: Coverage under Revival Reform Restructuring package for Handloom sector

Sr. No.	Name of the State(s)/UT	Coverage under the package			
		Apex Weaver societies (No's)	Primary weaver societies (No's)	Individual weavers (No's)	SHGs (No's)
1	Andhra Pradesh	1	489	7738	
2	Telangana		165	2963	
3	Assam	1	1401	2533	475
4	Bihar	1	123	1704	
5	Chhattisgarh	1	94	194	
6	Delhi	4	117	0	
7	Gujarat	2	199	422	
8	Himachal Pradesh	2	171	370	26
9	Haryana	0	2	69	
10	J & K	2	105	114	
11	Jharkhand	0	59	369	
12	Karnataka	1	219	662	5
13	Kerala	1	360	1117	71
14	Madhya Pradesh	0	68	278	3
15	Maharashtra	1	409	0	
16	Manipur	1	1640	507	1107
17	Meghalaya	0	0	23	
18	Mizoram	1	124	51	
19	Odisha	2	430	10884	2636
20	Rajasthan	1	43	216	
21	Sikkim	0	1	0	
22	Puducherry	1	8	0	
23	Tamil Nadu	1	721	465	99
24	Tripura	0	18	3	
25	Uttarakhand	0	63	46	2
26	Uttar Pradesh	14	1876	22090	1174
27	West Bengal	1	456	1487	47
	Total	39	9361	54305	5645

- a) The package reinforces the presumption that weaving on handlooms continues to be a viable economic activity in rural areas as at least 9361 PWCSs which are viable and potentially viable are working across 27 States of India.
- b) States of Andhra Pradesh, Assam, Gujarat, Jharkhand, Karnataka, Kerala, Maharashtra, Manipur, Odisha, Tamil Nadu, Uttar Pradesh and West Bengal have used the RRR Package more than other states.
- c) North east is home to about 50% of total weavers and looms (21.56 lakh weavers out of total 43.32 lakh weavers), yet it has not been able to use RRR Package to desired extent due to lack of institutional network and also non-commercial weaving setup of the weavers.
- d) There was an allocation of Rs 180.00 crore under the RRR handloom package for interest subvention on fresh weaver loans. However, only TN and WB claimed interest subvention. This indicates that banks are not extending fresh loans to weaver community. The so called middleman continues to be an important critical link between weaver and the market. There seems to be need for taking them in the loop.
- e) State wise claims sanctioned in RRR package are given below in Table-6.

**Table 6: State wise Claims Sanctioned under RRR Handloom Package
(Position as on 31 March 2015)**

(Amount in Rs. crores)

Sr. No.	Name of the State(s)	Amount of total claims approved by SIMRC	Claims sanctioned		
			Total claims sanctioned	Amt. of Govt. share	Amt. of State Govt. share
(1)	(2)	(3)	(4)=(4a+4b)	(4a)	(4b)
1	Telangana	29.359	25.486	19.581	5.905
2	Andhra Pradesh	170.898	147.195	106.415	40.779
3	Assam	46.761	46.761	44.800	1.961
4	Bihar	5.612	5.612	4.452	1.159
5	Chhattisgarh	12.595	12.595	11.336	1.259
7	Gujarat	8.573	8.573	6.737	1.836
8	Haryana	0.355	0.350	.279	0.071
9	Himachal Pradesh	10.662	8.964	7.716	1.248
10	J & K	3.175	2.674	2.357	0.317
11	Jharkhand	3.535	3.107	2.619	0.487
12	Karnataka	9.371	9.371	7.433	1.937
13	Kerala	210.662	210.662	165.348	45.313
14	Madhya Pradesh	2.811	2.8117	2.249	0.562
15	Maharashtra	10.458	8.837	6.485	2.352
16	Manipur	30.802	30.802	27.622	3.179
17	Meghalaya	0.088	00.088	0.079	0.008
18	Mizoram	4.385	3.657	3.236	0.420
19	Odisha	128.912	128.912	101.273	27.639

20	Rajasthan	8.110	8.110	6.324	1.785
21	Sikkim	0.083	0.083	.0747	0.008
22	Puducherry	3.524	2.906	2.135	0.855
23	Tamil Nadu	147.716	147.716	116.313	31.402
24	Tripura	1.251	1.057	0.782	0.274
25	Uttarakhand	2.581	2.141	1.882	0.258
26	Uttar Pradesh	108.935	108.935	86.870	22.065
27	West Bengal	126.645	126.645	98.687	27.958
	SUB TOTAL	1089.892	1055.844	834.385	221.459
	Interest Subvention				
1	TN-Interest subvention claim		14.622	14.622	0
2	WB- Interest subvention claim		0.006	0.006	0
	Sub Total		14.628	14.628	0
	GRAND TOTAL	1089.892	1070.473	849.014	221.459

2.13 Weaver Credit Card

Government of India, Ministry of Textiles has embarked on a massive programme of covering individual weavers through the Weaver's Credit Card and 1,25,272 weaver's credit cards have been issued in 2012-13 and 2013-14 with total loan disbursement of Rs 226.62 crore by various banks. However the achievement against the target indicates that much more needs to be done.

Table 7: Status of issuance of Weavers Credit Cards (WCCs), sanction and disbursal of loan during 2012-13, 2013-14 and 2014-15

(Position as on 12.05 2015)

Particulars	2012-13	2013-14	2014-15
Target of WCCs (Nos)	1,60,000	2,00,000	2,00,000
Number of cards issued (Nos)	53,630	71,643	73,622
Loan amount sanctioned (Amt. in Rs. crore)	171.41	194.29	215.69
Loan disbursed (Amt. in Rs. crore)	79.83	146.79	84.37

(Source: Web site of Ministry Of Textiles, Government of India)

2.14 Demand for Handloom products

Over the last five years, the demand for handlooms has actually increased. Sales figures and footfalls at handloom expos and exhibitions organised by Dastkaar Andhra, Sanatkada, Dilli Haat, and the various Crafts Councils bear witness to this. KVIC/KVIB have tied up in a major way with the Fashion designers, NIFT and NID. KVIC/KVIB have launched a major initiative for publicity of KVIC products and educating people about the superior qualities of KVI products. At the other end of the spectrum, designers like Ritu Kumar, Abraham & Thakore, and Sanjay Garg, and stores like Anokhi, Bandhej and Bailou have all built hugely successful careers on

handloom. This has resulted in increasing demand and subsequently greater number of jobs in a sector.

As can be seen in the below placed table, the production and sales in handloom sector is increasing on year to year basis.

Table 8: Trends in growth of handloom production and exports

Year	Production (in million Sqmtrs)	Growth in production	Handloom exports (Rs. In cr.)	Growth in exports
2008-09	6677		NA	
2009-10	6809	1.97%	1252.80	
2010-11	6949	2.06%	1574.95	25.71%
2011-12	6900	(-) 0.71%	2653.95	68.51%
2012-13	6952	7.53%	2811.97	5.95%
2013-14	7116	2.35%	2233.11	(-)20.6%
2014-15	7203	1.23%	2246	5.82%

(Source: Textiles Commissioner Office and HEPC)

2.15 Private interventions

Many Private entities like Dastkaar Andhra, fabindia, Anokhi (Rajasthan), Nalli (Tamilnadu) etc., directly or indirectly have entered the marketing of handloom products. Dastkaar Andhra provides design and technical support to over 450 weavers working with Weaver Cooperative Societies in 7 districts of AP. It is in a position to provide guaranteed employment to all 450 weavers for 365 days in a year. As a marketing strategy, Dastkaar Andhra relies on growing and increasingly wealthy middle class demand. (Source: website of Dastkaar Andhra)

Fabindia works with the handloom weavers across the country. The products of Fabindia are known for their quality and authenticity of being sourced from handloom weavers. Fab India has floated 18 weavers Community Owned Companies (CoCs). These organizations are managed by Artisans Micro Finance Pvt. Ltd. (AMF), which is fully owned subsidiary of fab India. The company facilitates setting up of such community owned companies (COCs). Artisans Micro Finance, a Fabindia arm and main promoter of supply-region companies, is an instrument in streamlining and strengthening their supply chain, eliminating middlemen, providing jobs to rural artisans, and giving suppliers ownership in the business. These interventions have been explained in greater details in Chapter 4, para 4.10.

Chapter 3

Findings of the Study



3. Findings of the Study


The study was carried out in the six districts of three states viz, Uttar Pradesh (Gorakhpur and Mau), West Bengal (Nadia and Bardhwan) and Andhra Pradesh (East Godavari and Guntur). While focus of the study was employment potential in the Handloom sector, the study team realised that employment in the sector is a function of policies, input and credit availability, working conditions and marketing support.

The major findings of the study have been classified into the following seven areas which play a key role in the sustainability of the handloom sector and are critical for employment generation in this sector. While the sub-chapter on 'Support System for Handloom Weavers' gives an overview of the institutions which have emerged over the years and also gives an account of the various measures initiated by the Government of India and also State Governments to facilitate the sustainability of the sector. Subsequent sub-chapters cover the key critical constraint areas.

The effort of the study team has been to consolidate the findings in following sub-chapters:

- 3.1 Support System for Handloom Weavers
- 3.2 Raw Material Availability
- 3.3 Work Environment for Weavers
- 3.4 Marketing System for Handloom Sector
- 3.5 Financing to Weavers
- 3.6 Effectiveness of Institutions Serving Handloom Sector
- 3.7 New Shoots – Innovations
 - i. E- marketing
 - ii. Private Players like Dastkaar Andhra, Fabindia etc.
 - iii. Biswa Bangla Initiative of Government of West Bengal
 - iv. Producer Company of Chanderi weavers
 - v. Geographical Indications (GI) patenting.

3.1 Support Systems for Handloom Weavers



Handloom Mark
The Assurance of Real Handloom Creations

Handloom

Every product that bears the 'Handloom Mark' certifies the authenticity of the product being an original hand-woven produce created by 6.5 million handloom weavers

Office of the Development Commissioner (Handlooms)
Ministry of Textiles, Government of India
www.handlooms.nic.in

Textiles Committee
(Implementing Agency)
Ministry of Textiles, Government of India
www.textilescommittee.gov.in

India's rich heritage. Use Handloom products with pride

3.1 Support System for Handloom Weavers

3.1.1 Since independence, planners realised the need for supporting handloom weaving activity which is mainly concentrated in rural areas and contributes in a major way to rural employment. The policy interventions by the Government were designed to ensure connection between measures to improve production and supply of inputs in handloom sector and also measures required for stimulating demand in the sector and support system for providing social welfare measures has also been introduced. Accordingly following steps were taken by the Government for promotion and support to handloom as well as Village, Cottage and Small industries:

- a) Building up a network of all-India Boards like Khadi and Village Industries Commission (KVIC), Central Silk Board, Central Jute Board and Coir Board etc., to deal with the problems of the handloom industry, Khadi and village industries, handicrafts, small-scale industries, sericulture and the coir industry . In addition to the central level organisations, similar Boards and Corporations at state level like State Handloom Development Corporations , Apex Weaver Cooperative Societies were set up to provide necessary input and marketing support.
- b) While Khadi and handlooms are very similar in their activity, clientele and set of institutions, since the first five year plan (FYP) the KVIC sector continuous to be treated separately as far as policies and State interventions are concerned.
- c) **Reservation for production and purchase of certain articles from Village, Cottage & Small Industries:** Government's accepted in principle that certain items should be reserved exclusively for purchase from village and small industries and that price differentials should be allowed to them over the products of large-scale industries. Accordingly, production of certain varieties of cloth were reserved for the handloom industry and an excise duty was levied on the production of large mills so as to build up a fund from which financial assistance can be given to hand-loom and Khadi industries.
- d) A number of emporia and sales depots for handloom, handicrafts and village industries have been established during the first plan period. Apex Handloom Weaver Societies were procuring finished handloom products from weaver societies and marketing them through their show rooms. Similarly Handloom Development Corporations were procuring products from individual handloom weavers and marketing the same.
- e) From the beginning 'co-operative' has been considered to be the ideal Institution (raw material supply, production, financing and marketing efforts in handloom sector) for implementation of various schemes for development of decentralised cottage industry. Emphasis has also been laid upon formation of co-operatives with handloom weavers.

Almost all schemes are therefore formulated considering the co-operative model and are oriented towards the co-operatives.

- f) With a view to raise funds for the industry and organising Weavers Cooperatives, Parliament passed the 'Khadi and Other Handloom Industries Development Act' in 1953.
- g) To facilitate marketing of fabrics made in the handloom cooperatives, a national level Apex body called the All India Handloom Fabrics Marketing Cooperative Society was set up in 1955. Concurrently Weavers Service Centres and Indian Institute of Handloom Technology was set up to provide back up in vital areas of applied research, service and training. Office of the Development Commissioner (Handlooms), a nodal agency at the national level was set upon 20th November, 1975.

h) Organizational Structure of Handloom Weaving:

Handloom weaving is a household industry, all family members work as one unit; the head of the household perform the manufacturing work, as where other member of the family do the supporting or ancillary role, work and burden is divided on the basis of age and sex. In general the socio- economic condition forces the weavers to depend upon external agencies for infrastructural facilities. The organizational structure of the industry could be divided into four segments.

They are:

- i. Independent weavers,
- ii. Master weavers,
- iii. Weaver co-operative society and
- iv. Under State Handloom Development Corporations

Table 9: Distributions of handloom weavers in India (Number)

Year	Independent	Under Master weaver	Under Cooperative Society	Under State Handloom Development Corporations	Total
1987-88	1211425 (59)*	344646 (17)	454989 (22)	47029 (2)	2058089 (100)
1995-96	988626 (64)	287654 (18)	241862 (16)	28915 (2)	1547057 (100)
2009-10	2351622 (61)	1299001 (34)	177550 (4.6)	18662 (0.4)	3846835 (100)

Source: compiled from:

1. Census of Handlooms in India 1987-88, Ministry of Textile, GOI.
2. Joint Census of Handlooms & Power looms, 1995-96, GOI, NCAER.
3. Handloom Census of India 2009-10, table 4.8, GOI, NCAER.
4. *Figure in parenthesis indicates % to the total.

The table indicates that the area of influence of the master weaver is increasing from year to year whereas area of influence of Institutions like Weaver Societies and Handloom

development corporations is shrinking. Interactions with individual weavers in the field have indicated that they are also critically dependent on the master weavers.

It is expected that after implementation of RRR Package for handloom sector, the institutions of the weavers will gain strength in terms of coverage and proportion of business.

- i) **The Handloom Board encouraged the formation of Weavers' Cooperative:** The Handloom Board provided assistance to weavers in the form of share capital and working capital for formation of cooperatives. Weavers' co-operative organisations at different levels are federated so that there are central agencies available for supplying raw materials, offering technical advice, arranging for credit from co-operative sources, and providing better marketing facilities.
- j) Out of 21765 PWCS existing in 2008-09, only 9361 PWCS have been found to be Viable and Potentially Viable for administering benefits under RRR handloom package. It can be safely taken that remaining 15589 PWCS are either defunct or working at a very low level of turnover in terms of output and sales.

Table 10: Status of handloom weaver cooperative societies over the years

Year	1956	1960	1994-95	1999-2000	2008-09
No. of handloom cooperative societies	8000	11200	18398	20844	24950 21765*

(Source ; Figures of the years 1956 & 1960 have been taken from 2nd & 3rd Five Year Plan Document; The figures 1994-95, 1999-2000 and 2008-09, have been taken from NCU-Indian Cooperative Movement- A Statistical profile-2012. * High Power Committee of Government of India for giving a Financial Package to the Handloom Sector (August 2008), has estimated this figure at 21765.)

- k) Till the end of 4th five year plan, weavers were getting assistance from cooperative sector only, weavers outside the cooperative fold were not getting any direct benefit from implementation of different institutional programmes then it was felt that weavers outside co-operative fold should also receive appropriate assistance, that is why the **Sivaraman Study Team in the year 1973 recommended the establishment of Handloom Development Corporations in different states.** The main aim and objective of corporations is to assist the individual handloom weavers. They are also undertaking other activities for the benefit of weavers which include modernization of looms, planning of production, payment of remunerative wages and technical training for weavers.
- l) **Financing Arrangements:** Satisfactory arrangements for meeting the requirements of finance have been a critical and vital part in the development programmes for village and small industries. Besides short-term or working capital needed for purchase and stocking of raw materials and finished goods, finance is also needed for enabling artisans to contribute to the share capital of co-operatives, for the purchase of tools and equipment and for investment in land, buildings, sales depots, storage godowns, machines and other equipment. Accordingly, RBI and thereafter NABARD extended a special line of refinance

for Apex and Primary handloom Weavers Cooperative Societies and also for Handloom Development Corporations.

- m) **Cluster Development Programme** –KVIC under “Scheme of Fund for Regeneration of Traditional Industries” (*SFURTI*) programme launched cluster development initiative in 2005-06 and Ministry of Textiles Government of India introduced handloom Cluster Development Scheme in 2006-07. The objective is to develop Handloom Clusters that are located in clearly identifiable geographical locations that specialize in specific products. These cluster interventions are designed to promote inter dependence amongst the key players in the cluster by improving the infrastructure facilities, with better storage facilities, technology up-gradation in pre-loom/on-loom/post-loom operations, weaving shed, skill up-gradation, design inputs, health facilities etc. This would eventually help in meeting the discerning and changing market demands both at domestic and at the international level and raise living standards of the millions of weavers engaged in the handloom industry. During the visits the study team observed that in Nadia and Burdhan districts of West Bengal, the cluster level interventions (Chandanpur, Shantipur Jagannathpur and Samudragarh clusters) have yielded positive results.
- n) **Issue of Photo ID Cards:** The weavers and ancillary workers engaged in the pre and post loom operation were issued photo ID Cards under Diversified Handloom Development Scheme enabling them to qualify for assistance under various government schemes. Of the total of 38 lakh handloom weavers and allied workers in the country, photo identity cards for about 31 lakh given to handloom weavers across the country with a view to ensure that benefits reach genuine handloom weavers.
- o) **Mill Gate Price Scheme** was introduced in the year 1992 by GoI, wherein, yarn and dyes are supplied to the individual weavers and weaver’s societies by NHDC through its 660 yarn depots operating throughout the country. This may be probably the only scheme that deals with the supply of yarn to the handloom weavers.
- p) **Insurance support to handloom weavers** – Government of India introduced ‘Bunkar Bima Yojana’ in December, 2003 which was a combination of Janshree Bima Yojana and Add-on Group Insurance Scheme being implemented in collaboration with the Life Insurance Corporation of India. In 2005-06 the scheme was revised and is being implemented with title “Mahatma Gandhi Bunkar Yojana”. It was seen during the study that all working PWCS visited had extended insurance to their active weaver members.

3.2 Raw Material Availability



(Picture Source: the Hindu)

3.2 Raw Material Availability

3.2 The raw material in handloom sector mostly comprise of Yarn along with dye and chemicals .During the field visit it was revealed that on an average the proportion of the raw material in total costs is as under :

- The cost of the raw material would depend on 3 factors mainly GSM (gram per sq. meter), the Count of the yarn (finer the yarn, the more expensive it becomes) and the type of fibre used (eg. cotton, wool silk, etc.). It may account for 35% to 65% of the total costs
- Dyeing cost may, on an average varies from 8% to 10%.
- The cost of production i.e. spinning and weaving accounts for the rest of the Cost.

Thus the cost of raw material which includes yarn dyes and chemicals together account for up to 75% of the cost of production.

3.2.1 Type of yarn used in handloom fabrics

The Third National Handloom Census of Weavers 2010 has commented in detail about the raw material usage in the handloom sector. As per the Census, Cotton is the yarn that is the basis of most handloom fabrics. It was found during the survey that cotton of different counts is used by most weaver households for the production of different fabrics like gamcha/ angavastram, sari, dhoti, lungi, towels/ napkins, etc., which accounts for a large majority of handloom products. Wool is also used in handloom products, especially in the North-East and the northern states for products such as shawls and blankets. Silk is used by a smaller proportion of the weavers, mostly in the southern states, and to an extent in West Bengal as well.

A nation-wide distribution of handloom households by the type of yarn used is as follows:

- Cotton 21-40: 7.53 lakh (41.8%)
- Cotton 41-80: 6.87 lakh (38.1%)
- Cotton above 40: 6.34 lakh (35.2%)
- Wool: 3.99 lakh (22.1%)

The other yarns used, but by a smaller proportion of households are:

- Cotton 1-20: 1.71 lakh (9.5%)
- Polyester: 1.39 lakh (7.7%)
- Other silk: 0.80 lakh (4.4%)
- Mulberry silk: 0.71 lakh (3.9%)

Other than this, 3 per cent of households use viscose and blends, and 12.7 per cent use yarns other than these. For instance, the handloom workers of Tripura use a yarn locally known as 'Masloi', a synthetic acrylic yarn which does not fit into the yarn categories mentioned above.

3.2.1 Source of raw materials

The main raw materials for weavers are dyed yarn and hank yarn. A small proportion of households buy dyes and chemicals. Most of the raw materials are sourced from the open market. However, in the case of 15 per cent to 20 per cent of weaver households, the master weaver is the source of dyed yarn, dyes and chemicals, as many of the colours and design elements are controlled at this level. Besides, these are not often openly available in the market.

- i) Distribution of households that procure hank yarn is as follows:
 - Open market: 77.8%
 - Master weaver: 14.1%
 - Cooperative societies: 4.5%
 - NHDC: 0.6%
 - Other sources: 3.1%

- ii) Distribution of households that procure dyed yarn is as follows:
 - Open market: 76%
 - Master weaver: 15.1%
 - Cooperative societies: 4.1%
 - NHDC: 0.4%
 - Other sources: 4.5%

- iii) Distribution of households that procure dyes and chemicals is as follows:
 - Open market: 50.4%
 - Master weaver: 20.5%
 - Cooperative societies: 6.5%
 - NHDC: 0.6%
 - Other sources: 22%

It emerged that the open market is the major source of raw materials for rural handloom households, while more of the urban handloom households source their raw materials from master weavers and cooperative societies. (Source: *The Third National Handloom Census of Weavers 2010* GoI NCAER Annexure II: Table 6.3, 6.4, 6.5).

3.2.3 National Handloom Development Corporation (NHDC)

It was set up in February 1983 as a Public Sector Undertaking by the Government of India under the Companies Act 1956 in pursuance of the imperative need for a National Level Agency to assist the speedy development of the Handloom Sector by coordinating all action covering the procurement and supply of inputs at reasonable prices, augmenting the marketing efforts of State, upgrading the technology in the Handloom Sector & improving productivity. The handloom sector is largely dependent on the organized mill sector for supply of yarn, in the form of hanks. Under the Mill Gate Price Scheme, yarn and dyes are supplied by NHDC to weavers through its 660 depots spread throughout the country. Mobile vans are also used to supply yarn to weavers in remote areas. This scheme is popular largely because it is the only scheme that deals with supply of the most vital raw materials i.e. yarn

and dyes required by handlooms. However, NHDC is able to supply hardly 18 % of the total yarn as indicated Table-8.

Table 11: Share of NHDC in total yarn requirement of handloom sector
(2013-14 Position)

S No	Particulars	Quantity/Amount	Remarks
1	Total production in handlooms- 2013-14	7116 million Sq. Mts @Rs50/ sqmt	
2	Yarn required for producing 7116 million Sq Mt cloth	7116 lakh kg	1 kg Cotton Yarn = 10 sqmts cloth
3	Yarn Supplied by NHDC	1270 lakh kg	
4	Percentage of yarn supplied by NHDC to total yarn consumed	17.8 percent	

Source: Annual report of MoT (2013-14) and Annual Report of NHDC (2013-14)

As can be seen from the table above, NHDC is able to supply roughly about 18 % of total yarn requirement to handloom sector, leaving 82% to open market

3.2.4 Apex Handloom Weaver Societies and State Handloom Development Corporations at the State level

Apex Handloom Weaver Society and Handloom Development Corporations in the respective states are mandated to supply yarn to handloom weavers/weaver societies and individual weavers respectively in each state.

3.2.5 Pattern in KVIC assisted institutions:

KVIC is procuring yarn at the central level for supply to its institutions. Each of the KVI unit has spinners and weavers. KVIB/KVIC would place stock of cotton in their raw material bank for issuing the same to the society. The society would get the yarn spun and use it for weaving. Similarly KVI institutions would procure silk cocoon and reel silk yarn.

3.2.6 Issues in Yarn supply

- a. **Hank Yarn Obligation:** The Hank Yarn Obligation is a mechanism to ensure adequate availability of hank yarn to handloom weavers at reasonable prices. The existing Hank Yarn Packing Notification dated 17.04.2003 promulgated under Essential Commodities Act, 1955 prescribes that every producer of yarn who packs yarn for civil consumption, shall pack at least 40% of yarn packed for civil consumption in hank form on quarterly basis and not less than 80% of the hank yarn packed shall be of counts 80s and below.
- b. Government of Maharashtra and some of the spinning mills have requested to reduce the Hank Yarn Obligation from 40% to 10%.
- c. **Issues related with NHDC**
 - i. The discussions with the PWCS, Master Weavers in all the 3 States of Andhra Pradesh, Uttar Pradesh and West Bengal ,the following issues emerge
 - The NHDC insists on advance payment for supply of yarn.
 - There were delays in supply of yarn, which was ranging from 1 to 3 months, and

- There were also delays in disbursement of eligible subsidy on purchase of hank yarn.
 - Though NHDC is providing 10% subsidy on yarn to weavers with Weavers Identity Card issued by Government, its rates even after subsidy many times are higher than the market rate.
 - NHDC is also not able to take care of the full requirement of the weaver's societies.
- ii. Some of the Societies in A.P were also working as local depot for procuring and supplying yarn to the weavers. All the Weavers Societies visited have expressed the view that NHDC may consider supply of yarn to good working weaver societies on credit.
- iii. The Societies assess the type of hank yarn to be procured and quantum of yarn required and place indent to the NHDC or APCO. The payment by PWCS to NHDC/APCO is made in advance. On receipt of the payment, the NHDC/ APCO place order with the supplying mills and mills directly deliver the yarn to the Societies. It was observed that the entire cycle i.e. from making advance payment by PWCS to receipt of material from the mills takes about one to two months and in some cases even more. The subsidy is extended to PWCS on the yarn procured from NHDC or APCO only and the same facility is not extended if the yarn is procured from private sources or any other agency. Although APCO is also an eligible organization to procure yarn but it was observed that the Societies were procuring yarn, only from NHDC as the APCO is unable to supply the yarn. Some of the Societies were also working as local depot for procuring and supplying yarn to the weavers.

d. Role of Apex societies and Handloom Development Corporations

As indicated in para J and K in sub chapter 3.1, Apex Weaver Societies and Handloom Development Corporations were created to assist PWCS and individual weavers through raw material supply and marketing of their produce. In the field during the discussions it was noticed that where ever Apex societies and Handloom Development Corporations are strong, weavers were to concentrate only on production related issues as these institutions take care of supply of raw material and marketing.

While 39 Apex Weavers Cooperative societies have been assisted under the RRR Handloom Package, some important ones like UPICA could not qualify on viability parameters. Similarly State Handloom Development Corporations were not eligible institutions under RRR handloom Package as only individual weavers and Cooperative institutions were included for assistance. State Governments may take initiative for reviving and restructuring Handloom Development Corporations as a part of welfare measure and economic development of weavers.

The discussions in Uttar Pradesh at Gorakhpur and Mau revealed that in early 90s there were 70 centers of UPICA (for weavers societies) and UP Handlooms (for individual weaver) around Gorakhpur. These organizations were involved in a major way in supply of yarn to the societies and also marketing of products of handloom weavers. Under Janata Cloth Scheme, both

UPICA and UP handlooms were procuring the produce from weavers and making payment in terms of 80% raw material and 20% cash.

Because of Government procurement, the societies were in good financial health and the system ensured steady supply of raw material to handloom weavers at reasonable cost. Unfortunately both these organizations now suffer from poor financial conditions and weak management. Their weak health is adversely affecting the weavers' societies across the State.

In all the States where the Apex Societies and Handloom Development Corporations (HDC) are healthy and working well, they have emerged as important source of supply of yarn which helped the PWCS (example Co-optex in Tamilnadu, Bayonika in Odisha, Tantuj in West Bengal and ArtFed in Assam).

3.2.7 Supply of Hank Yarn:

Discussion with the PWCS revealed that the non-availability of hank yarn, the basic raw material from which weaving is done, is seriously affecting the development of handloom sector. It was also indicated that as the handloom sector has tough competition from power loom sector, there is a secondary treatment for hank yarn production and marketing by the mills. Production of yarn is completely controlled by modern spinning mills, who see more profit in marketing of cone yarn which is used by power loom sector. Although hank yarn is tax-free and has subsidies, enormous amounts are diverted to the power looms. As a result, there is a perennial shortage of hank yarn for the handloom weavers.

Further, the discussion revealed that there is a strong power loom sector which is creating obstacles for the handloom sector. Demands for scrapping of 'Handloom (Reservation of Articles for Production) Act 1985 and scrapping or bringing down the 'Hank yarn obligation' from existing 40 percent to 10 percent are raised by the Power loom sector. The power loom sector compares the handloom sector to a 'firewood chullah' and says, "We have progressed from the firewood chullah to gas and electric stoves. If we hang on to technologies of our grandparents' times, it is a mark of regression. Our children will laugh at us". Another claimed that "customers prefer cheaper power loom sarees". (*Part of News published: 'Reservation makes no sense'-Business Times 12 Aug, 2012*).

BOX 1 – Power of Power looms...Some hard facts

When hank yarn was brought under the excise net in 2002, power loom units, strangely enough, were up in arms against the order, and openly admitted that bulk of the hank yarn was indeed consumed by them. Bringing hank yarn under excise will affect them adversely, they argued. More recently, when the Textiles Commissioners' officers found several thousands of powerlooms making items reserved for handlooms, they too admitted that powerlooms had been making these items for several decades, and, in fact, should continue making them. Over 75 per cent of the goods exported from the Karur region, through the Handloom Export Promotion Council, too, are made on powerloom or even on shuttle-less looms.

News published: 'Reservation makes no sense'-Business Times - 12 Aug, 2012

- a. There are also strong voices in favour of continuation of these Acts. The supporters of handloom weavers say 'obviously, the market has shifted from rural to urban, but handlooms are growing, and there are figures to prove it' and further add that 'it is

noteworthy that the growth is despite enormous problems faced by weavers in yarn procurement, credit and market access. Therefore these voices strongly advocate that as a nation we cannot ignore the handloom sector. The views of the supporters which was in the national media is given in Box-2

- b. From the discussions with the various PWCSs, it appears that the Reservation Act and also Yank yarn obligation policy is exploited by the power loom sector and also by the spinning mills. It was reported by Chairman of one of the PWCSs that the mills sell cone yarn in the name of hank yarn and bills are raised in the name of hank yarn. This deprives weavers of the required yarn supply and also amounts to misuse of Govt. subsidy given to handloom weavers.
- c. PWCS opined that there are government schemes to support the weavers but timely availability of hank yarn in required qualities and quantities is an issue and presently there is no system or mechanism to increase the availability of hank yarn to the handloom weavers. There are some good societies which are working for the weavers in a professional manner on the lines a company, bringing changes in the designs, adopting new marketing techniques, producing as per market demand etc,. Such PWCS need to be organized and a common production/ procurement of hank yarn needs to be worked out. Decentralised spinning by the cotton growing farmers, spinners and weavers could be an option worth trying to mitigate the problems of the handloom weavers.

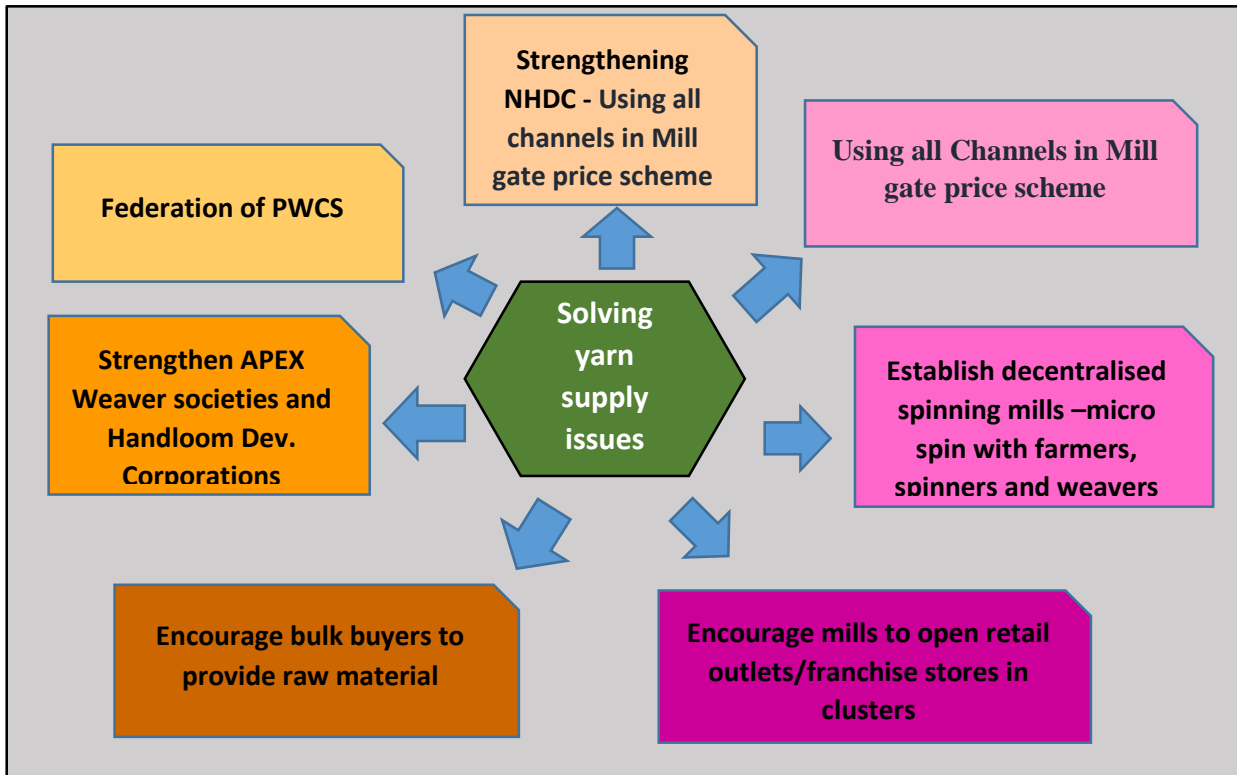
Box-2 - Ignoring handloom sector.....

Also going unnoticed is another pending disaster that could affect millions of rural Indians — there is a plan to repeal the Handloom (Reservation of Articles for Production) Act, 1985, which has been protecting traditional handloom weavers, especially sarees, from being copied by machine-made and power loom competitors. It is a small, but important, protection for handloom weavers, who otherwise struggle to survive in a market where their yarn, designs and markets are all under attack.

**News published: 'More power to skilled hands'
- The Hindu, 27 June, 2015**

3.2.6 Possible Solution:

Since raw material availability is critical to the growth of handloom sector, the study team held extensive discussions on the subject with the stake holders at the field level. Some of the remedial measures suggested by them to overcome the difficulties in supply of yarn are indicated below in Figure 3. (Similarly, the existing mode of raw material availability and also possible models are given in Figure -4)



Graph-3-Stakeholder to Handlooms Sector

The suggestions to strengthen the supply mechanism of raw material are discussed below:

A. Private Mills to open depots: Government may encourage/involve the private mills to open depots in the major clusters or the mills may appoint financially sound PWCS as their agents. It is observed that the private spinning mills are mainly based in Southern India, the State Governments other regions may facilitate in opening of direct sales outlet by mills in handloom cluster areas. They can also be encouraged to give their franchisee to POs/ Federations/ good working PWCS of weavers.

Fig – 3: Suggested measures to strengthen supply mechanism of Raw Material

B. Supply of Yarn at Mill Gate Price: Following agencies are eligible for assistance under the scheme:

- i. All handloom organizations (including weaver co-operative societies) at National/ State/ Regional/ Primary Handloom level.
- ii. Handloom Development Centres.
- iii. Handloom producers/manufacturers exporting directly and registered with HEPC/ any other Export Promotion Council under Ministry of Textiles/Director of Industries/Handlooms of State/U.T.
- iv. The Consortium/producers Company formed in the handloom clusters sanctioned under IHDS/IHCDS/Mega Clusters/Integrated Handloom Textile Parks.
- v. Members of recognized/approved handloom associations.
- vi. NGOs fulfilling CAPART norms.

- vii. Self Help Groups/ Joint liability Groups.
- viii. Individual weavers and Weavers entrepreneurs.
- ix. Any other agency approved by the Office of the Development Commissioner (Handlooms), Ministry of Textiles, Government of India.

This scheme needs to be up scaled and made more effective. At present NHDC is the sole agency for implementing this scheme, Government may consider implementing the scheme through Federation of weaver's societies, Producer organisations of the weavers, designated State Government organisations, and approved export agencies.

C. Strengthen NHDC - To overcome the situation and also to make yarn availability without hassles to weavers, there is a strong felt need that NHDC should be strengthened to enable it to open new supply depots. At least NHDC should be enabled to improve their supply in important handloom cluster areas/concentration districts. Currently NHDC is insisting on advance payment for supply of yarn. It should make some arrangement for providing short term credit (say 15 days to one month) to PWCS.

- a. NHDC in order to make its supply systems efficient consider appointing one Weaver Organisation, a good working PWCS on contractual basis at each of the 50 to 75 major handloom clusters, Such PWCS could be representative of handloom weavers/weaver societies. It can collect the indents from the other PWCS and handloom weavers in that cluster, co-ordinate with them at local level and submit the same to the nearest NHDC warehouse in the state. The NHDC depot will issue weaver-wise/ agency-wise separate invoice as per indent received from the designated PWCS stationed at the cluster and send the yarn along with invoices. It in turn would distribute the yarn to the concerned handloom weaver with the relevant invoice. Invoices for the yarn purchase would also facilitate in availing financial support from banks.
- b. The NHDC may also consider providing facility to the PWCS/ PWCS appointed as agents or franchisees to purchase yarn by making 'Online' payment. NHDC may design a portal and place list of approved suppliers/ mills of hank yarn so that PWCS can operate through the portal and purchase the yarn. This will also facilitate in providing credit by banks and banks can sanction and release amount against the bills raised through online payment.

MASUTA: *The name MASUTA is an acronym derived from Mahila (woman), Suta (thread) and Tasar (silk). MASUTA Producers Company Limited (MASUTA) was registered on December 26, 2005. Most of MASUTA's work is concentrated in four districts of Jharkhand. PRADAN started a Tasar yarn reeling centre, where the SHG members could find a regular source of income. Once the reeling canters took off, the women producers were organized as a producers company called MASUTA. At present, MASUTA works with 2000 women producers who are spread across four States of Bihar, Jharkhand, Chhattisgarh and Orissa. In its seven years of existence, MASUTA has emerged as the largest Tasar silk yarn producer in the country. Its customer base includes major silk producers in the country, in organized and unorganized sectors such as NHDC.*

Source: Village Innovation Fund – Case study Series

E. Producer organization of weavers

It was observed that handloom clusters visited as part of the study in Uttar Pradesh, West Bengal and Andhra Pradesh have approximately 40-80 handloom weavers' societies and about 3000-4000 weavers working in the area. The consolidated monthly requirement for the yarn in terms of amount would be in the range of Rs 5.00 to 7.00 crore per month. If we add further 10% for dyes and chemicals requirement, the consolidated per cluster/per month working capital requirement for weaver societies itself would be to the tune of Rs 6.0 – Rs 8.0 crore. As per the data revealed in 3rd handloom census and also confirmed in the field, major procurements of Raw material is from open market. Primary weaver societies may be encouraged and facilitated to federate in order to bargain with mills/suppliers directly for procurement of raw material (yarn, chemicals & dye) on behalf of the societies.

Such federations should also take up initial processing like dyeing, calendaring etc. These federated bodies can be financed by banks on the basis of the value of immovable assets and also on the value of the stock mortgaged.

F. Government may **standardize norms with quality mark** for hank yarn so that the quality of yarn is assured. To encourage export, the American and European quality standards may be disseminated through CFCs so that quality products are woven by the weavers which fetch good price and encourage the young weavers' generation to be associated with the Handloom sector and it also would enhance the potential for employment. At cluster level, CFC may be involved for providing technical advice on the standards and other parameters related to quality, particularly dyeing techniques.

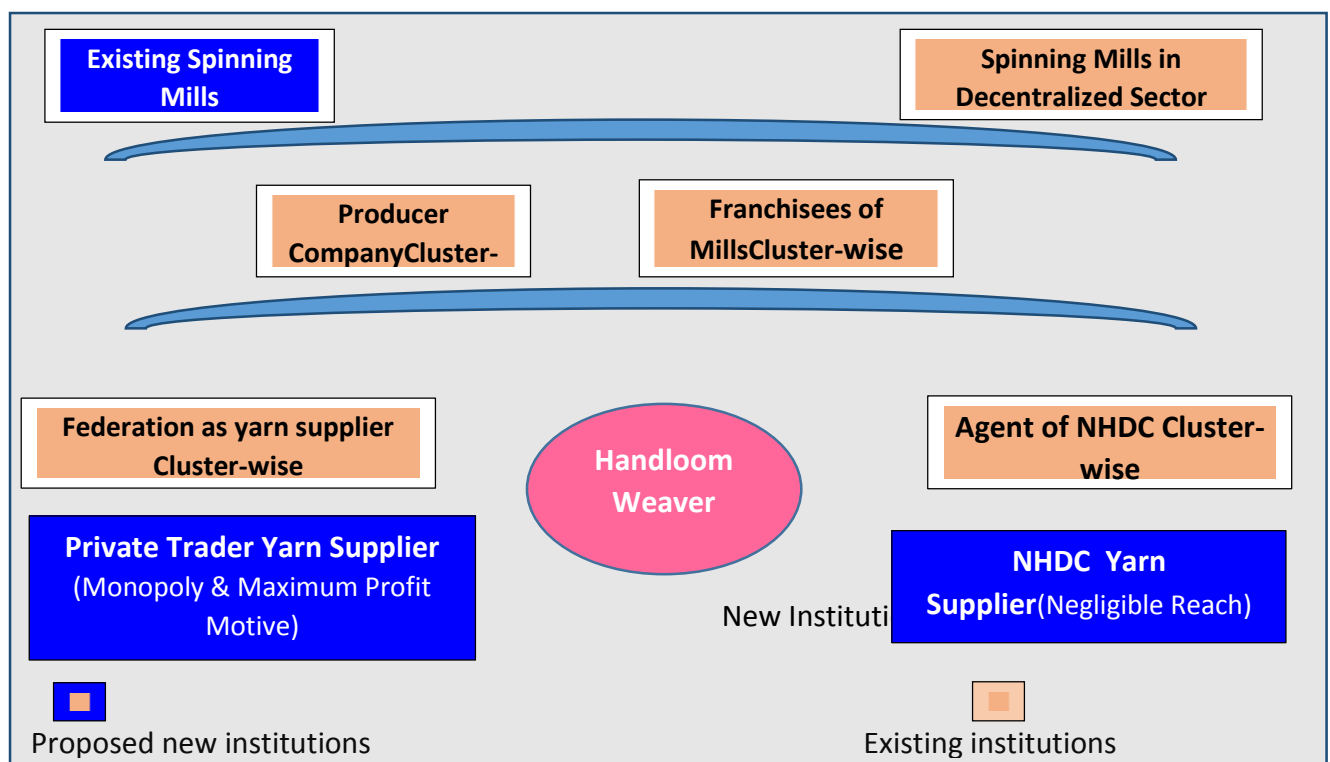


Fig 4: Diagrammatical Existing and Proposed institutions in Yarn Supply

G. Govt may encourage the cotton farmers, spinners and the weavers to form Producer Companies with spinning mills of low technology i.e. micro spin technology. Similarly a group of farmers, PWCS and individual weavers can be brought together to form Producer Companies for spinning and weaving. This will address the distress of both the cotton farmers and also the weavers. Such models have been initiated by Buldana Urban Cooperative Bank. (The bank has floated a company which works on the model). There are also models operated by MULKHA which works with cotton farmers, spinners and weavers in Telangana and Vidharbha regions. Such initiatives of establishing decentralized spinning will go a long way in addressing the problems of cotton farmers and also the issues related to weavers. Government of India and NABARD may initiate a few models on pilot basis at least in few clusters initially and upscale the initiatives subsequently. These Producer Companies should be treated at par with the FPOs and these organizations also may be made eligible for availing the benefits available from GOI and State Government to Farmers Producer Companies.

3.3 Working Environment of Handloom Weavers



3.3 Work Environment of Handloom Weavers

3.3.1 The term **work environment** is used to describe the surrounding conditions in which a person operates. The **work environment** can be composed of physical conditions, such as work place office temperature, or equipment, such as personal computers. It can also be related to factors such as **work** processes or procedures. Handloom weaving involves manual sorting of raw materials, carding and spinning with a cord machine, and dyeing the fibres with acid and chrome. Pre-weaving, fibres are boiled in an acetic acid and dye solution, washed in running water, and dried. Weavers use hand-operated looms that require the weaver to sit at the loom and operate foot pedals that hang below. These actions require repetitive movement of the upper and lower limbs to operate pedals and shuttles with the arms raised away from the body. Post-weaving activities include clipping threads, embossing and carving art designs, mending, edge bending, and chemical washes to produce the finished product. In addition to awkward positions, workers are exposed to noise and dust pollution during these processes.

Therefore in this chapter, we cover issues related to work- unorganised, manual production systems, health related issues, wages, gender dimension (women workers) in handlooms, social security issues and technology.

3.3.2 It is estimated that 32 other sectors including transportation, financial services, marketing services, maintenance services and hotels benefit from the handloom sector.

3.3.3 Handlooms have an umbilical linkage with cotton farmers and the rural farm economy. Agricultural labour gets employment in handloom sector during the non-agricultural season. The sector has self-sustaining mechanism, including training for young weavers irrespective of gender. The inheritance of skills, resources and capacities has remained beyond the realm and reach of any modern training and educational institution. There is also inherent flexibility for all types of communities to take up handloom production as a profession.

3.3.4 Social profile of handloom weavers

At the country level, the majority (77.6%) of handloom worker households follow Hindu religion, though about 18% are Muslim. About 7.3 per cent of handloom households are from other faiths, mostly Christians. While Hindu and Muslim handloom households are to be found in most states, the North-Eastern states account for a large proportion of Christian handloom households. The rural share of the Hindu handloom households follow similar trends of the overall rural share of the handloom households. However, it is seen that a comparatively higher proportion of Muslim handloom households are located in urban areas, while a comparatively higher proportion of households of other religions (including Christians) are located in rural areas. A state-wise distribution shows that Hindu households are the majority in most states, with exceptions in Uttar Pradesh and West Bengal where 85.4percent and 36.6 respectively of weaver are households are Muslim which were visited by the study team.(Source: 3rd National handloom census of weavers and allied workers 2010 Annexure II table 3.3)

3.3.5 Distribution of handloom worker households by possession of loom: Basically the handloom sector (weaving and activities allied to weaving) is concentrated in rural areas. As can be seen from the table given below of the total 27.83 lakh weaver households, 87 % are rural.

Table- : Distribution of handloom worker households by possession of loom

Type of Households	Households(lakhs)	Distribution of Households (%)	Rural Share (%)
Weaver households	22.68	81.5	87.5
Allied Worker households	3.91	14.1	80.8
Idle loom households	0.81	2.9	96.6
Other (households with no adult workers)	0.43	1.5	96.6
Total	27.83	100.00	87.0

(Source: GoI 3rd National handloom census of weavers and allied workers 2010 Annexure II table 3.5)

Weaver household: As per the GoI, National Handloom Census 2010, the relevant definitions are as under:-

i. A *weaver household unit* is defined as one that has any member of the household who operated a loom even for one day in the last one year (preceding the survey date), either within the premises of the house (classifying the household as a 'with loom household') or outside the household premises (classifying the household as 'without loom household'). The following combinations would describe a weaver household:

- a. Households who own and operate looms in their household premises;
- b. Households who own and operate looms at a place other than their household premises;
- c. Households who don't own looms but engage in weaving activities and have loom(s) placed in their household premises; and
- d. Households who don't own looms but engage in weaving activities (outside the household premises) and who are without any loom in the house premises.

ii. **Allied worker household:** An *allied worker household unit* is defined as one that has any member of the household who has undertaken pre-loom (dyeing of yarn, warping/ winding, weft winding, sizing, testing, etc.) and/or post-loom activities (dyeing of fabric/calendaring/printing of fabric, made ups, etc.), even for one day in the last one year (preceding the survey date), either within the premises of the house or outside the household premises. These households did not have any members engaged in weaving activity within or outside the premises, nor did they have a loom within their premises.

iii. **Idle loom household:** An *idle loom household* is defined as one having a loom but not operated during last year and none of the members are engaged in weaving or allied activity. An idle loom is an indication of lack of work in handloom sector or migration from handloom weaving to other better opportunities.

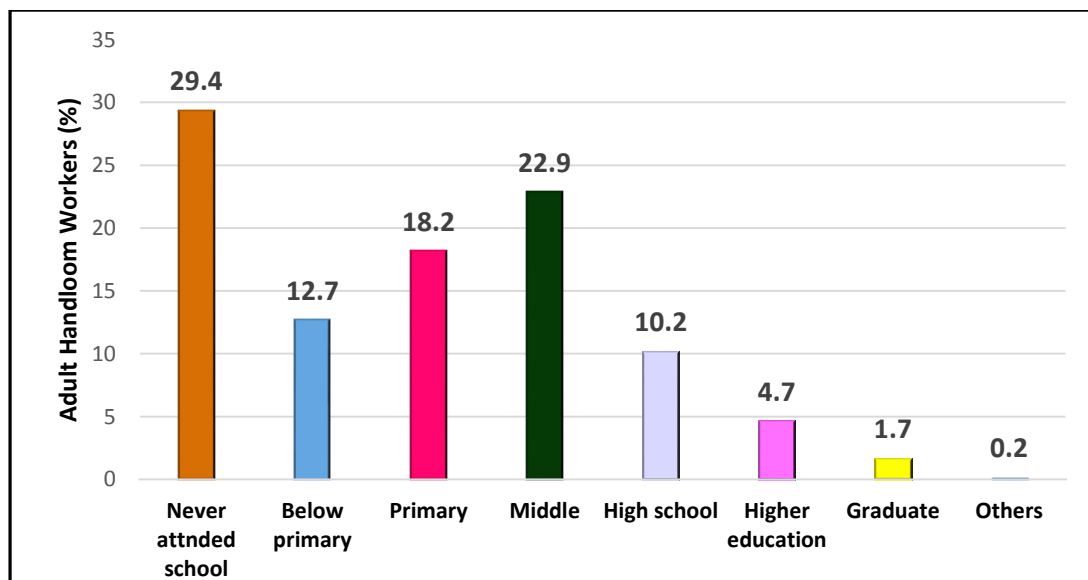
3.3.6 Women in Production System of Handlooms: As far as women participation is considered, after agriculture sector, handloom sector is the second largest sector which has substantial percentage of women workers. Since the sector is basically a family driven

enterprise, it involves the women members of the family. Generally the male members work on the looms and also are involved in procuring raw material and marketing of the product. The women members are involved in the allied works related to weaving and most of the pre-weaving work is done by them and in some cases women also even weave and operate the loom. It was also observed that handloom sector is the only manufacturing sector wherein one finds large number of women producing products which are worn by large number of women. Thus a unique feature of handloom sector is **‘women producing for women’**. Most of the items like sarees, dupatta, dress material, house hold items like bed sheets, pillow covers, curtains etc., are utilized by women. However, the shrinking of the sector is also affecting the women. Our country has large number of SHGs, if organized, nurtured and capacities are developed, they can contribute to the growth of this sector, which would ultimately help in economic empowerment and facilitate in bringing gender equity.

3.3.7 Educational Status: As indicated in the 3rd handloom census of weavers and allied workers 2010, a majority (60%) of adult handloom workforce has attained little or no schooling. The handloom weavers in Uttar Pradesh (60%), Andhra Pradesh (42%), Karnataka (39%) and West Bengal (37%) have a very high proportion of adult handloom workers reported of never having attended the school.

Most of the handloom weavers interacted with during the study were illiterate or educated only up to only primary classes. Women members of the handloom households largely participate in weaving and different works associated to weaving, thus live at home, causing high dropout rates from school. The status is depicted in Fig 8

Fig 5- Graph showing distribution of adult handloom workers by level of education



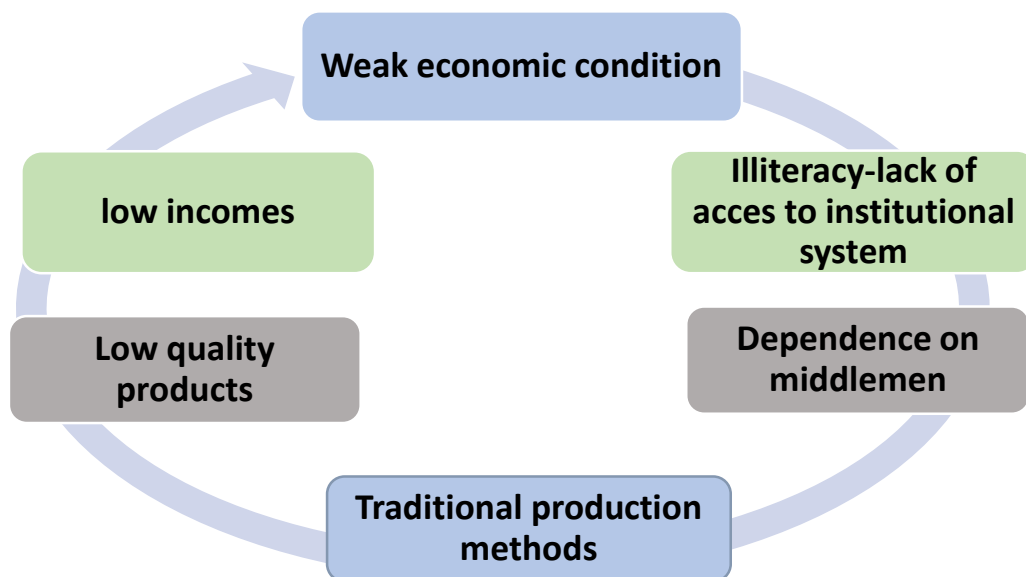
(Source: 3rd National handloom census of weavers and allied workers 2010 Annexure II table 4.5)

3.3.8 Vicious circle of poverty

As can be seen from the above table the handloom weavers come from the disadvantaged sections of the society. Their literacy level is abysmally low and the economic condition very poor. Though they possess valuable skills, they are in the clutches of middlemen and money

lenders and cannot bargain for their right dues. The vicious cycle of poverty in case of weavers is captured Fig 6 below

Fig-6: Vicious circle of poverty –handloom weavers



3.3.9 Health issues

Data compiled in a Case Study of Mubarakpur Town, Azamgarh District, U.P, Tasneem Shazli, Prof. Abdul Munir of Mubarakpur Town, Azamgarh District, U.P, is given in Table 9, which highlights occupation related health problems faced by the weavers.

Table 13 : Diseases of Weavers	
Diseases	Percentage of Weavers' suffering
Leg pain	13.14
Back pain	19.46
Joint pain	7.65
Chest pain	11.14
Gout	2.82
T B	1.33
Asthma	2.99
Coughing	4.82
Eye problem	10.98
Respiratory Diseases	10.64
Headache	14.97
Total	100.00

(Source: Journal of education and social Policy –Paper on Women Work Participation in Handloom Industry-A Case Study of Mubarakpur Town, Azamgarh Dist, U.P, Tasneem Shazli, Prof. Abdul Munir; June 2014)

The findings of the study team also confirm the observations of the case study and are given below:-

- a. It is a well-known fact that weaving requires long and patient hours of work in various harmful positions on traditional looms and instruments of handloom weaving, which causes strain and affected health.

- b. The looms continue to be of old designs without much improvements over the years and therefore the efficiency is poor which puts extra strain. In addition, most of the looms on which weavers work are situated next to windows of the room in a very small space. Work is done in the natural light and unhygienic rooms or places which puts considerable strain on the eye sights.
- c. Considering the strain which eyes, joints or the whole body go through during handloom weaving, overtime people engaged in handloom weaving start facing health ailments due to the hard working conditions. The major health ailments which people reported were muscular-skeletal in nature and suffering mainly from knee pain, joint pain, back ache and weakening eyesight.

3.3.10 Wages: In all the places visited by the study team, handloom weavers were working for more than 200 days in a year and up to a maximum of even 300 days in some clusters. However private traders control the wages paid to weavers because of their hold on input supply as well as marketing. As a result, the wages were found to be abysmally low at Rs 15 to Rs 20 per sq m. Since an average weaver can make about 6 to 8 m of plain average quality cloth in a day, the average wages work out to Rs 120 to Rs 160 per day. On the other hand in KVIC Society at Nadia and Bardhwan districts of West Bengal, the team interacted with the spinners and it was observed that they were spinning 150-500 counts yarn per day and the wages given to them were only Rs.100/ per day. Though they were able to get work round the year, the wages are one third of the minimum wages, which is a cause of big concern. The concerned state government department need to look into this and should facilitate in getting the minimum wage rate as specified by the Labour Department.

During discussions with master craftsmen in Mau, Uttar Pradesh, it was gathered that inherent skills that are unique to the area and very cheap wages are attracting buyers and traders from as far as Andhra Pradesh, Gujarat and Tamilnadu who come all the way to make purchases round the year. The study team also interacted with a few traders who came from Andhra Pradesh. The trader was a commission agent supplying silk sarees to shops in AP and also in Tamilnadu. The situation is similar to chikan embroidery sector of Lucknow that is surviving because the intricate embroidery work is being done by women from poor households at a very low wage rate. The wages are very low but these women are able to work round the year and add to household incomes. The low wage rate is of course an area of concern but it is generating demand resulting in continuous work for the weavers.

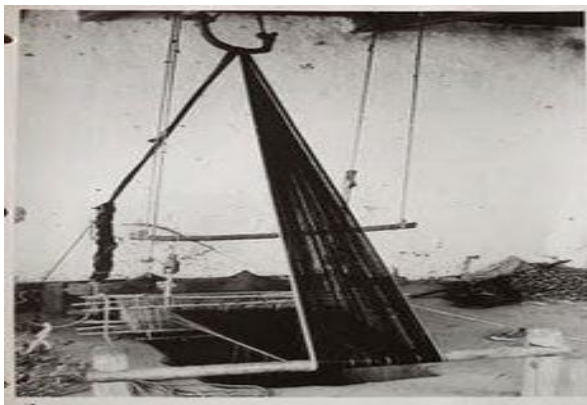
3.3.9 In Sant Kabir Nagar, Uttar Pradesh, it was observed that the women members of the family were effectively contributing to the weaving activity. In lean season, they take miscellaneous works like stitching school uniform (at rates as low as Rs.5/- per shirt). For some part of the year, they obtain handspun yarn from Khadi Institutions operating in the area to weave Khes. On an average they work for more than 200 days in a year for the weaving activities. The economic condition of the weavers is very poor but they preserve precious skills. Discussions with the weavers also revealed that the alternative to weaving is probably manual labour, which is also not available at times as because of their social constraints, women in Muslim weaver families are not allowed to go outside for taking up manual labour work even if it is more remunerative. Further, even male workers do not want to take up

manual labour as they treat themselves as artist and feel it is below their dignity to engage in manual labour.

3.3.10 Hazards in process of dyeing: The entire process is done by the dyers either at their homes or in separate dyeing premises by hand and using crude measuring balance, stoves, utensils and makeshift kind of gadgets. The dyers therefore do not control the process parameters like temperature, time, pH, quantity & purity of dyes & chemicals properly. The poor process control, quality of dyes and chemical used affects the quality of the products and as a result the products go to the lower end of the market fetching low price. Thus it was felt that quality improvements in the processes ancillary to the handloom weaving is also very important.

3.3.11. House hold looms versus Work sheds: The handloom sector is a decentralized activity and involves entire family in the production. Most of the work is carried out in and around the area where the looms are existing. Mostly looms were located in the weaver's house and in two societies in AP (out of total number of 8 societies visited), it was observed that there were common work shed where people go and work. However, many weavers were of the opinion that they are more comfortable at home. One of the reason for this was that a major portion of ancillary work is done by the women members of the family particularly entire pre-loom work like dyeing, warping, sizing, preparing spindles etc. Therefore, besides improving the working conditions in work sheds, the focus should be to improve the working conditions of household looms which are in large numbers.

3.3.13. Types of looms used: It was observed that majority of the weavers were practicing the old traditional weaving system with little involvement of technology which is locally known as pit system. Pit loom and stand loom were the kinds of looms mostly used by the handloom weavers.



(Pit Loom)



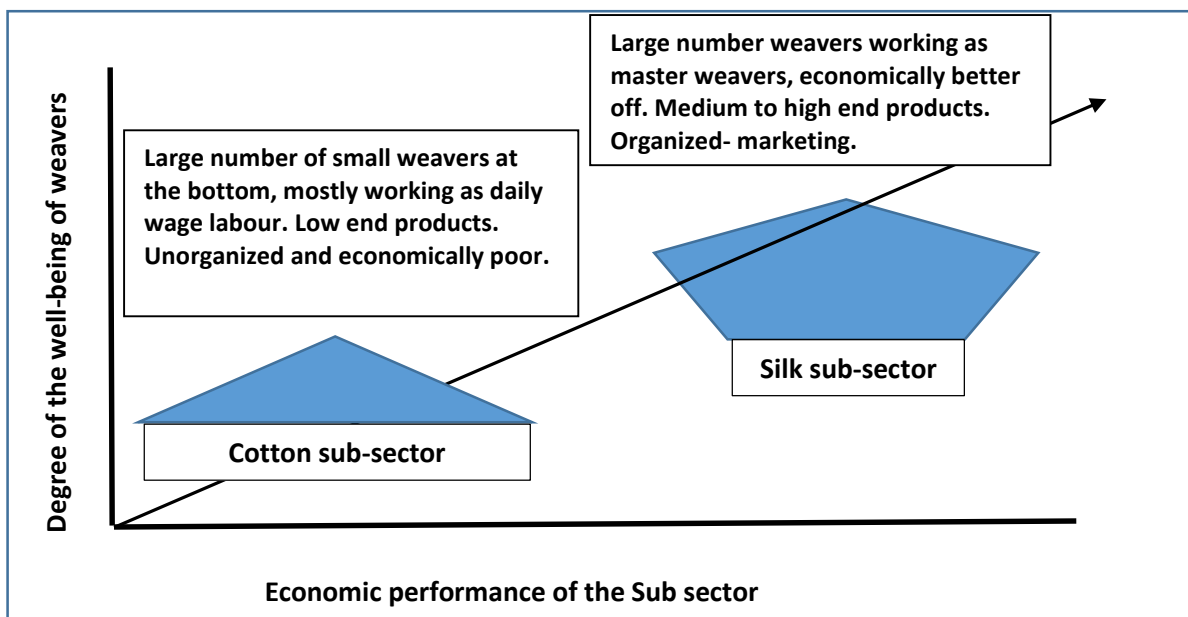
Stand loom

Pit looms were common in cotton handlooms whereas in silk subsector, stand loom and frame looms were predominant. Dobby techniques were used by weavers mainly in the areas of sarees. Extra warp and weft are used to create designs and patterns. By using doobby techniques in looms with a warp beautiful patterns and designs are being created particularly on sarees and also dhotis.

3.3.14 Most of the looms visited were old and in many cases the structure is weak. Although the weavers desire to improve or install new looms, they neither had the required capital nor were banks willing to extend credit. During the discussions many of the weavers reported that in fact banks were not willing to finance to weavers. The achievements under margin money scheme¹⁰ also support the views of the weavers as the progress under the scheme is insignificant compared to the targets.

3.3.15 Although the GOI and State Governments initiated measures such as Modernization and Up-gradation of technology, infrastructure support, welfare measures, development of exportable products etc., to bring improvements in the production systems, the impact of these measures has been more conspicuous in silk sub-sector whereas there has been little change in the designs, patterns and production system in cotton sub-sector. The main reason for this was the requirement of credit. As the silk weavers are financially better off, they were able to access to bank credit whereas the handloom weaver with poor financial background unable to tap the resources of banks. The performance of sub-sectors of cotton and silk is depicted in the following figure:

Figure 5: Pyramids of Cotton and Silk sub-sectors of Handloom Sector – Existing situation



3.3.16 During discussions with the weavers, they expressed that they do not need training or skill development in designs, patterns etc., as they feel that have requisite skills as they were born in the weavers families. They were quick to add that they do not need skills but need timely credit support. However, the discussions with Dastkaar Andhra revealed that the weavers were trapped in the traditional production system and require skill development in developing modern design and patterns, developing dyes and colours. The interventions from Dastkaar Andhra have brought a definite change in the colours and patterns. Similarly in West

¹⁰Margin Money assistance @ 20% of the project cost subject to a maximum of Rs.10,000/- per weavers will be provided which will enable the handloom weavers, their Self Help Groups and Joint Liability Groups to leverage this amount for borrowing loans from the banks.

Bengal also the support provided by NIFD and other organizations has brought a perceptible change in the colours and designs as observed in Purbashtali Sri Rampur cluster in Bardhwan cluster in Bardhwan district of W Bengal. These interventions prove that there is need to change dying, colouring and patterns/ designing to suit to the needs of the market.

3.3.17 Insurance & Social security:

- a. Government of India in 2009-10 launched a Health Bima Yojana for handloom weavers in collaboration with the ICICI Lombard. Under the scheme, insurance up to Rs. 15000/- per year was being extended to the weaver, his wife and two children. There were reports of large scale financial irregularities under the scheme and the scheme has been discontinued for the last 3 years. There is a need for effective insurance scheme for the weaver households as the health related problems are common to the weavers as the work involved is too strenuous.
- b. Compared to handloom sector, in KVIC sector, the wages include a component of compulsory PF and pension payable to the weavers. KVI runs a welfare scheme with contribution from weaver's wages, KVIC and trust. This is used for paying a onetime amount of Rs.2 lakh to weaver at the age of 60 years. There is a need for a similar mechanism for handloom weavers. State Governments may introduce such scheme for the social security of weavers.

c. Mahatma Gandhi Bunkar Bima Yojana

The basic objective of the "Mahatma Gandhi Bunkar Bima Yojana" is introduced by Gol in the year in December, 2003 and it is continued presently to provide enhanced insurance cover to the handloom weavers in the case of natural as well as accidental death and in cases of total or partial disability.

For availing of assistance under the scheme, the weaver should fulfil the following conditions:-

- The weaver should be earning at least 50% of his income from handloom weaving.
- All weavers, whether male or female, between the age group of 18 and 59 years are eligible to be covered under the scheme, including minorities, women weavers and weavers belonging to NER.
- The weavers belonging to the State Handloom Development Corporations/Apex/ Primary Handloom Weavers' Cooperative Societies will be covered under the Scheme. Weavers outside co-operative can also be covered under the scheme on a certificate from the State Directorate of Handlooms that they are fulfilling the eligibility conditions.

3.3.18 Efforts of Directorate of Handlooms in Extension on Skill training:

Recognizing the need for protecting our cultural heritage in the traditional skills of handloom weaving and for protecting the sector from competition from the power loom and mill made textiles, the Government of India decided in 1956 to set up the Handloom Design Centres at Mumbai, Chennai and Varanasi. The activities of these Design Centres were later expanded to cover other aspects of development of the handloom textiles and were re-designated as the Weavers' Service Centres. Presently, 28 Weavers' Service Centres are functioning under

the aegis of Office of Development Commissioner for Handlooms in various parts of the country. These weaver service centres are providing skill training to weavers.

3.18.1 West Bengal: The following positive contributions of Government machinery were observed by the study team during the visit.

- i. Under strengthening of clusters, the three societies visited by the team, (Fulia Tangail Shari Bayan Silpa samabay samity Ltd. Fulia, Nadia; Nutan Fulia Tantubay, Sambay Samiti Ltd, Fulia, Nadia and Tangail Tantujibi Unnayan Sambay Samiti Ltd, Fulia, Nadia) have got modern dye house [govt. subsidy of Rs 42 lakhs], guest house [govt. subsidy Rs 27 lakhs] and they are also running skill up gradation center on behalf of Government. Government of India has given at least one Common Facility Centre (CFC) and one Dye House in each of the Handloom clusters in W Bengal.
- ii. Chandanpur cluster development programme is being implemented by Handloom Development Office, Nawadeep. Nadia (WB). The cluster is supporting 312 weavers. Components supported under cluster development are common facility center, dye house, engagement of designer for improving the designs, provision of new looms to 40 weavers and jacquard to 60 weavers.
- iii. As a part of skill development efforts, master trainer is conducting programmes on 'buta' making on loom, pneumatic jacquard and power binding. The local master craftsman is developing designs. The center is also procuring saree design from CAD Centre Santipur, Nadia. CFC has also engaged one designer for the last one year. CFC and master craftsman are trying to imbibe new Skills on Jamdani weaving. The Cluster has selected 5 artisans for design training at Tantuj, Kolkata.
- iv. Shri Dileep Kr Malik, President, Purbashtali Sri Rampur Panchayat Samiti In Bardhwan District of West Bengal suggested during the discussions that large number of individual weavers are not covered either by Cooperatives or in cluster development programme. The development of such weavers could be taken up under NRLM and also under the schemes of MSME. Marketing according to him is a major problem which is due to use of old and obsolete designs by the weavers. This is an issue which needs to be taken up at the district.
- v. Under NRLM Purbashtali Sri Rampur Panchayat Samiti in Bardhwan district has initiated a training programme for SHG members on design technology and also arranged a few buyer seller meets. Innovative training of SHG members was done on use of "What's App" for interacting with buyers. The members were trained in techniques of photography and also display of products. More such training programmes need to be organized.
- vi. The Madhya Dakshin Srirampur Cluster in Bardhwan district is running a CFC with 10 looms assisted by West Bengal Handloom Development Corporation for last one year. The initiative is supported by Department of MSME. As a part of the training, the cluster has engaged a designer from Kolkata. She is engaged with the weavers, mostly women, for the last one year. The efforts are visible in the form of product diversification, improved designs, color patterns and different combinations and introduction of contemporary designs.

- vii. KVIC is organizing 6month training for spinning of yarn up to 300 count and 9 month training for spinning of 400-500 count yarn.
- viii. Under Tanti-Sathi scheme in West Bengal, AD (handloom) is providing handloom and work shed to weavers which a grant from the Government.
- ix. Government of India has issued instructions for `interventions in group mode' as a part of guidelines on Comprehensive Handloom Cluster Development Scheme (CHCDS) (12thPlan). In consultation with NABARD/SIDBI, these efforts need to be substantially up scaled.

3.3.18.2Andhra Pradesh: Similar efforts are being under taken by the department of Handlooms and Textiles in Andhra Pradesh also. The Department of Handlooms and Textiles is the nodal department in Andhra Pradesh state which deals with handloom & power loom sector and setting up of apparel and textile parks. The department has its offices in all the districts which supervises the working of WCS, Apex Societies and PWC Societies. The department also has the statutory and regulatory functions such as inspection, enquiries arbitrations, liquidation etc under the APCS Act 1964. The department implements various schemes and a brief account of the schemes is given below:-

- i. **Cash Credit:** Working Capital is provided to WCS in the form of Cash Credit sanctioned by NABARD and DCCBs.
- ii. **Subsidy on hank yarn, Dyes and Chemicals:** The State Government is extending subsidy of 20 percent on the purchase of hank yarn, dyes & chemical on reimbursement basis through NHDC & APCO.
- iii. **Pavala Vaddi Scheme:** The State Government is extending subsidy on the loans taken by the weavers holding the WCS Artisan Credit Card holders and handloom Weavers Groups. The rate of interest to be charges to these borrowers would be 4 percent.
- iv. **Weavers Suicidal Deaths Ex-gratia:** The GOAP has introduced a mechanism to help the distressed family of the suicidal death of the weaver. A committee is constituted at the district level with RDO, DSP and AD handlooms which recommend the sanction the Ex-Gratia amount to the District Collector to the extent of Rs 1.00 lakh.
- v. **Loan Waiver Scheme:** The GOAP has decided to implement the loan waiver scheme in the state for the benefit of individual members, cash credit loans and the loans procured by WCS from government will be covered.
- vi. Apart from these state specific schemes it is also implementing the GOI schemes like, Mahatma Gandhi Bunkar Bima Yojana, Health insurance Scheme through ICICI Lombard, Weavers Credit Cards, RRR package for Handloom sector, Integrated handloom Development Thrift Fund cum Savings & Security etc,.

As a part of development of the sector the Andhra Pradesh Government plans to improve the livelihood of weavers and it was reported that two mega handloom clusters would be set up with an investment of Rs.100 crore in each of them, at Mangalagiri and Chirala in Guntur district of the State. Mega clusters would have all facilities to support weavers, including machinery. Further, it was gathered that exhibitions would be conducted across the State to promote weavers products and a mega showroom of APCO would be opened at Vijayawada. GOAP also has brought out a policy document with a view to addresses the issues relating on weavers' development namely textile and Apparel policy- 2015-2020.

It was observed that, the weavers are comfortable with the traditional designs and slow in changing the patterns as they are not very conversant with the new designs and also because of low risk bearing capacity. In cotton handloom products there is very little innovation in the designs and patterns, but in silk products there is change. The designs are developed on computers and the weavers very comfortably adopt. Studies also indicate that the weavers have the skills and can easily develop the designs with little training or skill development. Some of the weavers argued that when there is high demand in the market for traditional designs and patterns, there is no need for innovation in the designs and products. The lack of change is partly due to the weaver, partly due to unwillingness of the investor to take risks and provide incentive to weavers for effecting the change. Although Government is spending considerable amount in bringing this change through various interventions like CFC, clusters, mega clusters etc., but the change is not that significant at the ground level.

3.3.20 Suggestions to improve the working conditions of the weavers:

- a. At the Apex Society level there is need to establish a design centre which will coordinate the entire work of developing latest designs, patterns, bringing newer dyeing technologies, colour combinations etc. The centre will also provide training to all the weavers associated with handlooms and in each cluster at least one Weavers Resource Person may be identified who will provide hands-on training to the weavers.
- b. Solar home lights systems may be included as a part of scale of finance and can be made part of Weavers Credit Card.
- c. All the weavers may be linked to PMJDY, PMSBY, PMJJBY, and Atal Pension Yojana as a part of strengthening the social security for handloom weavers.
- d. Credit for renovation of work shed and loom may be made a part of the weavers' credit card.
- e. The District Urban Development Agency/ Dist. Rural Development Agency/PRIs, may be made responsible to create basic amenities on health and hygiene, drinking water, lights, drains cleaning, etc., in handloom concentrated areas.

References:

1. *'Weaving woes on the handlooms'* M Narashimha Reddy Published in Business Today- 04 November, 2007

3.4 Marketing System in Handloom Sector



3.4 Marketing System in Handloom Sector

3.4.1 The marketing system in the handloom sector operates mostly through the following five channels:

- a. State Handloom Cooperative Societies
- b. State Handloom Development Corporations
- c. Private traders/ master weavers
- d. Sales outlet of weavers' societies
- e. Exhibitions/Mela, where individual weavers/societies/groups take a stall and market the products

3.4.2 Since inception, the cooperative system was devised in a manner that the Primary Weavers Cooperative Societies would be production units and Apex level Cooperative societies would provide them with the raw material, designs and marketing support. However, cooperative handloom sector covers only 15% of the weavers and apex societies have not been able to provide the requisite marketing support to the PWCS. Different state governments also established State Handloom Development Corporations to provide marketing support to the individual weavers. It is estimated that 80% of the marketing support is provided by the private traders/ master weavers. Though they are performing a useful function, their functioning is characterised by exploitation of weavers.

3.4.3 Problems in marketing of handloom products:

Marketing is one of the major challenges for handloom products because of changing market environment like globalisation, industrialisation and mechanisation. The major challenges in the field of marketing can be summed as under:

- a. **Lack of availability of market information:** The weavers are unaware of the market demand and unable to adopt new design and colours, etc., due to lack of direct customer feedback. The middle men /master craftsmen/traders control major part of supply of inputs as well as marketing channels, they continue to be critical source of information on product specifications in terms of colour, design, patterns, trends and other market related information. Many times they are the only source of information for handloom weavers. This information gap results in production of items which are not preferred by the customers. During the field visits the study team observed the Government is aware of the problems and in some state like in W Bengal and Andhra Pradesh, they have placed designers with the cluster of weavers in each of the handloom clusters supported by GoI. Similarly KVIC also under its '**Scheme of Fund for Regeneration of Traditional Industries**' (SFURTI) cluster scheme provides for engaging designers at the cluster level with a view to provide them with the contemporary designs and train the weavers. In West Bengal the study team have also come across an example where the women weavers have been trained to use 'What's App' for advertising and marketing their products.

- b. **Lack of awareness about the product features among customers:** During interaction with the cooperative societies and individual weavers in the field, it was found that though the weavers are aware of all the qualities of handloom cloth, they lamented that very few present day customers are aware of the superior features of handloom cloth. Handloom cloth is very soft and good for skin. The use of vegetable dye makes it health friendly. However, the customers are also not able to distinguish between the handloom products and the products produced by power-loom. The customer should be aware of these qualities of handloom and should be able to differentiate from the rest. Hence, awareness campaign needs to be launched for highlighting the superior features of the handloom product. Like organized players and corporate houses, handloom clusters are neither able to organize marketing setup which reaches people nor promote their product by way of endorsements/ advertisements /publicity campaigns. Hence the weavers have expressed a very strong need for a national awareness campaign using Brand Ambassadors for the handloom products.
- c. **Insufficient Promotion and Advertisement of Handloom:** Generally, the promotion is only through exhibitions and fairs with limited outlets for a limited periods, mainly only during festival seasons. Hence the customer purchases handloom products, only when available and switches to the other competing products when handloom products are not available in the market and therefore customers cease to remember handloom products (out of sight, out of mind), which ultimately affects marketing. KVIC embarked on a massive national campaign highlighting the quality of cloth woven on Charkha with very positive results in terms of sales and turn over for the KVIC institutions. Therefore, handloom sector needs a focussed strategy of continuous promotion, regular advertising and marketing support.
- d. **Lack of Quality Standardization:** The handloom cloth often is not able to compete because of lack of quality consistency in terms of finishing, colour and dye. Government of India and State Governments under their cluster development schemes are trying to promote adherence to the quality parameters. A procedure is needed for checking the quality standards of the products like durability, shrinking etc., so that the customer is assured about this. The government should take initiative and conduct research on the related issues. Ministry of textiles GOI, is promoting use of **handloom mark** and **wool mark** which is indicative of superior quality of products and fetches them better price from the market. However, adoption of handloom mark is not widespread amongst the weavers due to poor awareness and also lack of quality consciousness at the level of weavers.
- e. **Improper Management of Handloom Logistics¹¹ or supply chain systems:** Handloom logistics should be done in a scientific way. There should be precise calculation of stock keeping and cost incurred in maintaining a huge stock. There should not be any blockade of money and subsequent interest burden. Generally inefficiency occurs in the marketing of finished products and huge stocks remain unsold with the marketers. Some of the Cooperatives end up in loss because of these arrangements.

¹¹ Logistics include the subsystems of input management and integrating the same with the existing production system, e.g. master weavers work in factory shed system whereas weaver societies issue yarn to weavers and receive cloth after considerable period of time. This leads to large inventory stock in comparison to master weaver.

3.4.4 Role of Master Weaver in Handloom Marketing: A master weaver is a generic term used to people who get the yarn sized, supply beams to smaller owner, get the fabric woven and get the cloth processed. This system of master weaver has evolved over the years. In the past, master weavers used to advance yarn to weavers working in their own houses. In recent years, many master weavers have set up common sheds for weaving, where hired weavers come and undertake production activities. As master weavers provide credit to approximately half of the weavers households, they continue to be the most powerful and critical link in the entire credit, production and marketing setup of the handloom sector. Master Weavers are able to correctly estimate the market demands in terms of price, quality and design and therefore to a larger extent control the marketing.

3.4.5 Initiatives by Government of India for marketing handlooms:

A. Handloom Marketing Assistance: During 12th Five year Plan, the Government of India has launched “Handloom Marketing Assistance Scheme”. The main objective of the scheme is to provide direct marketing platform to the weavers and handloom organisations to sell their products directly to the consumers. The main activities under the components are :

- i. Organisation of expos, events and craft melas
- ii. Development of web - portal for e marketing
- iii. Publicity, awareness and brand building
- iv. Promotion of Handloom Mark
- v. Implementation of Geographical Indication of Goods
- vi. Setting up of urban haats
- vii. Setting up of retail stores
- viii. Marketing Complex at Janpath, New Delhi,
- ix. Setting up of display cum CFC and quality testing unit
- x. Designer intervention / marketing support
- xi. Engagement of top end designers for the domestic niche market / international market and brand building
- xii. Export project
- xiii. International fairs and exhibitions

B. Handloom Mark: The Handloom Mark has been launched to serve as a guarantee to the buyers that the product being purchased by them is a genuine hand-woven product and not a power loom or mill made product. Handloom mark is promoted and popularised through advertisement and publicity. As on 31 January 2016 , 2014, 5.74 crore (cumulative) handloom marks have been sold to 16858 stakeholders (Individual weavers, master weavers, PWCS, Apex Societies, Retailers, Exporters and others)
(Source: <http://www.handloommark.gov.in/faq.aspx>)

C. MoU with Flip kart: Development Commissioner, Handloom signed an MOU with M/S Flip kart for domestic marketing of handloom products of individual weavers and Handloom Corporations. The intervention is aimed at providing the missing linkages of market intelligence, market access and logistics and help the Indian weavers in getting remunerative prices for their products.

Flipkart will provide online marketplace for sale of the products of the weavers / master craftsmen/ national awardees/ state level awardees and the others as advised by Development Commissioner for Handlooms. Flipkart or their business partners will also have a collection centres to collect their products.

The weavers will sell their products under their brand name and evolve as an entrepreneur selling his products directly to buyers across the country without stepping out of their workplace.

D. e-Commerce Policy: The Government of India has launched a policy framework to encourage e-marketing of handloom products, in order to promote marketing of handlooms in general and to reach the younger customers in particular. Under the policy framework, the Office of DC (Handlooms) would collaborate with approved e-commerce entities in promoting e-marketing of handloom products, in a transparent, competitive and effective manner. The policy thus widens the existing ambit of institutional collaboration between Office of DC (Handlooms) and e-commerce players.

3.4.6 Marketing efforts of private start-ups like Fabindia

While marketing efforts of Government owned institutions like KVIC and other State owned institutions has not been very encouraging in spite of Government subsidy inputs, institution like 'Dastkaar Andhra' and 'Fabindia' have achieved good economic returns and have emerged as sustainable entities. Dastkaar Andhra provides design and technical support to over 450 weavers of 250 Primary handloom weavers' cooperative societies in 7 districts of AP. It has two separate entities for marketing i.e. DAMA for facilitating marketing, where it works like an intermediary and DARAM for retail marketing through its own outlets.

Fabindia is a well-known retail brand that markets various hand made products through its stores across India and abroad The Company is 50 years old and started as an export house, exporting Indian hand woven fabric to developed markets in the West. During the last 15 to 20 years it has focussed on domestic market and 90 percent of its revenue comes from domestic market. Fabindia sources products from weaver communities that are traditionally well versed in a particular craft and make products using that skill. Fabindia acts as an intermediary between weavers and consumers and take the products of weavers to urban markets in India and worldwide. Fabindia supports around 55,000 rural handloom weavers. It has created 18Supply Region Companies to manage the intermediation.

3.4.7: The mismatch –Policy presumptions and actual product characteristics

Quoting from the draft consultation paper on handlooms, Planning Commission Government of India October 2014,

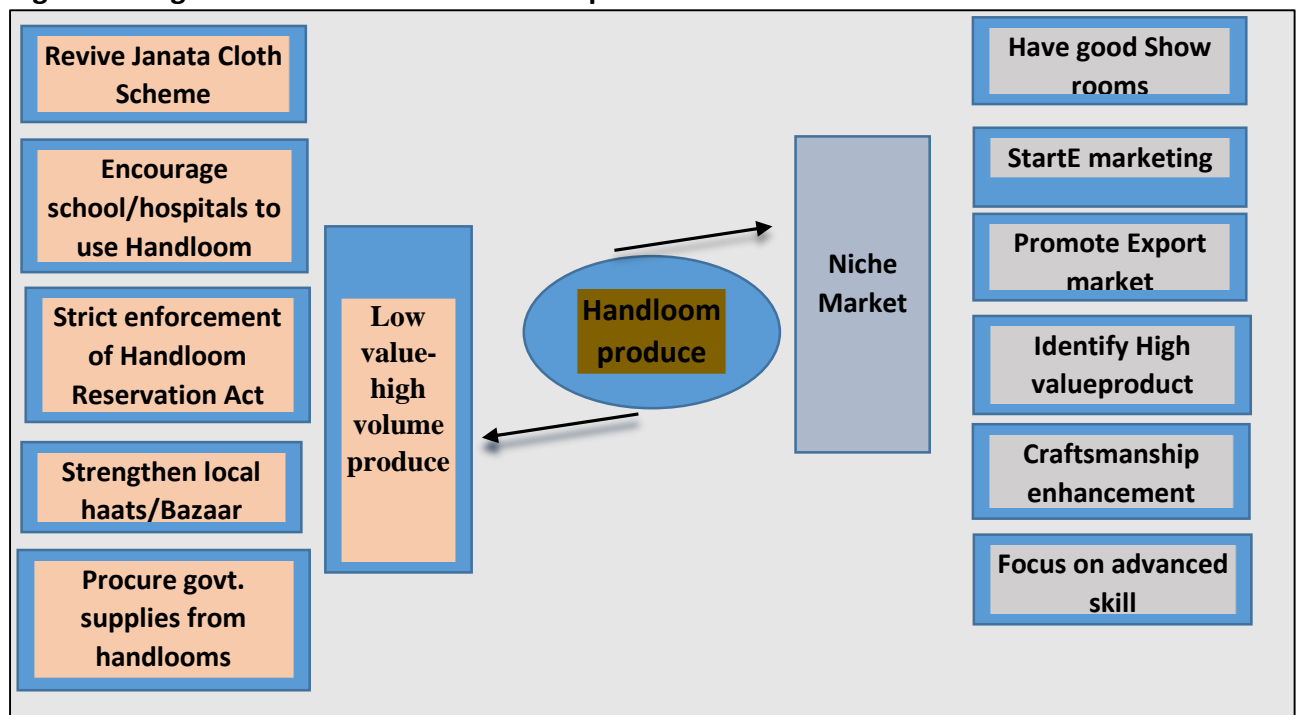
“Experience gained after interaction with various stake holders especially National Awardees and Master Weavers, over the last couple of years has indicated that only high quality, high value added and design driven products catering to niche market will promise a secure future for handloom products. Therefore, an appropriate strategy will be to

generate continuous market intelligence through periodic studies and to provide inputs on colour trends, design preferences and specific end use demand etc. to the Master Weavers. The present subsidy driven approach needs to be revisited as the same is crippling innovation and enterprising spirit of Master Weavers who are producing products for niche markets.”

The thinking of government policy seems to be that if handloom has to survive, it would have to concentrate on high value niche market products.

However during the field visit to West Bengal, Uttar Pradesh and Andhra Pradesh has indicated that the average price of the product produced in handloom concentration areas is below Rs.1000/-[be it cotton sarees, bed sheets , shawls, lungi’s , dress material ,etc.]. Major portion of the produce of the centre is meant for middle and lower level segments. It also accounts for the major production of the handloom sector. Since there are two market segments in handloom sector, namely, Niche (domestic and export) and others (domestic only). The articles, design, branding and promotion for both market segments require differentiated marketing strategies as indicated in figures.

Figure 8: Segmented market for handloom products



On the basis of the field visit observations and interaction with the weavers in remote handloom clusters, the study team believes that notwithstanding the competition from power loom and organised textile mills, Handloom can cater to vast market potential of lower and middle class segment. Even in the existing scenario, the major bulk of production in handloom sector is low value products [Curtains, Durries, place mats, bed sheets, towels, furnishing material etc.] which accounts for about 60 percent of the total. We must strengthen handloom clusters through innovative marketing strategies as specified in the above figure. Each handloom cluster should be encouraged to make efforts for tapping the local market (within radius of 200 kms). It is expected that once they gain strength in local markets, they would venture out for the markets other than local.

Some policy interventions for promoting low value mass market are given below:

- a. **Restructure Apex Weaver Societies and Handloom Development Corporations-** These organisations if run efficiently would be in a position to offer an effective platform for selling handloom products. This would in turn result in better price realisation, improved wages and also break the monopolistic hold of the traders/middlemen and master weavers. Apex WCS and HDC can also reach out and negotiate with bulk buyers, have e-marketing platforms, have showrooms in big market places and also negotiate and effectively channelize the supply of raw material in terms of yarns & dyes. This can happen when the management of such organisations given in the hands of the professionals.
- b. **Strictly enforce the Handloom Reservation Act-**To protect handlooms from Power looms and mechanized sector, the Handlooms (Reservation of Articles for Production) Act, 1985 is being implemented by the Ministry. Under the Act 11 textile articles are at present reserved exclusively for production on handlooms (with certain technical specifications.) The Enforcement Offices of the O/o the D. C. Handlooms, Weavers Service Centres and State Governments/UTs are regularly inspecting Power looms and Mills to prevent violation of the provisions of the Act.
- c. **Encourage Schools hospitals and hotels etc.** to procure from handloom sector. Government should think about providing incentive to such institutions if they do so. This would generate large local demand.
- d. **Strengthen local haatbazaars.** Encourage and facilitate weavers to sell within a radius of 200 Kms. This would probably have the effect of reducing the middlemen.
- e. Government departments should be instructed to procure their requirements from handloom sector. State Governments have to play positive role in facilitating the process of integrating the handloom clusters in the procurement process.
- f. To facilitate the same, each handloom concentration area must create a community level organisation which would interact with buyers, government departments and also show case its product.

3.5 Bank Credit to Weavers and Weaver Organizations



3.5 Bank Credit to Weavers & Weaver Organizations

3.5.1 Revival, Reform and Restructuring Package

3.5.1.1 At a function to launch the Handloom Mark, on 28th June 2006, the then Hon'ble Prime Minister Dr Manmohan Singh stated that,

"I am aware that access to credit and cost of credit are two problems facing the handloom sector. I understand handloom co-operatives suffer from two problems in accessing credit.

- Firstly, the cost of credit is on the higher side.
- The other is that credit to handloom cooperatives have been choked because of a debt overhang.

Considering the importance of handlooms, we need to address these problems on a priority. I have asked the Finance Minister to consider the feasibility of extending the low interest facility provided for agricultural loans to handloom weavers as well. I have also asked the Textile and Finance Minister to look at the problem of debt, which is afflicting handloom cooperatives."

3.5.1.2 As a result, Government of India introduced "Revival Reform and Restructuring Package for the Handloom sector" in the year 2010. The Package envisaged the following:

- a. Categorization of the Primary Weavers Cooperatives based on certain viability norms into viable, potentially viable and non-viable units. The benefits of the package was available only to viable and potentially viable units.
- b. Cleansing the balance sheet of the Apex and the Primary weavers' cooperatives was re-emphasized as further credit flow to the sector largely depended on their ability to borrow.
- c. Cleansing of Balance sheet was proposed after a special exercise on assessment of losses so as to cover :
 - i. Clearing all long pending receivables from State, Central Government etc. which was a necessary precondition for inclusion in the package & kept outside the package
 - ii. Wiping out the accumulated losses of apex/ primary weavers cooperatives
 - iii. Clearance of more than one year old stocks
 - iv. Onetime write-off of overdue loans which were NPA and a part of the interest thereon (25%) as on 31 March 2010 so as to enable the Apex/primary weaver's co-operatives to borrow from banks.
- d. Providing interest subvention so as to enable the banks to lend to weaver loans @ 7% or less as done in the case of agricultural loans

The Package also provided for the training of officials of the Weavers Cooperatives, introduction of a Common Accounting System, Computerization, Capacity Building of bank officials, etc.

3.5.1.3 The position of non-viable/ defunct/ dormant PWCS in 6 important handloom concentration states in 2010, i.e. just prior to launching of the Package is presented in Table-15. The data presented there in indicated that large number of societies at that point of time were either dead or sick and the weaver members of such societies were left to fend for themselves .

Table 14 : Number of viable/potentially viable and Non-viable PWCS - in 6 major handloom concentration States of Tamil Nadu, Uttar Pradesh, Orissa, Assam, and Andhra Pradesh & West Bengal (2010 Position)

Sr.No.	States	No. of weavers (in lakh)	Viable/ Potential viable PWCS	Non-viable/ Defunct/ Dormant PWCS	Total PWCS
1	Tamil Nadu	4.13	1009	215	1224
2	Uttar Pradesh	5.00	969	2891	3860
3	Orissa	1.65	483	237	720
4	Assam	3.5	1261	1514	2775
5	Andhra Pradesh (combined)	3.65	628	792	1420
6	West Bengal	3.00	398	51	449
Total		20.93	4748	5700	10448

The position indicated the following:

- i. Out of the total 10448 PWCS in these states only 4748 PWCS (45.44%) were viable/potentially viable, while rest, a higher number of PWCS i.e 5700 (54.56%) were unviable/dormant/defunct.
- ii. There were large number of societies on paper but only a small fraction of these were working
- iii. A new strategy was required to reach weaver members of dead/defunct societies. Such weavers could only be covered through formal bank finance by way of activity based Joint Liability groups and Self-help group mode.

3.5.1.4 Coverage under RRR Package:

There were 44 Apex and 15926 PWCS functional across the country as on 31.03.2010. As per the guidelines of RRR package, all viable and potentially viable Apex and Primary weaver societies were to be covered under the package. The quantum of assistance to be made

available to each weaver society was linked to the audited Financial Statements (Balance sheet and Profit and Loss Account finalised on the basis of special audit.

A total of 39 Apex Weavers Societies, 9361 PWCS (viable and potentially viable) and 54305 individual weavers including 5645 Self Help Groups across 27 States of India were covered for according benefits under the Package.

Under this package, a total of Rs.1089.89 crore were sanctioned and Rs.963.39 crore were released as on 31.03.15 under this package.

3.5.1.5 Impact of RRR handloom package in the study area:

In West Bengal and Andhra Pradesh, the societies visited got fresh loans whereas in Uttar Pradesh, the societies which benefitted under the package are yet to receive fresh dose of bank finance. In West Bengal and Andhra, Tantuj (Apex Society) and APCOB (Apex Society) have been benefitted under the Package. Both have gone for fresh Loans. In both cases, the turnover and outreach has increased considerably. Both the Apex Societies have also developed a beautiful web site and e marketing portal.

Regarding the primary societies visited, impact was seen in terms of following:

- i. Societies received RRR Handloom Package assistance directly in their accounts.
- ii. The societies have utilised the assistance by way of starting new looms, increasing the range of products and increase in volume of production (ranged from 10-15% in the societies visited by the study team).
- iii. Resorting to bulk purchase of raw material
- iv. The primary Societies have realised the importance of maintaining proper books of accounts and timely audit.
- v. AD Handlooms in all the districts have started monitoring the progress of weavers credit card and the same is being regularly reviewed in block, district and state forums.

3.5.2 Covering weavers outside Cooperative fold

Subsequently acknowledging the fact that around 85% of the weavers are working outside the Cooperative fold, Government of India, Ministry of textiles embarked on a massive programme of covering individual weavers through the Weaver's Credit Card. The features of WCC are presented in Table 16 below

Table 15: Weavers Credit Card (WCC) Scheme – for financing Handloom Weavers

Nature of limit	Term loan / Working capital limit in the form of Simplified Open Cash Credit (SOCC)
Purpose	To meet working capital and term requirements of artisans
Eligibility	<ul style="list-style-type: none"> • All handloom weavers and ancillary workers involved in handloom weaving activities • Preference would be given to weavers identified under the 3rd Census of Handloom weavers conducted by Development Commissioner

	<p>(Handlooms), Ministry of Textiles and weavers identified by the State Governments.</p> <ul style="list-style-type: none"> • Clusters of weavers and ancillary workers who have joined to form Primary Weavers Co-operative Societies/Self Help Groups/Consortia/Producer Companies/Joint Liability Groups. • All exiting handloom weaver borrowers of the Bank upon clearance of existing liabilities and having satisfactory dealings.
Maximum loan	Rs.2.00 lakhs (Aggregate amount)
Rate of interest	Rate of interest as per prevailing guidelines of the Bank linked to Base Rate of the Bank, subject to changes from time to time
Repayment	<ul style="list-style-type: none"> • Term loan – Repayable within a maximum period of 36 months • Working capital - Limit is valid for 3 years subject to annual review
Guarantee cover	CGMSE cover available wherever eligible
Special offers, if any	<ul style="list-style-type: none"> • No submission of stock statements • Working capital facility is valid for 3 years and can be operated by way of cheques • Laminated cards will be issued duly affixing the photograph of the borrower • Margin money of Rs.4200/- per weaver available from Govt. of India (subsequently raised to Rs.10000/-) • 3% interest subvention for 3 years from the date of first disbursement available from Govt. of India (subsequently raised to max. up to 6%) (no interest subvention is available if the loan account becomes Non-Performing Asset) • Photocopy of the Weavers Identity Card, Voter Identity Card/Ration Card and photograph of the weaver are to be submitted by the weaver at the time of applying for the loan.

Around 1.25 lakh weaver's credit cards have been issued by the banks in 2012-13 and 2013-14 with total loan disbursement of Rs.226.62 crore.

3.5.3 Fresh Loans: The entire success of the handloom package depended on the basic premise that once the balance sheets of viable and potentially viable weaver societies are cleansed and old overdue loans for the weaver societies as well as individual weavers are written off, the banks would start fresh financing to handloom weavers.

Except for Tamil Nadu, this seems to be not coming true as banks are shy of extending fresh loans to handloom sector. Traditionally Dist. Central Cooperative Banks were financing working capital requirement of Weaver Societies. The reluctance on the part of the bankers' was observed during the field visits in Andhra Pradesh, Uttar Pradesh and also in West Bengal.

The basic reason given by the bankers was past NPAs. We think indifference on part of the banks is also one of the reasons.

3.5.4 Findings from the field

3.5.4.1 During the study in three states, lack of credit from institutional sources emerged as a key and critical constraint for the individual weavers as can be seen from the table given below:

Table no. – 16: Data on Credit to Individual Weavers

Sr.No	District	No of weavers visited	Source of credit			
			Bank	Master weaver	Traders / Moneylenders	others
1	Guntur, AP	8	0	5	3	0
2	E Godavari , AP	5	2	3	0	0
3	Nadia , WB	5	3	0	0	2
4	Gorakhpur , UP	9	0	0	9	0
Total		27	5	8	12	2
Percent to Total			18.5	29.6	44.4	7.4

3.5.4.2 The field visits in 3 States indicate that master weavers and money lenders continue to be major players (75%) in providing credit to the individual weavers. This position gives them a distinctive advantage in terms of ability to control wages and set terms of trade which are many times unfair to the weavers. These findings almost match with the findings of 3rd Handloom Census 2010,¹² which reveals that master weavers, money lenders and traders provide around 62%of the weaver loans at all- India level. The study team also ascertained the position of issue of weaver credit cards, the data is as indicated in the table given below:

Table-17 : Position of sanctions of weavers credit card vis-à-vis application received in Gorakhpur, Mau regions in Uttar Pradesh, Kalna, Nadia in West Bengal and Guntur in AP- (as on 31st March 2015)

District	Total no. of applications forwarded	Sanctions	% of total applications
Gorakhpur (UP)	1009	190	19.0
Mau,Azamgarh and Ghazipur (UP)	3260	1633	50.0
Kalna, Nadia. West Bengal)	2803	235	8.38

¹²(Source: 3rd National handloom census of weavers and allied workers 2010 Annexure II table 6.11)

Guntur, AP	288	160	55.5
Total	7360	2218	30.13

3.5.4.3 From the table above it can be seen that against the weaver credit card applications sent to banks, sanctions are low especially in Gorakhpur district of UP and Nadia district of West Bengal. Some of the weavers in Andhra Pradesh and West Bengal indicated that applications were sponsored by department and the banks for the sake of sanction, sanctioned the applications but have not disburse/ release funds. In a few cases in Guntur it was observed that funds were released funds after a considerable gap of time between sanction and release which ranged from 5 to 8 months. Banks blame it on past NPAs and their earlier experiences with the weaver finance. There is a need to sensitize bankers and also effective mechanism needs to be devised at the district level for implementation of the schemes.

The data pertaining to the societies visited are given below:

Table-18 : Credit limits sanctioned &Utilization by the PWCs visited during the field visit.

Sr. No.	Name of the societies	No of members	CC limit sanctioned & Utilised (Rs. Lakh)	Bank	Per member Amount (Rs in '000)
	Guntur district , A.P				
1	Janatha WCS.Mangalagiri	161	30.00	DCCB	18633.54
2	Sri Markandeya WCS, Mangalagiri	100	7.00	DCCB	7000.00
3	Arumbaka WCS, Cherukupalli	673	12.00	DCCB	1783.06
4	Isukapalli WCS, Isukapalli	197	37.00	DCCB	18781.73
	East Godavari district , AP				
1	Uppada WCS, Uppada	216	12.42	DCCB	5750.00

Sr. No.	Name of the societies	No of members	CC limit sanctioned & disbursed (Rs. Lakh)	Bank	Per member Amount (Rs in '000)
2	Hasanabada WCS, Hasanabada	416	107.35	DCCB	25805.29
	Nadia District , West Bengal				
1	Nutan Fulia Tantubay Sambay Samity Ltd.	554	140.00	DCCB	25270.76
2	Fulia Tangail SariBayan Silpa Samabay Samity Ltd.	636	140.00	DCCB	22012.58
3	Tangail Tantujibi Unnayan Samabay Samity Ltd	530	140.00	DCCB	26415.09
4	MatiariKuteer Ship Prathishtan, Nadia -KVIC Society	35	2.5	Allahabad Bank	5714.00
5	Chandanpur Khaja baba TSS	141	1.5	DCCB	1315
	Bardhman District				
1	Maha Prabhu Pada Tanboy Samithy	114	5	DCCB	4385
2	Khadi Gram Udyog Shilp Unyan Sanstha- KVIC Society	85	Nil		
	Gorakhpur District, Uttar Pradesh				
1	Bunkar sahkari samiti ltd. Naurangabad	64	5.50	OBC	8593.75
2	Handloom Cutwork Bunkar Sahakari Samiti,Rasoolpur	70	5.00	Canara Bank	7142.86
3	Hathkargha Sahakari Samiti ltd. Rasoolpura	70	4.00	Allahabad Bank	5714.29
4	Bunkar Udyog sahkari samiti ltd	31	0		
	Mau District, Uttar Pradesh				
1	Sahana Bunkar Sahkari samiti Limited, Chiraiya Kot	52	0		
2	Ansar hathkargha bunkar Sahakari samiti , Jameen Burhan, Chiraiya kot	93	0		

Detailed analysis of the above table has been attempted in the subsequent paragraphs as below.

3.5.4.4 As can be seen from the above table the financial position of the DCCBs have affected the credit availability to the societies.

- a) Gorakhpur Dist. Central Cooperative Bank, Uttar Pradesh is Sec.11 non-compliant Bank. Traditionally DCCB was financing working capital requirements of weavers' societies. However discussions with DCCB Official have indicated following:
- The advances given to handloom industries in past have gone bad
 - DCCB has received the advantage of RRR Package and recovered NPAs from Weavers' Societies eligible under RRR Package. However the bank because of its weak financial position is not able to extend fresh finance.
- b) Similarly DCCBs in Mau, Azamgarh, Balia and Varanasi etc. with large weaver concentration are financially weak and not able to provide fresh finance.
- c) In Sant Kabir Nagar, Nadia and Bardhaman districts, Banks are not forthcoming in financing under weavers' credit cards, even though the needs of the poor weavers are not very much. Operating in cotton on one loom would require as low as Rs. 50000/- credit limit. Past loans which have become NPAs has been cited as the reason by most of the banks for not financing to weavers. The banks should be encouraged to cultivate these weavers as long term viable bank customers.

3.5.4.5 Dead and Defunct Societies: As can be seen from the Table-18 given below, the presence of the large number of dead and defunct societies choke the credit flow to the sector and there is a need to work out a plan for merger or closure of such societies. The no of total district wise PWCS, active, defunct /Non-active/dormant are given in Table 18.

Table 19: No of dead/defunct Societies in Gorakhpur & Mau of UP and Guntur & East Godavari Districts of AP

Sr. No.	District	Total No. of PWCS	Active societies	Defunct/Non-working PWCS
1	Gorakhpur Region Uttar Pradesh			
i	Gorakhpur	375	53	322
ii	Sant Kabir Nagar	141	30	111
iii	Deoria	89	0	89
iv	Maharajganj	06	01	05
	Sub Total	611	84	527
2	Mau Region Uttar Pradesh			
i	Azamgarh	460	437	23
li	Mau	442	33	409
ii	Ghazipur	82	41	41
iii	Balia	26	0	26
	Sub total	1010	511	498
3	Andhra Pradesh			
i	Guntur	69	44	25
li	East Godavari	50	50	Nil
	Sub Total	119	94	25

3.5.4.6 In Gorakhpur DCCB, 285 Primary weavers Societies are having outstanding loans. These societies are closed since 1985-86 and past loans given to these societies are overdue (principal- Rs 2.15 crore, interest. - Rs3.53 crore and total-Rs 5.68 crore). Similarly, in Bardhwan CCB, out of total 151 PWCS accounts, 102 PWCS are dead or defunct. The total NPA on account of such societies is around Rs 24 crore. The banks are reluctant to finance weaver's

societies on account of such past experiences. After 2011-12, many societies have not gone for audit of their accounts. This makes them ineligible for bank loans. The entire RRR Package was designed with the basic premises of de-clogging the choked line of credit and making available cheap credit. Future growth in handloom weavers' societies can come only if they are sensitized on the importance of regular account keeping and audit of the societies.

Under these circumstances, banks cannot be blamed for their reluctance to finance weavers either individually or through PWCS, however there is a need for appreciation that just because there were NPAs in the past in handloom sector, banks cannot stop looking at it as a business opportunity. They can start financing non defaulter weavers and well-functioning PWCS on case by case basis. Though the overall scenario of financing to the handloom sector looks bleak, yet a few examples like financing of 18 Producers Companies floated by Fabindia by Axis Bank and ICICI Bank and financing of large number of weaver SHGs in Orissa by RRBs and sanction of credit limit to the societies in Gorakhpur by commercial banks offer a ray of hope.

3.5.6 Group Mode of Financing: Besides, the individual and cooperative mode of financing, the Directorate of handlooms has initiated efforts in the area of group mode¹³ of financing. The table below indicates the progress under the group model:

Table 20: Table showing details of Clusters and projects sanctioned in group mode

State	Cluster projects	Group mode
Andhra Pradesh	42	275
Uttar Pradesh	54	339
West Bengal	39	65
<i>Source: Fact Sheet on DC Handlooms, GoI (Website) as on 31.12.2015</i>		

Most of the cluster projects were sanctioned during the period from 2008-09 to 2010-11. In subsequent years, Ministry of Textiles GoI has not given many sanctions under the scheme. Government of India under their cluster development programme has initiated steps for formation of 2285 SHGs in 20 clusters. A major part of these SHGs have been credit linked to Grameen Banks, Commercial Banks and with District Central Cooperative Banks (please see annexure IV). Group mode of financing for weavers need to be scaled up. The study team is of view that organizing weavers in SHG and JLG Mode¹⁴ should be given preference over individual finance.

3.5.7. SHGs & Credit Linkage: Chandanpur model of financing weavers

Chandanpur Cluster in Nadia district of West Bengal has 19 SHGs (10-14 members each). These SHGs have saving Bank Account with Bangia Grameen Bank. These SHGs have been assisted by West Bengal Backward Classes Development and Finance Corporation during the year 2015-16 by way of term loan Rs 23750 per SHG member to be repaid in next 3 years. If repayment is timely, then fresh loan of Rs 40000 per member would be provided. This is a

¹³ Group Mode of Financing means financing by way of Activity based Joint liability Groups and also self-help groups

¹⁴ Joint liability groups are meant for people engaged in some form of activity-fishermen, tenant farmers, artisans and weavers. In JLG, saving is desirable but not compulsory.

very interesting example where institutions other than banks have been used to finance the credit requirements of the weavers.

3.5.8 KVIC Pattern of Financing:

a.KVIC assisted weaver institutions which are also weaver cooperatives are all assisted through Commercial Banks and not through DCCBs. Given the fact that District Central Cooperative Banks in many of the handloom concentration districts are financially weak and /or unwilling to start fresh financing to weaver societies, KVIC pattern of financing needs to be studied in detail to explore the possibility of applying the same to financing the working capital needs of the handloom weaver cooperative societies.

b. Interest Subsidy Eligibility Certificate (ISEC) Scheme KVIC: Under Interest Subsidy Eligibility Scheme¹⁵, the working capital as well as capital expenditure credit is provided to the Khadi Institutions as per their requirement by the Bank at concessional rate of interest 4% per annum. The difference between 4% and the actual rate of interest charged by the bank is paid as interest subsidy by KVIC.

Reserve Bank of India issued instructions vide letter No. PLNFS.BC.16/06.06.12/94-95 dated 28.07.1994 to all Public Sector Banks instructing them to honour the credit evaluation done by KVIC if the same does not differ by more than 10% from the bank evaluation. The institutions registered with the KVIC/State Khadi and Village Industries Boards (KVIBs) can avail of financing under the ISEC scheme. The ISEC scheme now supports only the Khadi and the polyvastra sector.

3.5.9 Bank Funding of Consortiums¹⁶ formed in clusters

As can be seen from the table in Annexure-III, total of 55 Consortiums have been formed in the handloom clusters. These consortiums include 18905 individual weavers, 391 master weavers, 63 traders and 438 Weaver Cooperative Societies. 29 of these consortiums have been registered under Societies Act. Six Producer Companies have been formed by DC Handlooms and the companies are Chanderi, Varanasi, Sonapur, Bijnore, Bhagalpur and Burdwan, registered under the Producer Company Act. These consortiums were formed initially for better access to markets. As can be seen from above, the consortium consisted of all the major players, weavers, traders, master weavers and WCS. The consortiums can have strong beneficial impacts in terms of the bargaining power for supply of raw material, accessing design banks, interacting with apparel producing companies, inviting private investments through venture capital financing and also enter into long term supply contracts which may be beyond the capabilities of one or two individual producers.

The study team is of the view that these consortiums if properly nurtured would be in a position to support for raw material and marketing to the weavers. There is a need to track the working of these consortiums and invest in capacity building of these organisations.

¹⁵The Interest Subsidy Eligibility Certificate (ISEC) Scheme is the major source of funding for the Khadi programme. It was introduced in May 1977 to mobilise funds from banking institutions to fill the gap in the actual fund requirement and its availability from budgetary sources.

¹⁶A consortium is an association of two or more individuals, companies, organizations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

3.5.10 Producer organisation of weavers: NABARD has taken an initiative for supporting producer organizations, adopting a flexible approach to meet the needs of producers. In order to give a special focus, the “Producers Organization Development Fund” (PODF) has been set up w.e.f 01 April 2011, with an initial corpus of Rs 50 crore. Any registered Producers Organization viz, Producers Company(as defined under Sec 581 A in part IXA of Company’s Act 1956), Producers Cooperatives, registered Farmer Federations, MACS (Mutually aided cooperative society), industrial cooperative societies, other registered federations, PACS, etc. set up by producers are eligible under the fund.

Under the fund, credit support is provided for financial intervention. Support in the form of grant, loans, or a combination of loan cum grant is also available for capacity building & market interventions. Since most of the Producers Organisations are having low capital base, scope for NABARD's intervention under PODF has been enhanced to support Producers Organisations for contribution to share capital also.

3.5.11 In Private sector, companies like Fabindia are working on producer organisations which work as supply-region companies and manned by local people. These supply-region companies are expected to gradually take over design, distribution, quality control, warehousing and some processes like dying from the parent company (Fabindia). Eighteen companies have so far been set up in various states, which functional through a financing arrangement with ICICI Bank/Axis Bank.

3.5.12 NABARD Efforts in Enhancing credit to handloom Sector

A. NABARD as part of its mandate provides refinance to handloom sector since its inception. Refinance support is available under ST (Weavers) is as under :

1. Working Capital requirement of Primary/Apex/Regional Weavers Coop Society - through State Coop Banks/DCCBs/Scheduled Commercial Bank.
2. Working Capital requirement of State Handloom Development Corporation – through Scheduled Commercial Banks & State Cooperative Banks.
3. Working Capital and Marketing requirement of Individual Weavers, Handloom Weavers Groups, Master Weavers, Mutually aided Coop Societies, Societies outside Coop fold and Producer Group Companies – through Scheduled Commercial Banks & RRBs.

NABARD is getting response at present only from Tamilnadu, Puducherry and Andhra Pradesh.

B. Support for producers organisations

NABARD has taken an initiative for supporting producer organizations, adopting a flexible approach to meet the needs of producers. In order to give a special focus, the “Producers Organization Development Fund” (PODF) has been set up wef 01 April 2011, with an initial corpus of ₹ 50 crore. Any registered Producers Organization viz, Producers Company(as defined under Sec 581 A in part IXA of Company’s Act 1956), Producers Cooperatives, registered Farmer Federations, MACS (Mutually aided cooperative society), industrial

cooperative societies, other registered federations, PACS, etc. set up by producers are eligible under the fund.

C. Developmental support

- i. Supporting rural innovations through '**Rural Innovation Fund**'-All innovations and related activities in the Farm, Rural Non-Farm and Micro- Finance sectors can have access to the RIF. Assistance from RIF will be available for all activities which are in keeping with the guiding principles of RIF and specifically those which provide technology and skill up gradation, inputs supply and market support leading to promotion of viable enterprises, sustainable employment, infrastructure development, improved flow and access of credit to rural entrepreneurs.
- ii. **Supporting Rural Entrepreneurship Development Programme (REDP), Skill Development / Upgradation Initiatives (SDI)**
- iii. **Support to e-portals on pilot basis**-NABARD has supported on a pilot basis, development of e-portals for marketing of rural artisans' products through M/s. Zaak e-Ventures, New Delhi and M/s. eFresh Portal Pvt. Ltd., Hyderabad with the domain name, 'shilpihaat.com' and 'ekraftsindia.com' respectively.

NABARD earlier was running a District Rural Industrialisation Programme (DRIP) for supporting rural non-farm sector with the coordinated effort of all concerned agencies. The programme yielded very good results. A similar programme with specific focus on handloom weavers is required in select handloom concentration districts.

3.5.13 Suggestions to strengthen the efforts of credit to handloom sector:

1. Invest in capacity building of those weaver societies which have been found viable/potentially viable under RRR handloom package. The entire package hinged on the premise that the banks would start extending fresh finance to weavers. This would require the following steps:

a. The actual assessment of working capital requirement of a weaver can be done only on the basis of the per loom scale of finance decided and updated at the State level and therefore finalising the Per Loom Scale of Finance is essential. The Scale of Finance for each type of handloom weaving should include :

- i. the working capital requirement for one operating cycle on various mediums [say cotton, woollen fabric and silk],
- ii. amount required for consumption expenditure,
- iii. amount required for maintenance of old looms and connected equipment,
- iv. premium amount for insurance of raw material, work in progress and finished goods
- v. premium amount for health and life insurance of weavers

2. Handloom sector is a large area and has potential to generate employment and therefore GOI/NABARD needs to focus on handloom sector in terms of

- i. Mission Mode for financing all eligible weavers - At the GOI level there should be a Mission for Handloom sector for coverage of all eligible weavers with required and need based bank credit.
- ii. Propagation of different models and developing support system.
- iii. Government may identify major Commercial Banks and Regional Rural banks working in the Weavers Clusters and give targets for handloom sector financing.
- iv. One cluster one lead bank - Government may come up with a policy of identifying major clusters and identify a bank to finance all the eligible weavers of the cluster.
- v. Technology in terms of software like Tally, may be used in maintaining accounts and audit of the PWCS. Capacity building of the Weavers and Weavers Organizations on technology accounts, and governance.
- vi. Continuous monitoring of the progress in financing to handloom sector at the block level (BLBC), district level (DLCC&DLRC), state level (SLBC), national level (at DC Handlooms).

3. A Pilot Project for financing of WCS adopting Interest Subsidy Eligibility Certificate (ISEC) modalities of KVIC may be launched by the Government.

4. Since DCCB with weak financial status are unable to extend credit to good WCS, GOI may advise Commercial Banks to extend loans to such WCS as done in the case of KVIC assisted institutions.

5. Banks may be encouraged to extend term loans to weaver societies for long term investments (showrooms, mobile sales units, paying to designers for creation of design bank and obtaining other market related information, investing in work processes like dye house, calendaring etc.).

6. There is a need for credit guarantee scheme for handloom sector. This would give confidence to the banks in starting fresh financing to the sector. At present CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) Scheme is in operations but it does not cover Cooperative banks and many of the Regional Rural Banks. NABARD may take up the lead in consultation with Government of India for credit guarantee coverage of loans given to handloom sector.

7. Financial literacy need to be provided to all weavers.

8. Encourage all weavers holding weavers identity card to open bank account under Pradhan Mantri Jan Dhan Yojana. This would also facilitate future steps on direct benefit transfer to weavers.

3.6 Effectiveness of the Institutions Serving Handloom Sector



3.6 Effectiveness of Institutions serving Handloom Sector

3.6.1 The changing scenario at the national level and also changes that are happening at the international level in the business environment, marketing and technology, prompts changes in the functioning of the institutions involved in the handloom sector to improve their effectiveness in the context of new developments. There are changes in the demand side due to increased level of awareness among the people about the range of products through internet and media. Therefore, there is a need to revamp the working of the institutions.

At present the major institutions directly involved in the handloom sector are:

- I. **On supply side** - National Handloom Development Corporation is the main agency for supply of yarn and other inputs.
- II. **At the production level**-Primary Weavers Cooperative Societies, individual weavers and master weavers (traders);
- III. **Credit**- institutions which provide credit like District Central Cooperative Banks, RRBs and other Public sector banks are involved. Some Private sector banks have also started some small baby steps in financing of producer companies of weavers
- IV. **Marketing**- the Apex Cooperative Societies, Handloom Development Corporations and private players like Fabindia, Dastkaar Andhra
- V. **The Department of Handlooms** - both at Gol and State level which is the backbone of the handloom sector undertakes both developmental and regulatory functions.

Observations on the effectiveness of each of these institutions in the context of changing scenario , and suggestions based on the field study with a view to improve the performance of the handloom sector given as under:-

3.6.2 National Handloom Development Corporation: In the sub chapter on raw material availability para 3.2.3 of this report, availability of raw material, issues and suggestions for decentralized supply of yarn were highlighted. The system of advanced payments restricts supply of yarn and is hampering the progress of the PWCS and also individual weavers. NHDC may consider giving yarn on credit to very good working societies based on the past records. Considering the shortage of supply in yarn at the district level and also to reduce the monopoly of private retail yarn sellers, it is suggested that NHDC may open more depots in the high concentration areas of hand looms. If the opening of large number of depots is not feasible, it may give franchisee to good working PWCS or appoint the good working PWCS to sell yarn on behalf of NHDC.

3.6.3 Primary Weavers Cooperative Societies: Based on the visit, the study team is of the view that the ineffectiveness of PWCS is mainly because of the environment in which these institutions are working i.e. weak financial strength, intense competition on product as well as pricing from cheaper but similar power loom products and also inability to adopt itself to changing environment. At present the PWCS are working in a largely unorganized and in

inefficient mechanism. There is a need to bring a wide range of changes in the working of PWCS and also revamp the support system. It was observed that many individual weavers drifted away from the PWCS, because as an institution most of the societies are not operating on regular basis, not able to provide round the year work to its weaver members and lost the operating space which should belong to them to master weavers and money lenders.

RRR Handloom Package has already done the work of identification of block wise, district-wise and state wise viable PWCS. Now the second step would be to cleanse the data base by removing those PWCS which do not exist at the ground level and are reported only in the data. This exercise would enable us to know the real picture of existing and functional weaver cooperatives in the country.

Following steps need to be taken up for making viable and potentially viable PWCS, sustainable:

- i. Strengthening of the organization by development of capacities of Board of Directors, CEOs, Weaver Members and refining/ redefining the management practices.
- ii. Handholding support at the level of production in designing, bringing new colours, patterns etc. need to be provided. A continuous support for at least 3 to 4 years is required to bring the desired change in the management of the PWCS. It was observed during the field visit that, some of the PWCS. For example, Hasananbada PWCS in East Godavari, which have established this kind of linkages and supporting the weavers through different schemes, are working successfully.
- iii. The capacity building work of PWCS would need to be undertaken in each high handloom concentration areas with 20 to 30 PWCS .This work may be undertaken by an organization which has experience in change management and also a bit of experience of handloom sector.
- iv. At present the PWCS are totally dependent on the support of various departments. For sustainability, profitability and viability of PWCS, it is important to develop institutions in Public Private Partnership (PPP) mode to support the PWCS in procuring raw material, designs, credit, marketing etc.
- v. Wherever possible, PWCS may be encouraged to get themselves federated. The high concentration areas may be identified and civil society organizations may be involved in assisting/facilitating the task of federating the PWCS in each of the handloom cluster. It is expected that, the federations of handloom clusters will work as 'HUB' for all "front end" activities and "back end" solutions of PWCS i.e. for availability of yarn and also marketing hubs.
- vi. In the cotton growing areas, hub of low cost decentralized yarn spinning mills may be established with the involvement of producers, weavers and spinners and these institutions may be treated at par with Producer Companies and the benefits available for Producer Companies may be extended to these institutions also.
- vii. Capacity development and training in maintaining accounts in double entry based , audit and submission of returns and working on double entry based accounting software like 'Tally 'is a must (it was also given as one of the components of RRR package on handloom sector.).

3.6.5 Financing Institutions: The District Central Cooperative Banks were traditionally extending credit to PWCS. It was observed that the weavers are not getting required credit support. In many instances either the PWCS or the DCCB is weak and in both the cases the sufferer is the weaver. In districts where the DCCB is weak, the PWCS were not getting any credit support. Similarly the financially poor PWCS were not eligible for any support for obvious reasons. Therefore in both the cases the weavers were the causality. The feedback from the field study is as under

Andhra Pradesh: The societies visited in Andhra Pradesh were supported by DCCBs and in all the cases credit limits were sanctioned:

West Bengal: In W. Bengal out of 5 PWCS visited, all the 5 were sanctioned credit limit. The credit limits varied from Rs. 1.5 lacs to Rs.1.75 Cr.

In case of Chandanpur Khajababa Tantubay, Sambay Samiti Ltd. in Nadia district of West Bengal, The society with 141 weaver members, had applied for a limit of 1.50 crores to Bardhwan DCCB. However it has been sanctioned a limit of Rs.1.50 lakhs only. In addition the society has given a FD of Rs.60000/-and also SB a/c Balance of Rs. 36000/-. This clearly reflects the lack of confidence and indifference of the banker (Nadia DCCB) to the needs of the weavers.

The study team also visited Mahaprahupada Tantubay Samiti Ltd. in Srirampur in Bardhwan district. The society has applied for a CCL of Rs. 1.5 cr. The application has been recommended by dept. of handlooms. However the Bank-Burdhman DCCB has chosen to sanction only Rs. 5 Lacs and they are also insisting that the amount will go to weaver's accounts directly. If the limit is to be sanctioned on the basis of NDR and production plans of the society, both steps of the bank seem to be illogical.

The issue was discussed with DGM, Loans and Advances and other officials of the Burdwan DCCB along with our DDM. They indicated that the loan was sanctioned to the society keeping in view their record of past delinquencies in repayment of earlier loans. He further indicated that out of total 151 PWCS attached to the Bank, 101 PWCS were not eligible under the package and they have total outstanding over-dues of more than Rs.24.00 crore to the bank. Regarding 31 societies, though they were given assistance under RRR package, they were prima facie found to be ineligible and the bank refunded claim for these 31 societies. For remaining 20 societies, the bank has sanctioned fresh loans. The bank indicated they would very cautiously increase their exposure to the sector keeping in view the past NPAs.

Uttar Pradesh The situation as seen in the field was different in Uttar Pradesh. Those PWCS where the board or Secretary is active, were able to reach to DCCBs for working capital loans. Out of 8 PWCS visited in Gorakhpur and Mau, none of the societies were sanctioned working capital limit by the DCCB as Gorakhpur DCCB was section 11 non-compliant (In March 2016, the Bank has received Gol Money and likely to get bank licence soon). Mau DCCBs has RBI licence but was not extending fresh loans to handloom weaver societies. However in Gorakhpur three weaver societies visited were sanctioned working capital loan by Oriental Bank of Commerce, Canara Bank and Allahabad Bank. This

indicates that in case of good working weaver societies, Commercial Banks may be willing to extend working capital finance.

Society wise details of all the 3 States are discussed in detail in chapter 3.5 (bank credit to weavers).

As seen in 3 States and on the basis of the past performance of Short Term Cooperative Credit Structure in giving fresh loans to handloom weavers in north Indian States, it can be safely said that the main focus of the DCCBs remains on agriculture, and in the field we could not see noticeable efforts from DCCBs to support, review and provide credit support to the PWCS. Therefore there is a need to assign the work of credit planning, credit support and review to an independent organization like Apex Handloom Cooperative Society, NHDC, Commercial Banks and micro finance institutions (mFI). While as per existing mandate, AD (Handlooms) and Apex society which maintains the data on weavers should be able to give block wise credit requirement for weavers (Apex Society, primary weavers Society and individual weavers) at the beginning of the year itself so that the same can be incorporated in banking plan and target for weaver financing can be given to various financing institutions.

While as per existing mandate, AD (Handlooms) and Apex Society which maintains the data on weavers should be able to give block wise credit requirement for weavers (Apex Society, Primary weavers societies and individual weavers at the beginning of the year itself so that the same can be incorporated in banking plan and target for financing given to various financing institutions. With a view to support individual weavers, government has initiated Weavers Credit Cards and also the Margin Money scheme. The support from banks under both the schemes is not significant (details are discussed in chapter 3.5). The awareness levels of the Branch Managers about handloom sector financing are very low and is a major impediment in financing of handloom weavers.

3.6.6 Department of Handlooms: The department of Handlooms is prime mover in the handloom sector and looks after regulatory functions such as accounts, audit and the overall working of the PWCS. At the same time it is also involved in developmental functions like administering government subsidies, organizing exhibition for promotion and marketing of handloom products, organizing training and other skill development programmes etc. The regulatory function needs the organization to be more authoritative so that the PWCS fulfil the regulatory requirements whereas developmental functions are persuasive in nature and require a different type of working relation with the PWCS, which is more consultative, inclusive and participatory. This type of work generally does not fit with nature of regulatory work. The study team is of the view that the regulatory and developmental functions are two different areas altogether. Therefore the regulatory functions may be kept with the department with a focus on compliances, governance, upkeep of books, completion of timely audit, inspection of the PWCS, enforcement of transparency etc., and developmental function of PWCS like training, capacity building, administering subsidy, credit planning, credit support and marketing may be given to an organization involved in the handloom sector and rural development. The options could be NHDC /NABARD/ SIDBI/MUDRA Bank.

Chapter 4.0

New Shoots of Innovations in Handloom Sector



4. New Shoots of Innovations in Handloom Sector

4.1 A Ray of hope- Cooperation still exists

Although most of the PWCS are weak and unable to perform, it is heartening to find that some of them even in existing environment are displaying a remarkable performance. The Hasanabada Handloom PWCS in East Godavari district and Isukapalli PWCS in Guntur district, are a few examples visited during the field visit, which are working on the principles of cooperation and implementing various initiatives besides supplying raw material, helping in production and taking up marketing which are beneficial to the weavers. The initiatives of these PWCS also include taking care of social needs like old age pension, scholarship to the children of the members, maternity benefit to the women members, financial help for funeral expenses of the deceased members, consumption loans for the members at zero percent interest, thrift fund, etc. These societies give a hope and also a message to the policy makers and implementers that PWCS as cooperatives can work on the enshrined objectives of bringing all round development of weavers provided a suitable system is evolved. A system which understands the issues of weavers, constantly provides hand holding support in nurturing the PWCS and their federations to stand on their own in procuring raw material, upgrading the production system and facilitates in professional marketing.

4.2 Dastkaar Andhra: A Weavers-Private Partnership Model:

4.2.1 In the face of changing scenario where the products of handloom weavers and the art of weaving was facing a stiff competition from the aggressive marketing of power loom products, the Dastkaar Andhra came into existence in 1989 with a view to organize and support the weavers and the handloom sector. Dastkaar Andhra is located at Hyderabad and work in Gunter, East Godavari, Krishna, Karim Nagar and Nalgonda districts of erstwhile Andhra Pradesh presently working with more than 450 weavers who are mainly from Weavers Cooperatives. Mrs Uzuramma is the founder of the Dastkaar Andhra and now associated with the Decentralized Cotton Yarn Trust which is involved in setting up of small-scale units to process cotton to yarn at field locations.

4.2.2 Dastkaar Andhra is an off-shoot of Dastkaar Delhi which is also working for the welfare of the craftsmen at Delhi. The important objectives of the organization are:

- i. To establish viability of Handloom – as Livelihood, as Product.
- ii. To work with weavers, weaver institutions, market and state in achieving this objective.
- iii. Create a supportive policy process and environment.
- iv. To work with producer institutions that are equitable by design and in operation; strengthen institutions at the rural level, by making co-operatives more accountable to its members.

- v. Impact the bargaining power of the weaver both in his immediate context (within co-op and other networks), with the market and the state.
- vi. Innovate on handloom market development and work on models for promotion and sustainability.
- vii. Participate in industry growth by the training and dissemination routes, as well as the above.

4.2.3 From its inception, Dastkaar Andhra has been involved in providing marketing support to weavers through exhibitions and melas, organizing workshops, studies and meetings of weavers to understand their problems, facilitation at the production level in designing, dying and organizing trainings for skill development involving National Institute of Fashion Designing and other agencies, working closely with Weavers and Weavers Cooperative Societies to develop social and human capital at the level of PWCS and policy advocacy at the state and national Level.

The long term objective of Dastkaar Andhra is demonstrating the viability of the handloom industry as a livelihood option, as a product and handloom as a sector. It has been working with the weaver communities to bring transparency in transactions at all levels and to involve the weavers themselves in the entire production and marketing process so that the institutions become viable and sustainable on their own in the long run. The journey started with a few independent weavers in a few small villages of Andhra Pradesh, who were not part of the local Master Weaver system and had their own independent customers' base.

The structure of the Dastkaar Andhra has two entities but interdependent, one the Dastkaar Andhra Marketing Association (DAMA) and the other one Dastkaar Andhra Retail Agency (DARAM). The details are given in the boxes below.

Dastkaar Andhra Marketing Association (DAMA)

- Works closely with weavers and weavers' cooperatives on production, like product diversification, bringing new techniques in warping, sizing, dying, new designs and training to weavers.
- Works with other agencies in organizing exhibitions, melas to market the products
- Intermediation for market like Fabindia, Anokhi, Nalli silks etc.,
- Coordinates with Govt and others agencies on policy advocacy.

Dastkaar Andhra Retail Agency (DARAM)

- Works closely with weavers and Weavers Cooperatives in marketing their products through retail agencies
- Two retail shops are established one at Hyderabad in Telangana state and the other one at Pune, Maharashtra State.
- Readymade garments, ready to stitch, sarees, dupattas, shirting etc are the main products sold in the retail outlets.
- Develop linkages between weavers and the customers.

4.3 Dastkaar Andhra Marketing Association (DAMA): DAMA was established in the year 1995 and it closely works with Dastkaar Andhra, Weavers Co-operatives, Government and Civil Society in the following areas:

- i. Lobby for the handloom sector through policy assessments (on cooperative reform, yarn supply chain to promote growth in the industry
- ii. Create multiple avenues for debate to aid in policy negotiations, and to impact perception of handloom sector in the public through seminars, symposiums, research and writings.
- iii. Strengthen institutions that can carry the industry's growth through cooperatives.
- iv. Actively support the needs of the industry and the interests of primary producers through advocacy with the Government, with other partner organizations, with primary producer cooperatives and civil society groups.

DAMA also has developed linkages with Fabindia, Anokhi (Rajasthan), Nalli (Tamilnadu) and other similar agencies who procure products through direct purchase and also through placing orders. It has also its own portal where the upcoming exhibitions across the country are uploaded and the portal also used for e-trading.

4.4 Dastkaar Andhra Retail Agency (DARAM)

DARAM is a retail store of Dastkaar Andhra which exclusively works on the sales through its retails store. It has its own and the only outlet in Secunderabad, (Hyderabad). It is a way of connecting the producers to customer. It works towards building relationships so as to have sustainability and mutual benefit without the middlemen. It is also working towards developing mark up prices to increase volumes

4.4.1 Objectives of DARAM:

- a. Offer a range of 100% handloom products including readymade garments for men, women and children, furnishings and home accessories, connecting with the aesthetic aspiration for a unique product
- b. Leverage market information and production capability to give consumers what they want and the producers what they want. In the long run, build values into choice, build value through an economic transaction.
- c. Showcase weaver and weaver institutions by making tangible their contribution to the production, marketing process and build their ownership in the space.
- d. Offer space and energy to explore meanings of choices and address need of rebuilding of community spaces.

4.5 The Malkha Cotton Initiative:

The word "Malkha" gets its name from the combination of 'mul mul' and "khadi". It is an initiative by Decentralized Cotton Yarn Trust (DCYT) which has its roots in Dastkaar Andhra. The founder of Dastkaar Andhra, Smt Uzuramma is the founder of the trust. The Dastkaar

Andhra works with weavers whereas the Malkha initiative works directly with farmers who produce cotton and also weavers. In this model farmers and weavers are the producers of both cotton and cloth. Malkha stands for a decentralized, sustainable, field-to-fabric cotton textile model, collectively owned and managed by the primary producers – the farmers, the ginners, the spinners, the dyers and the weavers. The Malkha initiative, started in 2003, includes the spinners, dyers and weavers engaged in understanding and evolving the practice of collective working. The spinning mills are located in Karim Nagar and Nalgonda districts of Telangana State and Wardha district of Maharashtra.

4.5.1 Malkha makes yarn specifically for the handloom, to rid the artisanal textile chain of its dependence on large spinning mills that distort the small-scale, village-based nature of handloom cloth making. The Malkha process attempts to explore technology that responds to the needs of primary producers, does away with unnecessary and wasteful processes in its journey from plant to cloth, is ecologically sensible, and least damaging to the intrinsic properties of cotton.

4.6: Fabindia Model:

4.6.1 Fabindia (or Fabindia Overseas Pvt. Ltd.) is an Indian chain store retailing garments, furnishings, fabrics and ethnic products handmade by craftspeople across rural India. Established in 1960 by John Bissell, an American working for the Ford foundation New Delhi, Fabindia started out exporting home furnishings, before stepping into domestic retail in 1976,. Today it has over 170 stores across India and abroad. The products of Fabindia are mainly sourced from villages helping to provide and sustain rural employment in India. They are currently produced by over 40,000 artisans and craftspeople across India. The hand-crafted products also encourage good craftsmanship. Head office of Fabindia is located at New Delhi.

4.6.2 Fabindia works with the handloom weavers across the country. The products of Fabindia are known for their quality and authenticity of being sourced from handloom weavers. Fabindia has floated 18 weavers “Community Owned Companies” (CoCs). These organizations are managed by Artisans Micro Finance Pvt. Ltd. (AMF), which is fully owned subsidiary of Fab India. The company facilitates setting up of such community owned companies (COCs). **Artisans Micro Finance**, a Fabindia arm and main promoter of “supply-region companies”, is an instrument in streamlining and strengthening their supply chain, eliminating middlemen, providing jobs to rural artisans, and giving suppliers ownership in the business.

Legally, AMF Pvt. Ltd. is a NBFC. It provides venture capital equity to these COCs and helps these companies in incubation and management of supply chain system. They also provide end to end uniform IT platform to these community owned companies.

4.6.3 Community owned Companies (COCs)

- i. The legal status of each company is that of Public Limited Unlisted Co and they **run** like corporates in a professional way. The total membership of 18 CoCs is more than 40000 primary weavers. Thus on an average 2200 Member (weavers and people connected with processes connected to weaving) in each CoC.
- ii. Capital- AMF Pvt. Ltd., contributes to 49% of the equity of community Owned companies. Remaining 51% of the equity is owned as under:
 1. 26% by artisans
 2. 15% by Private Investors and
 3. 10% by the employees of COC.
- iii. During the last year (2014-15), the total turnover of the 18 COCs was around Rs 500 crores. All the COCs are more than 3 years old, operationally profitable, each one has a warehouse of their own and have professional CEOs to help Fabindia in maintaining quality of the produce of the weavers. The working capital loans to these 18 companies are given by Axis Bank & ICICI Bank.

These 18 CoCs are located in different locations like Bijnore, Jodhpur, Jaipur, Bhagalpur etc.

Fabindia consumes 11.2 million metres of handloom fabric a year, 10 lakh metres a month at a total value of Rs. 112 crore. It generates 100,000 man-days of employment and creates over 86,000 jobs.

4.7 Chanderi Handlooms Cluster Development Producers' Company Limited

4.7.1 The Chanderi Handlooms Cluster Development Producer Company located at Chanderi near Gwalior in Madhya Pradesh is another good example of Weavers producer Company. The Chanderi cluster was identified by the Office of Development Commissioner – Handlooms under the Ministry of Textiles under the Integrated Handloom Development Scheme. As a first step towards the development of the cluster, the weavers from Chanderi were formed into Self-Help Groups. The groups were given the exposure of exhibitions and sales to help them understand production to marketing cycle. During the course of participation as individual groups, they understood that the participation of each SHG with similar designs and limited resources is expensive and realised the need for pooling the resources of SHGs. Therefore the weavers were federated and registered as Chanderi Handlooms Cluster Development Producer Company was registered on May 29, 2008 with 10 initial members and slowly and steadily the number of member increased. Eventually, the number of looms increased to 100 with a collection of 1000 sarees a month in 75 different designs. The Chanderi sarees of Madhya Pradesh have become popular in the world of fashion with pleasant colours and spectacular designs. All these developments boosted the confidence of the weavers, with the Company producing sarees and dress materials worth Rs. 30 lakhs in its first year of operation. During 2008-09, the Company, apart from giving a 20 per cent wage increase to the weavers, also provided 40 per cent as dividend to its shareholders. During 2009-10, the Company continued with the same wage increment figure, but increased the dividend up to 60 per cent. The marketing efforts by

the team members fructified in tie-ups with Lifestyles, Central Cottage Industries Corporation, Ranjana Fabrics, Tahiliani Designs etc.,

It is gathered from the information available from the internet that the Company of late is facing problems because of the non-availability of working capital, reliable market linkages, and their own inability to come up with bulk orders. The company needs credit and marketing support to achieve sustainability.

4.8 Geographical Indication [G I] Patent

In many handloom concentration districts which are famous for distinct products Geographical Indications of handloom products have been obtained. GI in goods are defined as that aspect of industrial property which refers to the geographical indication referring to a country or to a place situated therein as being the country or place of origin of that product. The Geographical Indications of Goods (Registration and Protection) Act, 1999 was brought into force on 15 September 2003. This is a *sui generis* legislation intended to give better protection to GIs of India. The registration is done by the Geographical Indications Registry at Chennai. The total number of GI products registered in the country now stands at 61.

4.9 Few Examples of Geographical Indications:

A. Orissa's unique Kotpad tribal textile designs

Kotpad design of tribals belonging to undivided Koraput district has already been registered while textile designs from Sambalpuri, Berhampuri, Bomkei, Nuapatna and Sonepuri will be patented soon. State Government has initiated the procedure to patent the exclusive and original textile designs from Orissa, so that the textile companies are unable to replicate them.

B. Kutchi craftsmen apply for geographical patent indicator

The Kutchi weavers, Jamnagar bandhini artisans and Ajrak printing craftsmen, who are trying to protect their traditional knowledge by patenting them under the Geographical Indication Act (GIA) will soon join the league of the traditional embroiders of Kutch.

These traditional embroiders have got their traditional craft patented in 2012. The shawl is woven with traditional Kutchi motifs and is processed on handlooms largely in Bhujodi, a village of Kutch villages like Gambudi, Manukna, Bundra, Tukma also house communities of such shawl weavers.

The Kutchi shawls are sold in domestic markets and are exported as well, to countries like US and Europe, among others. This tag will help over 1,200 weavers of Vankar and Meghwalsamaaj, in Kutch region spread across 210 villages. Efforts have also been taken to patent wood carving, pottery, lacquer work, batik and cowbells specific to the region, in the next phase, for which the stakeholders of Kutchi handicrafts formed an association. The GIA protects the particular form of handicrafts from its misuse and commercialization by patenting it in the name of community that holds the traditional wisdom of crafting it.



C. GI registration conferred upon Muga silk:

Bringing cheer to the manufacturers, Assam's famous golden-yellow Muga silk has been granted Geographical Indication (GI) registration by Chennai's GI Registry. This is the first time that a product from Assam has got the prestigious GI recognition. Muga silk is obtained from



the silkworm *Antheraea assamensis* found in Assam. It has a natural golden colour and shiny texture. Its luster increases with every wash. It is also used to make the mekhela-chador, a traditional dress worn by brides and women taking part in Bihu dances. Muga is in great demand in Japan, where it is used to make kimonos. Other countries importing the rich muga silk are the USA, Greece, Germany, South Africa and France

4.10 Initiatives by Biswa Bangla

Biswa Bangla Marketing Corporation Limited is a Private Company incorporated on 31 December 2014. It is classified as State Government Company and is registered at Registrar of Companies, Kolkata. One of the initiatives that needs special mention here is the Rural Craft Hub, a collaboration between the Government of West Bengal and UNESCO. Ten Rural Craft Hubs, comprising nine traditional crafts spread across West Bengal, are being built as model cases of culture-based rural development. It is involved in Non-specialized retail trade in stores.

The hubs integrate culture and artistic skills into an entrepreneurship development strategy and is helping 3,000 craft families directly and 7,500 indirectly. Finally, Biswa Bangla is an initiative to instil pride in the living traditions of Bengal's peoples and feel the hard work that has gone into the making of its handicrafts, hand-woven fabrics, the food, and its distinct personality. It is a unique effort by Government of West Bengal to promote marketing of handloom and handicraft products under one brand name.

Chapter 5.0

Employment in Handloom Sector Status and Strategies



5.0 Employment in Handloom Sector- Status and Strategies

5.1 The profile of handloom weavers

The Census of the Handloom Weavers conducted by Gol gives a good Idea about the status of handloom sector. A comparative position on important parameters with respect to census of 2009-10 and 1995-96 is as follows:

Table 21 Overview of Handloom sector

S. No.	Details	Census of 2009-10	Census of 1995-96
1	No. of weavers and allied workers	43.32 lakh	65.51 lakh
2	No. of weavers households in NER	15.1 lakh	14.5 lakh
3	No. of looms	23.77 lakh	34.87 lakh
4	No. of looms in NER	15.50 lakh	18.23 lakh
5	Women weavers (%)	77.90	60.00
6	Man-days worked per weaver per annum	234 days	197 days
7	Total man-days worked by weaver households during census year	5.313 lakh	4.977 lakh
8	Share of full-time weavers to total weavers	64%	44%
9	Share of weaver households reporting more than 60 per cent income from handlooms and related activities	35%	31%
10	Share of idle looms	4%	10%

The Key observations are as under:

- i. Despite decrease in the number of weavers, the cloth production has increased from 3120 to 6903 million square metres because of increase in man-days per weaver.
- ii. Nearly 27.83 lakh handloom households are engaged in weaving and allied activities, out of which 87 per cent are located in rural areas and remaining 13 per cent in urban areas.
- iii. Nearly 47 per cent of handloom worker households own Below Poverty Line (BPL) ration cards, and 10 per cent households own other BPL cards or the Antyodaya Anna Yojana (AAY) ration cards. Together, therefore, total BPL households account for 57 per cent of the total handloom households.
- iv. Most of the workers are female (78%) and the number of male workers (22%) is comparatively smaller.

- v. Nearly 33 per cent of the handloom worker households do not have looms and about 67 per cent of handloom households have looms, which may or may not be owned by them.
- vi. The average annual household income in 2009-10 was Rs.36,498 for an average household size of 4.59 persons (say 5 persons).
- vii. Only 25% of the households report that their children are interested in taking up handlooms as profession.

(Source:Report of the Steering Committee on Handlooms and Handicrafts Constituted for the Twelfth Five Year Plan (2012 – 2017)

5.2 Handloom sector is unorganised¹⁷ in its nature:

Like all units in unorganised sectors, the handloom units have characteristic features viz, ease of entry, smaller scale of operation, local ownership, uncertain legal status, labour-intensive and operated using lower technology based methods, flexible pricing, less sophisticated packing, absence of a brand name, unavailability of good storage facilities and an effective distribution network, inadequate access to government schemes, finance and government aid, lower entry barriers for employees, a higher proportion of migrants with a lower rate of compensation etc,. Employees of enterprises belonging to the unorganised sector have lower job security and poorer chances of growth, and no leaves and paid holidays, they have lower protection against employers indulging in unfair or illegal practices

5.3 As seen during the field visit, except for the weaver cooperative societies which are registered under the Cooperative Societies Act of the respective States, most of the handloom units have no legal status of their own. Almost all of them are small in employment size and are characterised by low capital requirement, low labour productivity, and involvement of entire family to the production system in handloom weaving.

5.4 Employment conditions in the handloom sector

The employment conditions in the handloom sector as seen in the field have shown following distinct characteristics:

- i. Though at most places, Handloom workers were able to get employment for average of 250 plus days in a year, the nature of the employment is such that work comes from various sectors-some work from weaver societies, some work from Khadi institutions in the area and major work coming from master craftsmen and private players. Discussions with Individual Weavers in village Maghar, SantKabir Nagar district, UP, revealed that the women of the family are effectively contributing to the weaving activity. In lean season, they take up miscellaneous works like stitching school uniform

¹⁷The term **unorganised sector** when used in the [Indian](#) context is defined by [National Commission for Enterprises in the Unorganised Sector](#), in their Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector as.... *consisting of all unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services operated on a proprietary or partnership basis and with less than ten total workers*¹¹

[at rates as low as Rs.5/- per shirt].For some part of the year, they obtain handspun yarn from Khadi Institutions operating in the area to weave Khes (thin cotton blanket). On an average they work for more than 200 days in a year for the weaving or activities connected with handloom.

- ii. Most of the weavers in Gorakhpur and Mau come from Muslim community or Julaha community. The economic condition and the literacy status of the weavers is very poor but they preserve precious skills. At most of the places, weavers do not own agricultural lands. Reflecting on their poor social and economic status, weavers indicated that the alternative to weaving is probably manual labour. Women in the house do not have even this alternative since in Muslim women generally do not go out of the house & take up manual labour. As told by weavers, even male weavers would not like to take up manual labour since they consider themselves as artists and they feel that it is below their dignity to engage in manual labour work.
- iii. Discussions with Asst Director, Handloom, Mau Region (UP) and also with weavers in Chiraiyakot village, Mau district of UP revealed that the average wages per meter of cotton cloth is only around Rs.15-20/-per meter for cloth of average quality. This makes daily wages of Rs. 120-150/- per day at average productivity, which is quite low about half of the wage rate of Rs 250 to 300 for skilled labour. An unskilled labour can get daily wages of at least Rs. 250/- per day. The low wages are attracting traders from Andhra and West Bengal for purchasing handloom sarees from Mau on a regular basis. This can become a major factor in the Revival of handlooms in Mau. However the growth seems to be not due to policy interventions but only due to very low wages given to weavers in this region. However, the weavers are not complaining as it is providing them regular employment. This has a positive impact of weaves and designs from Andhra Pradesh and West Bengal getting assimilated to the traditional weave and designs of the region.

5.5 Demand for Handloom products

The performance of the private players in handloom sector has been good. Over the last five years, the demand for handlooms has actually increased. Sales figures and footfalls at handloom expos and exhibitions organised by Dastkaar Andhra, Sanatkada, DilliHaat, and the various Crafts Councils bear witness to this. KVIC/KVIB have tied up in a major way with the Fashion designers, NIFT and NID. KVIC/KVIB have launched a major initiative for publicity of KVIC products and educating people about the superior qualities of KVI products. At the other end of the spectrum, designers like Ritu Kumar, Abraham &Thakore, and Sanjay Garg, and stores like Anokhi, Bandhej and Bailou have all built hugely successful careers on handloom.

This has resulted in increasing awareness and demand (for high end niche market handloom products) and subsequently greater number of jobs in the sector.

5.6Khadi& Village industries Commission (KVIC) and its impact on the employment to the handloom weavers

5.6.1 The system which is comparable to handloom industry is khadi. Hence a discussion on the organisational structure, systems, technology, financing etc. prevailing in Khadi, would be of interest to derive lessons for handloom industry. Khadi was initiated by Mahatma Gandhi and the key feature of khadi is that the yarn used in khadi has to be hand spun. This differentiates it from handlooms.

During recent years the performance of KVIC in terms of production and sales has been good and they have evolved a system of fair remuneration to weavers. Besides, Khadi has also been accepted by some of the rich and affluent as their style statement. In view of this study team thought it proper to understand their systems and procedures, which have been described below:

5.6.2 Objectives: The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament, 'Khadi and Village Industries Commission Act of 1956. The broad objectives for which KVIC has been setup, are as under:

- the social objective - providing employment.
- the economic objective - producing saleable articles.
- The wider objective - creating self-reliance amongst the poor and building up of a strong rural community spirit.

5.6.3 Functions -Some of the major functions of KVIC are described below:

- i. The KVIC is charged with the planning, promotion, organisation and implementation of programmes for development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
- ii. Building up of a reserve of raw materials and implements for supply to producers, creation of common service facilities for processing of raw materials as semi-finished goods and provisions of facilities for marketing of KVI products apart from organisation of training of artisans engaged in these industries and encouragement of co-operative efforts amongst them. To promote the sale and marketing of khadi and/or products of village industries or handicrafts, the KVIC may forge linkages with established marketing agencies wherever feasible and necessary.
- iii. The KVIC is also charged with the responsibility of encouraging and promoting research in the production techniques and equipment employed in the Khadi and Village Industries sector and providing facilities for the study of the problems relating to it, including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing their competitive capacity and arranging for dissemination of salient results obtained from such research.
- iv. In implementing KVI activities, the KVIC may take such steps as to ensure genuineness of the products and to set standards of quality and ensure that the products of Khadi and village industries do conform to the standards.

- v. The KVIC may also undertake directly or through other agencies studies concerning the problems of Khadi and/or village industries besides research or establishing pilot projects for the development of Khadi and village industries.
- vi. The KVIC is authorized to establish and maintain separate organisations for the purpose of carrying out any or all of the above matters besides carrying out any other matters incidental to its activities.

5.6.4 Khadi Certification and Costing: the motive force of Khadi is its self-regulatory system of certification. It was Gandhiji himself who established the system of certification under All-India Spinners Association.

A. Facets of Certification :

- Safeguard its purity and genuineness, purity i.e. made of natural fibre, genuineness i.e. the process of hand spinning and weaving
- Ensure proper earnings to the artisan including various social welfare measures in a self – employment environment
- Ensure quality and fair price to the consumer.

B .Model Cost Chart: The above indicated three objectives are sought to be achieved by implementing the model cost chart which indicates the costing of various items of work involved and is given below:

Table – 22-Cost Chart-KVIC

Particulars	Percentage
Raw Material	32.261
Pre-processing Wages	6.041
Spinning Wages	13.280
Spinning Artisan Welfare Fund @ 10%	1.328
Spinning Artisan Incentive @ 10%	1.328
Maintenance, Depreciation etc.	2.988
Weaving Wages	13.986
Weaving Artisan Welfare Fund	1.398
Weaving Artisan Incentive @ 10%	1.398
PRIME COST	74.008
Trade Margin @ 3%	2.230
Publicity @ 0.5%	0.358
Insurance	0.743
Bank Interest @ 5.5%	4.076
ESTABLISHMENT MARGIN @ 20%	16.272
PROCESSING CHARGES	2.313
UNIT RETAIL SAIL PRICE	100.000

Discussions with Shri Mritunjay Bandopadhyay, CEO West Bengal KVIB: The major points emerged from the discussions with Shri Mritunjay are as under:-

- a. All weavers under KVI fold are organized under cooperatives societies and assistance is reaching weavers through cooperative societies only.
- b. KVIB allows use of semi-automatic handlooms also.
- c. KVI runs a welfare trust with contribution from weaver's wages, KVIC and trust. This is used for paying a onetime amount of Rs.2 lacs to weaver at the age of 60.
- d. Funding is on the basis of cost chart and production estimate certified by KVIB. Interest Subsidy is made directly available to banks on the basis of actual utilization. The KVI society pays only 4% Interest. KVIB issues an interest subsidy eligibility certificate in favour of registered institutions/Societies for getting bank loan. He also informed that he has not come across any problem from bank.
- e. While all KVI assisted institutions are linked to Commercial Banks, PWCS are mainly linked to District Central Cooperative Banks. KVI institutions are financed working capital loan @ 4%. For the balance interest, KVIC issues interest subsidy certificate to the bank on the basis of the last year's operations in terms of production and sales. This is one model which can be used for organizing individual weavers and ensuring better employment conditions in handloom sector

5.6.5 KVIC and handlooms –A comparison

Table – 23 – KVIC Handloom – A Comparison

Khadi& Village Industries	Handloom
KVIC at the Central level .It functions with 6 Zonal Offices	Directorate of handlooms at National level
30 state level Khadi & Village industries Board	State level Department of handlooms and Department of Cooperation
Works through 4777 registered institutions, 30100 Cooperative Societies having 7.5 lakh individual members	Works through 44 Apex Weaver Societies and State handloom development corporation at the state level. Production of cloth in Primary weavers Cooperative societies(estimated to be over 20000 in number
Works with hand spun yarn	Works with mill spun yarn
Allows semi-automated handlooms and spinning machines.	Definition of handloom does not allow any semi-automated process. As a result low productivity
Works in 2 segments- Khadi and village industries	Works with only hand loom cloth

Source for KVIC-planning commission.nic.in. Evaluation study of khadi and village industries programme

5.6.6The team visited Matiary Kutir Shilp Pratisthan a society of Khadi at Nawadeep in Nadia district of West Bengal. The society has 35 members [25 women spinners and 10 men and women weavers].The society is engaged in spinning of khadi yarn and weaving

of Khadi cloth. The master trainer in the society Smt. Tapushi Ghosh has been awarded with a Presidents Medal. Women are being trained in spinning of very fine khadi yarn. Trained women can produce maximum 6 to 8 hanks of 400 count in one day. As per the Khadi cost chart wages paid for one hank¹⁸ is Rs. 18. Thus for a very skilled activity the women spinners take home maximum of Rs.100 which is barely around 1/3rd of minimum wages for unskilled workers. This needs to be corrected and in the view of the study team, this situation can be corrected by way of better price realization strategy on Khadi products.

5.6.7. Group Insurance scheme for Khadi artisans - Salient features

The Group Insurance Scheme for Khadi Artisans covers all the spinners, weavers, pre-spinning artisans and post-weaving artisans engaged in Khadi activity, associated with Khadi institutions (NGOs) throughout the Country. The age group of artisans is between 18 years to 59 years. Against a premium of Rs 100.00 (out of which the artisan has to pay only Rs. 12.50), the artisans get a coverage ranging between Rs. 30000 to Rs. 75000. Besides, there is also provision for scholarship for 2 wards.

5.7 Role technology plays in employment in handloom sector

The proportion of wages is roughly around 30-35% in the cost of handloom cloth produced whereas the same proportion in power loom is 3-5%. This indicates higher labour or employment share in the cost but it also increases the total cost of production and therefore prices the handloom cloth out of the market. Technology adoption in handloom sector need to be encourage with a view to improve the labour productivity and also reduction of cost, which will help in generating greater demand for handloom products.

However, there has been resistance to technology adoption as amendment in definition of handloom proposed by The Advisory Sub-Committee on Handloom Reservation Act, 1985 has met with the resistance even in the Parliament.

5.7.1 Handloom (Reservation and Articles for Production) Act, 1985 defines Handloom as *“any loom other than Power loom”*. The Advisory Sub-Committee on Handloom Reservation Act, 1985, proposed a new definition as *“handloom means any loom, other than power loom; and includes any hybrid loom on which at least one process for weaving requires manual intervention or human energy for production”*. The issue of amendment of definition was not supported by many handloom experts and civil society through various representations sent to the O/o DC Handlooms and Planning Commission. The change in definition would have allowed the sector to infuse more efficient production systems.

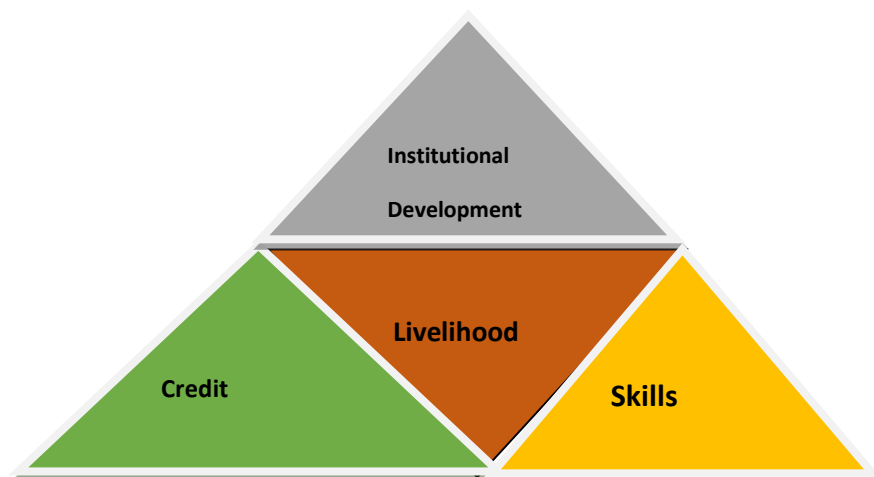
5.8 An Agenda for livelihood promotion in the Handloom

¹⁸ Hank Yarn count is a numerical expression which defines its fineness or coarseness. It also expresses whether the yarn is thick or thin. A definition is given by the textile institute – ‘count is a number which indicates the mass per unit length or length per unit mass of the yarn’ eg 500 counts hank-1000 m yarn weighs 2gms, 400 count hank-2.5 gram indicating that it is a very fine yarn 1000m of 80 count weighs may weigh around 7-8 grams indicating that it is relatively rough yarn.

The three dimension of livelihood “ The Triad of Livelihood is articulated is discussed below in figure-8. Throughout our interactions with various stakeholders in the field, weavers indicated that employment in handloom sector can increase through the livelihood promotion route. Promoting livelihood in the sector through scientific interventions can help in improving the work income and work conditions.

- a. **Institution development-** Key strategy in this regards should be to build, strengthen and sustain various community based institutions like, Cooperatives Federations Producer Companies, Trusts, etc. emphasizes on collective gain of the community. Collective gain comes from getting organized into institutions and working collectively towards livelihood promotion.
- b. **Skills:** The second thrust area should be enhancement of existing skills and/or development of new skills and entrepreneurship. This requires work on the agenda of skill enhancement of the excluded, vulnerable and marginalized weaver communities so that they can get mainstreamed in the present and changing economy for sustenance and helping the groups to convert their skills into income generating tools through entrepreneurship.
- c. **Credit:** Field interactions have revealed that the requirement of an average weaver varies between Rs.30000/- to Rs.50000/- only for one single loom towards working capital requirement, maintenance of looms, ancillary activities and small portion of consumption expenses. Since bankers are not forthcoming very enthusiastically for financing of individual weavers despite GoI subsidy and margin money assistance, Micro finance Institutions could be engaged as an alternative or supplementary mode to reach all weavers.

Fig. 9 - Livelihood approach to developing handloom sector



5. 9 Capacity building efforts of the Handloom sector-road map

The employment in handloom sector can improve substantially if we invest today in the capacity building of various stakeholders to the handloom sector. To achieve sustainability of the sector, it is essential to introduce new models in supply of raw material, at production level interventions are required, technology need to be placed, different credit

models as suggested in the respective chapters are required. To successfully imbibe in to the sector, there is a need to build capacities of the stakeholders at every level and specifically in accounting and audit.

5.9.1 Government of India in recent past has undertaken two significant steps

- i. Revival of Short Term Cooperative Credit Institution [STCCS] wherein the focus was on strengthening the financial status of the Primary Agricultural credit societies and also amendments to the respective Cooperative Societies Acts which allow greater functional autonomy to credit societies. The Package also attempted to introduce practices for improving the quality of management of the Cooperatives
- ii. On the lines of the Package for STCCS, government of India has given a package for handloom Sector wherein revival and restructuring of Handloom Societies at Apex and Primary levels is attempted.

Besides, the 97th Constitutional amendment ¹⁹has further given greater functional autonomy to all Cooperatives Societies.

The all India position of handloom sector can be seen as under.

Region I Strong Handloom -Strong cooperatives	Region III Weak Handloom -Strong Cooperatives
West Bengal, Odisha, Tamilnadu, Andhra Pradesh, Telangana, Puducherry ,Kerala, Karnataka	J& K, Punjab, Himachal Pradesh &,Rajasthan, Gujarat & Goa
Region II Strong handloom -Weak Cooperatives	IV Weak Handloom -weak cooperatives
Uttar Pradesh, Bihar, North Eastern States, Chhattisgarh & Jharkhand	Sikkim, , Maharashtra, Madhya Pradesh

Accordingly the interventions planned would have to be primarily concentrated in Regions I & II where large number of families derive their livelihood from this sector.

5.9.2 Since major government interventions and formal credit to handloom sector flows through the weaver societies continue to be/can again become the preferred institutions for the weavers in handloom sector, a major initiative needs to be taken for capacity building of weaver's societies. The capacity building would be required in the following areas:

- a. Educating members on the various aspects of running the society
- b. Improving account keeping and regular audit.

¹⁹ 97th Constitutional Amendment-the Constitution (Ninety Seventh Amendment) Act 2011 relating to the cooperatives is aimed to encourage economic activities of cooperatives which in turn help progress of rural India. It is expected to not only ensure autonomous and democratic functioning of cooperatives, but also the accountability of the management to the members and other stakeholders, Thus ensuring that Cooperatives remain member driven and member centric.

- c. Use of computer for accounting , for preparing and maintaining a design bank
- d. Collaborations with bulk retailers like Big bazar, Pantaloons etc.

5.9.3 **Sensitisation of banks** in handloom concentration areas on areas such as sanctioning weaver loans, assessment of working capital requirement, etc. While state cooperative banks would have to take a lead in this, commercial Banks should be encouraged to take lead in providing working capital finance to good working societies.

5.9.4 Effective training to the weavers in handloom concentration districts for new methods of marketing handloom product. This may involve greater use of local haat Bazaar, use of mobile sales points, greater interactions between the buyers and sellers, increased use of web marketing etc. All these are new areas and region specific suitable models would need to be evolved. These new models of marketing would need to be tried as pilots, successful one's up scaled and constant handholding would need to be provided.

5.9.5 As indicated in para 2.13 of this report, A total of 39 Apex Weavers Societies out of 44, 9361 PWCS out of 15926 functional PWCS and 54305 individual weavers including 5645 Self Help Groups across 27 States of India have been covered under RRR Package for handloom sector. It is anticipated that remaining Primary weavers' societies are either dead or defunct. These societies may have substantial number of weaver members. These weavers are now getting very little work from the societies and are forced to work with private middlemen.

5.9.6 Over 53% of the looms in the country and more than 50% of the weavers belong to the north-east and bulk of the handloom output is contributed by people residing in hills and rural areas. In such areas, the handloom sector can only be revived by concentrating on the strategy of organising weavers in group mode [SHGs and JLGs]. This would require sustained efforts on the part of the Government and institutions like NABARD in next 2-3 years. All such weavers can also be taken under NRLM/Ajeevika initiatives.

5.9.7 The sector faces critical constraint of not being able to come out of its traditional designs/products and diversify. Similarly handloom sector products have weaknesses in terms of colour quality, dye techniques and weak finish. The policies in new economic environment should provide for handholding and training support in these areas. It would be prudent to advocate a separate sub component for handloom sector under Skill India initiative of Government of India and efforts should be to actively involve national institutions like, National Institute of Fashion Designing (NIFD), National Institute of Design (NID), reputed fashion designers and corporate houses.

Chapter 6.0

A Road Map for Sustainability of Handloom Sector- Suggestions and recommendations



6.0 Sustainability of Handloom Sector–Suggestions and recommendations

6.1 On the basis of our observations which have been mentioned in the earlier chapters, an attempt has been made in this chapter to lay down the roadmap for sustainable growth in handloom sector. Following factors have been considered while suggesting the road map:

- a. Handloom sector is predominantly rural, practiced in old traditional methods. Handloom weavers in India, economically belong to lower-middle and lower strata of the society. As indicated in the 3rd handloom census of weavers and allied workers 2010, a majority (60%) of adult handloom workforce has attained little or no schooling and therefore the level of financial literacy is poor. The handloom weavers of the study area i.e. Uttar Pradesh (60%), Andhra Pradesh (42%), and West Bengal (37%) have a very high proportion of adult handloom workers reported of never having attended the school. While 48% women weavers were literate, 52% were illiterate who were not able to read and write. Because of very low level of literacy and abject poverty, handloom weavers are having no other option but to pursue this as vocation and also unable to take their own business decisions. (Source: *Third Handloom Census 2010 of GoI by NCAER*).
- b. Government is not a major player either in establishing input supply systems (eg. raw material) or in providing market for the finished products. Private players drive this sector for input supply systems, product design as well as marketing. The sector is in the grip of traders and/or money lenders and middlemen and because of their control at both the ends, the wages to weavers are at low levels.
- c. While weavers working on silk are relatively well off, weavers working on Cotton and wool are producing low cost products and continue to live in relatively poor conditions.
- d. Within the weaving community, production activities are divided between three social groups: the Master weavers, who provide raw material and control product marketing; weavers with entrepreneurial qualities owning their looms and selling mainly to the traders and master weavers; and the contract based weavers, who constitute the majority of the weaver community (more than 60 %), entirely dependent on the master weavers for the marketing of their products. Despite its century-old weaving tradition, the handloom clusters visited seem to be having two intertwined problems: **limited competitiveness and poverty**. The artisans' competitiveness was hampered by the prevalence

of a culture of scepticism towards technical change, especially among the traders, which retarded the introduction of more modern marketing techniques.

- e. Moreover, weavers' entrepreneurship and propensity to innovate were held back by the fear of losing their already low earnings. As a result, the cluster's designing capacities and quality standards did not keep pace with market requirements. Poor dyeing practices jeopardized product quality, while the limited availability of raw material in stock undermined the weavers' ability to comply promptly with new orders. Finally, mounting competition from 'look alike' products was eroding the markets of the cluster's products. Poverty seems to be pervasive among the majority of the weavers' households.
- f. From the beginning 'co-operative' has been considered to be the ideal Institution for implementation of various schemes for development of decentralised cottage industry like handlooms. Emphasis has also been laid upon formation of co-operatives with handloom weavers. Almost all schemes are therefore formulated considering the co-operative model and are oriented towards the co-operatives.
- g. Weavers Cooperatives were plagued with weaknesses. Data obtained from Directorate of handlooms, Gorakhpur region indicates that though 611 Primary Weavers Societies are registered with Directorate of Handlooms, 527 of them reported to be defunct societies. In Gorakhpur district itself, 322 societies out of 375 societies are dead or defunct. Similarly in Mau region of Uttar Pradesh, as many as 498 WCSs out of 1010 are dead or defunct. In Andhra Pradesh (Guntur and East Godavari districts), the position is not as bad as in UP where the proportion of defunct WCSs is less. It was informed that weavers associated with such defunct societies are pursuing weaving activities with support from private players
- h. Handloom workers are currently scattered and work either in isolation or under different market mechanisms. Membership in cooperative societies - which can protect the rights of weavers and facilitate access to development programmes - is low as only 9.8% of total weaver households and 15.6% of total weaver urban households are members of weaver Cooperative societies.

6.2 Impact of RRR handloom package in the study area:

In West Bengal and Andhra Pradesh, the societies visited got fresh loans whereas in Uttar Pradesh, the societies which benefitted under the package are yet to receive fresh dose of bank finance. In West Bengal and Andhra, Tantuj (Apex Society) and APCOB (Apex Society) have been benefitted under the Package. Both have gone for fresh Loans. In both cases, the turnover and outreach has increased considerably. Both the Apex Societies have also developed a good web site and e-marketing portal.

Regarding the primary societies visited, impact was seen in terms of following :

- i. Societies received RRR Handloom Package assistance directly in their accounts.

- j. The societies have utilised the assistance by way of starting new looms, increasing the range of products and increase in volume of production (ranged from 10-15% in the societies visited by the study team).
- k. Resorting to bulk purchase of raw material
- l. The primary Societies have realised the importance of maintaining proper books of accounts and timely audit.
- m. Asst. Director, Handlooms in all the districts have started monitoring the progress of weaver's credit card and the same is being regularly reviewed in block, district and state forums.

6.3 Suggestions

In the light of the facts which are a reality check on handloom sector, the future road map for this sector is suggested with cautious optimism. The drivers for sustainability of the sector: many drivers in combination would bring the required sustainability in the handloom sector and a few of them identified as under:-

6.3.1 Enhancing Bank Credit to handloom sector:

- i. Ensure finalisation and updating of "per loom scale of finance "in each State on regular basis. This should be placed in the first meeting of the SLBC and circulated amongst banks.

(Action : State Governments and State Level Bankers Committee)

- ii. Directorate of Handloom should undertake an exercise in January for identifying the eligible societies (as per NABARD Refinance policy norms). In fact this exercise should result in assessment of credit requirement of handloom sector (for Apex Societies, for Handloom Development Corporations, and also for individual weavers through Weaver credit card) at the State level and also district and block level. Weaver societies and Banks should be encouraged to prepare working capital limit application to Banks and submit the same by February end. This would enable banks to sanction working capital loans by March end.

(Action : State Governments and Directorate of handlooms)

- iii. NABARD provides refinance to all banks for extending loans to Apex and Primary Weavers Societies, Handloom Development Corporations, Weavers outside the cooperative fold- SHGs, Weaver Activity Groups, Producer Organisation of Weavers. NABARD is getting response at present only from Tamilnadu, Puducherry and Andhra Pradesh. Banks in Other States should be encouraged to take benefit of concessional NABARD refinance. NABARD should also do regional workshop of Bankers and State Governments for Popularisation of its refinance products relating to Handloom sectors.

(Action : State Governments , Banks and NABARD)

- iv. As a part of integrated handloom development scheme, GoI, MoT had given a scheme of “Bunkar Desk “²⁰. Banks should take advantage of this scheme for doing quality lending in handloom sector.

(Action : Banks)

- v. Study of Interest Subvention Certificate System of financing working capital requirements of KVIC/KVIB assisted institutions adopted by KVIC may be undertaken .MoT, GoI may explore the possibility of using this model for financing of weaver societies.

(Action : Ministry of Textiles, Government of India)

- vi. Efforts should be made to also extend long term investment loans in the sector in form of sales depot, dye units, mobile sales van, godowns for storage of yarn and finished products.

(Action : Banks)

- vii. Financing to handloom sector may be included as an agenda item in the District Level Consultative Committee meetings, District Level Monitoring and Review Committee meeting and in the Block Level Bankers Committee meetings. The District Collectors/ District Commissioners may review the financing to handloom sector in a separate meeting on quarterly basis and review the credit limits proposed and disbursements by DCCB of the concerned district to the PWCS. In such meeting PWCS representatives may also be invited.

(Action : Banks, State Governments and NABARD)

- viii. Majority of weavers are working outside Cooperative fold. Lakhs of weaver members of the defunct/dead societies continue to be ignored by banking sector.

Since the working capital requirement of weavers (on one cotton loom) is just around Rs. 50000/-and also the fact that most of the weavers come from SC/ST and backward Communities, there is a need for a special credit product for weavers under MUDRA scheme.

Micro credit and group mode of financing should be the vehicle for increasing bank finance to this sector. The strategy adopted for doing banking with asset less poor would also be appropriate strategy for handloom sector.

(Action : MUDRA and State Governments and Banks)

6.3 Innovative Models worthy of replication

The field visits revealed that the sector has grown particularly through private participation. Some of the innovative models taken up by organizations like Dastkaar

²⁰ Under the Bunkar desk Yojana, banks can engage BCs which would assist weavers in filling bank application. Banks can pay upto Rs. 200/- per application form to the agent appointed to work as Bunkardesk.The amount would be reimbursed to banks by GoI.

Andhra, Fabindia, Malkha, Producer Company of Chanderi weavers etc. give a hope that the sector can prosper, if suitable mechanisms are put in place at the ground level.

6.4 Institutional Development

6.4.1 Make Weaver Cooperatives strong

The study team is of the view that instead of creating a new structure, the existing structures of cooperatives should be strengthened. Transforming the PWCS into vibrant economic entities is a challenging task but considering the potential and prospects, it needs to be undertaken in a sincere and earnest manner. To transform the handloom sector into a sustainable sector, we need to address the issues of PWCS, the major stake holder of the sector. The following steps are suggested to achieve the same:

i. Member driven institutions: It is observed in the field that many weavers' societies are in fact controlled by one or two members (mostly who take up the trading activity for the members and run it as proprietary business). The weaver members contribute to the share capital but not in decision making process. However, if the society becomes defaulter on its repayment obligations to the bank, the weaver members continue to be excluded from bank loan for no fault. Making weaver societies democratic in functioning-elected board, voice to all weavers in management of the weaver societies etc., can make these institutions vibrant. It is suggested that members' awareness programmes should be the focus and these should be conducted at regular intervals.

NABARD is the principal funding and supervising agency for Cooperatives and also it is engaged in the institutional development of cooperatives and is aware about the working of Cooperatives. State Governments must collaborate with NABARD for Capacity Building of Weaver Cooperatives.

(Action: State Governments and NABARD)

ii. Capacity building of CEOs of weavers Cooperative societies in operational management issue like inventory management, pricing of produce, interaction with the buyers ,regular and concurrent accounting of all transactions and audit of accounts. This would help in running the societies on professional lines. It is suggested that this component of capacity development of CEOs of Societies should be included in cluster development initiative.

(Action: Government of India, State Governments and NABARD)

iii. In view of the past record of Short Term Cooperative Credit Structure, the study team feels that in many States, Cooperative banks are not willing to extend fresh finance to handloom sector, partly due to their poor financial health and partly on account of weak health of WCSs . In such a situation, there is a need to look at a model of financing followed by KVIC and weaver's societies should be facilitated to move outside the cooperative fold and seek working capital loans from Commercial Banks. It

would be prudent to study the model adopted by KVIC for financing of working capital requirements of KVIC assisted institutions. The model has been explained in detail in chapters on 'Providing Bank Credit' and also in chapter on Employment.

(Action: Government of India and State Governments)

iv. All the WCSs should be encouraged to adopt computer based common accounting systems and also educated on use of computer for other areas of working. This was one component of RRR Handloom Package. All PWCS covered under the package are provided with a PC and they are expected to transit to double entry based accounting software like tally. State Government should now take lead in capacity building of societies on use of tally or a comparable software for keeping accounts.

(Action: Government of India and State Governments)

6.4.2. Designating Developmental Functions to separate organization:

Presently 85% of the handloom weavers work outside the cooperative fold. The government through its policy interventions and subsidy based programmes, many times is not able to reach the poor weavers at the grass root level. The Department of Handloom is engaged in administering subsidies which is a developmental work and at the same time it is also performing the regulatory functions. Regulatory work and developmental works are conspicuously two different areas and need to be dealt differently. The developmental role needs patience, perservance and persuasion to build the social capital and human capital whereas regulatory functions require authority and oriented towards bringing discipline. Because of this dichotomy of functions, the effectiveness of the department both as a developmental and regulatory entity suffers. Therefore there is a need to delink these activities from the department and it may concentrate more on the regulatory functions like completion of accounts, submission of audit reports, inspection, and bringing accountability in the WCSs etc.

The developmental work particularly administering the subsidies to weavers may be passed on through Direct Benefit Transfer and other works of organizing the societies may be given to Civil Society Organizations under the supervisor of National Level organizations like NHDC, NABARD, SIDBI, KVIC etc.

(Action: Government of India and State Governments)

6.4.3 Producer organisations of weavers

- i. In handloom concentration areas, where the handloom concentration is heavy and the product has a distinct name, such weavers should be encouraged to organise themselves in Producer organisation. Fabindia is one of the companies in private sector which is very successfully organising weavers in the producer group companies. These companies are owned by the weavers and professionally run. The cost of management is fully covered by way of value creation in terms of more efficient input supply systems and marketing strategy.

- ii. The producer companies have advantage over PWCS as they have least Government interference, can be managed by professionals and also invite investments from private equity/venture capital funds.
- iii. A total of 55 Consortiums have been formed in the handloom cluster. These consortium include 18905 individual weavers, 391 Master weavers, 63 traders and 438 Weaver Cooperative Societies. 29 of these consortiums have been registered under Societies Act. 6 Producer Companies have been formed by the Chanderi, Varanasi, Sonapur, Bijnore, Bhagalpur and Burdwan. All are registered under the Producer Company Act. Producer Companies in Chanderi and Varanasi Handloom Clusters have also declared dividends to its weaver members.
- iv. The study team is of the view that these consortiums if properly nurtured would be in a position to give great support to weavers for raw material availability and also marketing interventions. There is an immediate need to track the status of working of these Consortiums and invest in capacity building of these organisations of weavers.
- v. Newer set of institutions like Weaver Federations, Producer companies are required for future growth. Our policies should encourage formation of such enterprises/organisations and mainstreaming. The study team sees great scope of the private sector initiatives in this field.

(Action: Government of India, NABARD ,SIDBI and State Governments)

6.5. Raw Material Supply-the critical missing link

- i. NHDC is able to supply only a small proportion of total raw material requirement for handloom sector. Strengthening the raw material supply to weavers may require multi-fold interventions like strict enforcing hank yarn obligations. Opening of new depots by NHDC in the identified clusters. Another option is, it may appoint good working PWCS as agent or appoint as a franchise in each cluster where substantial number of weavers are working and provide yarn on credit of at least 15 to 30 days.

(Action: Government of India and NHDC)

- ii. Encouraging weaver societies in handloom concentration areas to form federations /producer companies for setting up of small spinning mills in decentralised sector.. There are a few examples in India which are already working on these models, like Masuta and Malkha, which are working directly with the farmers. These initiatives may help in addressing the problems of cotton farmers and also the issues related to raw material supply of weavers. Encouraging WCSs in handloom concentration areas to form federations/ producer organizations for procuring raw material in bulk and also facilitating the weaver members in marketing.

(Action: Government of India, State Governments and NABARD)

- iii. During the discussions it was observed that where ever Apex societies and Handloom Development Corporations are strong, weavers have to concentrate on production related issues as these institutions take care of supply of raw material and marketing. One such example is in East Godavari in Andhra Pradesh where out of 50 PWCS none was defunct. In view of this it is necessary to focus on revival and strengthening of Apex Weavers Cooperative Societies and Handloom Development corporations. Government may think of restructuring the boards and invite private sector participation in equity and management. It is pertinent to mention that, while 39 Apex Weavers Cooperative societies have been assisted under the RRR Handloom Package, some important ones like UPICA could not qualify on viability parameters. Similarly State Handloom Development Corporations were not eligible institutions under RRR handloom Package. State Governments may take initiative for reviving and restructuring these institutions.

(Action: State Governments)

6.6 Reaching out to individual weavers

Large number of weavers remains outside the Cooperative fold. Ministry of Textiles, Government of India has embarked on a massive programme for reaching out to all weavers through Weaver Identity Card. This is a very positive move. While Gol has embarked on a strategy for coverage of all weavers through Weavers' Credit Cards, however because of past record the bankers are reluctant to finance individual weavers in view of this, it is suggested that all such weaver would be better covered under the micro credit strategy, (self-help groups and joint liability groups). In West Bengal, it was observed that such groups being assisted under National Rural Livelihood Mission (Ajeevika). This needs to be encouraged and up-scaled. In handloom concentration districts, under NRLM separate sub-targets may be given for the sector. The weavers may be financed under different government programmes implemented by departments and corporations like SC, ST, BC and Minorities

(Action: Government of India, NABARD, AJEEVIKA missions in Handloom concentration states and State Governments)

6.7 Taking care of Weavers–Improving Social Security

The weavers face lot of health issues due to old designs of looms and difficult working conditions; hence health insurance is very essential. Similarly due to low wages and low financial literacy, they are not able to plan for their old age and often suffer from health ailments due to the hard working conditions. The major health ailments which people face are muscular-skeletal in nature and they suffer mainly from knee pain, joint pain, back ache and weakening eyesight.

Similarly due to low wages and low financial literacy, handloom weavers are not able to plan for the future. Government of India initiated efforts on health insurance in collaboration with ICICI Lombard. These efforts were not very effective. The weavers below the age of 40 should be encouraged to enrol under Atal pension Yojana and Pradhan Mantri Bima Yojana. All weavers should be encouraged to open Jan Dhan Yojana account Instead of Directorate of handloom initiating separate efforts for weavers in the area of health insurance and pension. Also on the lines of the schemes extended by KVIC/KVIB, there is a need to extend benefits like pension, PF and Gratuity etc.

(Action: Government of India and State Governments)

6.8 Marketing key to opening the future growth potential

- i. Massive advertisement campaign to make customer aware about the specific qualities of handloom cloth is needed to reach-out to people by way of endorsements/ advertisements /publicity campaigns. Hence the weavers have expressed a very strong need for a national awareness and publicity campaign.
- ii. There is a need to learn from the master weavers/private traders. While weaver cooperatives and government institutions have not been able to achieve the desired results. Master Weaver is able to correctly estimate the market demand in terms of price, quality and design. Master weavers were able to procure yarn more efficiently as compared to the weaver cooperative societies. The Government would have to assume the role of an enabler instead to trying to do everything itself. This is especially true for marketing.
- iii. Quality standard like 'Handloom Mark' should be adopted on a large scale.

(Action on i, ii & iii : Government of India and State Governments)

iv. Engaging private players with Good working Cooperative Societies.

As can be seen from the example of Dastkaar Andhra, Private sector firms can get engaged with good working weaver societies on a long term basis. Government policy should encourage business houses, fashion designers and apparel industry to get associated with clusters on long term basis.

Even Corporates can be encouraged /permitted to use their CSR funds for handloom cluster development efforts. Greater use of e-marketing platform to reach the young generations and value creation.

(Action: Government of India, Private Corporate Houses and State Governments)

v. Do not ignore large volume low margin market for handloom products

As indicated earlier in the report, there are two market segments in handloom sector, namely, Niche (domestic and export) and others (domestic only). The

articles, design, branding and promotion for both market segments require differentiated marketing strategies. More focus needs to be on strengthening of rural /local markets to help majority of weavers which produce low value handloom products. Revive Janata Cloth scheme. Such a scheme would meet the welfare objectives of government and also provide volume business to weavers and weavers societies, which is essential for their long term sustainability.

(Action: State Governments)

- vi. Strictly enforce the Handloom Reservation Act.
- vii. Encourage schools hospitals and hotels etc. to procure from handloom sector. Government can think about providing incentive to such institutions for procurement of handloom items. Government institutions should be encouraged to procure their requirement from handloom weaver organisations. This would not happen till the procurement policies of the Government Institutions are suitably modified and private institutions are suitably incentivised for procuring their supplies from handloom weavers.

(Action: Government of India and State Governments)

6.9 Need for a Handloom Development and Equity fund [HDEF]:

High level Committee of Gol for recommending financial package for handloom sector [April 2009] had **recommended setting up of a Handloom Development and Equity fund [HDEF]**.

Handloom Development and Equity fund [HDEF] in our view is required mainly to provide, to eligible institutions and implementing agencies including NGOs and Handloom Weavers Groups, support in the form of promotional and developmental assistance and also to provide equity support to institutional agencies, wherever found necessary, so as to ensure increased and hassle free credit flow to handloom weavers.

As per the committee recommendations, following activities could be supported by the fund:

- i. Meeting the equity and other forms of capital needs of implementing and supporting agencies.
- ii. Meeting the operational deficit of financial intermediaries like HWGs, NGOs, Federations and producer organizations of weavers etc. during initial years.
- iii. Funding the expenses for developing a 'performance-cum-credit rating' model for HWGs. providing support to promotional agencies/ Banks to form, nurture and facilitate linkage of HWGs with Banks.
- iv. Training of Handloom Weavers Groups, NGOs and other Community based organizations, master craftsmen, entrepreneurs, etc. engaged in handloom development.
- v. Capacity building of staff of institutions like PWCS, Apex societies, Federations, Cooperative banks, RRBs and commercial banks engaged in HWG promotion and credit linking.

- vi. Supporting agencies providing services such as ground level data build up, generation of cluster- wise, state-wise and national- level information system on Handloom weavers, developing an electronic networked backbone including developing and maintaining a web site for handloom weavers) and generating real-time information on financial and non-financial aspects of handloom sector.
- vii. Documentation of successful efforts and models, conduct of evaluation studies and publications.
- viii. Consultancy services, Design Development, Market research, etc.
- ix. Promotion of seminars, workshops, conferences and discussions.
- x. Any other activity with the recommendation of the Advisory Board of the Fund.

It was suggested that following institutions can be supported under the HDEF

	Activities	Eligible institutions
1	Training and Capacity Building	Banks, BIRD, Training establishments, NABARD, NGOs, VAs, HWGs and their Federations,
2	System Development Accounting & Audit	Firms of Chartered Accountants, BPO units.
3	Data build up, management	Data processing units, IT companies / &Web site maintenance service providers
4	Consultancy, documentation & Publications	Specialized agencies /experts in the field.
5	Seminar, workshop, meetings, etc.	Any of the implementing agencies

The study team agrees with the recommendation of the committee and suggests that the Government should reconsider the setting up of HDEF. The team also proposes that besides the activities mentioned above, the support should also be extended for formation of Producer Organizations of Weavers and efforts in capacity building of weaver's societies.

(Action: Government of India)

Annexure I

Problems and prospects of handloom sector in employment generation in the globally competitive environment.-Questionnaire: Individual Weavers

1	नाम : स्थान : प्रदेश : दिनांक :	
2	परिवार मे कितने सदस्य है?	
3	परिवार मे कितने करघे है?	
4	सदस्यता -सहकारी समिति बुनकर सहकारी समिति कभी थे क्या ? अनुभव	हाँ या नहीं हाँ या नहीं
5	बुनकर विभाग आपकी क्या मदद करता है ? क्या मदद कर सकता है?	
6	i. हतकरघा से संबन्धित कौन सी गतिविधियो मे परिवार लगता है ? इस गतिविधियो मे महिलाओ का क्या योगदान है	
7	क्या उत्पादन करते है? i. चादरे , ii. धोती, iii. गमछा , iv. शर्ट पैंट का कपड़ा, v. सिल्क कपड़ा अन्य	
8	तैयार किए जाने वाले माल की डिज़ाइन ,रंग आदि के बारे मे कौन बताता है? i. साथी बुनकर, ii. व्यापारी, iii. बुनकर विभाग के लोग , अन्य स्रोत	
9	i. आप द्वारा बनाए गए वस्त्र का प्रतियोगी उत्पाद क्या है?	
10	बाजार मे अपने सामान की पकड़ बनाने के लिए क्या करना होगा ?	

11	<p>तैयार माल की बिक्री कैसे करते हैं?</p> <ul style="list-style-type: none"> i. बुनकर समिति के माध्यम से, ii. स्वतंत्र रूप में, iii. व्यापारी मास्टर बुनकर के माध्यम से या/ अन्य किसी तरीके से 	
12	<ul style="list-style-type: none"> i. बिक्री का कितना प्रतिशत नगद बिक पाता है और कितना उधार बाजार में कितने दिनों का उधार देना पड़ता है 	
13	<p>तैयार माल की बिक्री करने में आपको क्या परेशानी होती है? समाधान क्या है ?</p>	
14	<p>उत्पाद बेचने का सबसे अच्छा तरीका आपकी नज़र में क्या है और क्यों ?</p>	
15	<p>कच्चा माल कहाँ से लाते हैं ?</p> <ul style="list-style-type: none"> i. एनएचडीसी के डिपो से ii. व्यापारी से iii. मास्टर बुनकर द्वारा दिया जाता है बुनकर समिति से प्राप्त होता है 	
16	<p>कच्चा माल मिलने में क्या कठिनाई होती है ?</p>	
17	<p>औसतन कितने दिनों का कच्चा माल आपको रखना पड़ता है?</p>	
18	<p>कच्चा माल उपलब्ध करवाने में बुनकर विभाग आपकी क्या मदद करता है?</p>	
19	<p>यदि कच्चा माल सुलभ हो जाए तो माल बेचने में क्या आराम हो जाएगा ?</p>	
20	<p>कारोबार चलाने के लिए आप पूंजी कहाँ से लाते हैं ?</p> <ul style="list-style-type: none"> i. खुद की बचत , ii. रिश्तेदारों से हूकार /व्यापारी से उधारसा/, iii. कच्चे माल व्यापारी से उधार, iv. बुनकर समिति से मिली अग्रिम बुनाई राशि v. बैंक ऋण 	
21	<p>वर्ष भर में कितने दिनों का रोजगार आपको एवं आपके परिवार को मिलता है?</p>	
22	<p>वर्ष के बाकी दिनों में क्या कार्य करते हैं?</p>	
23	<p>आगे आप अपने बच्चों को इस कार्य में लगाएंगे ?</p>	<p>यदि हाँ तो क्यों ? यदि न तो क्यों?</p>
24	<p>आपके रोजगार और आय को बढ़ाने के लिए क्या करना चाहिए ?</p>	
25	<p>हतकरघा क्षेत्र में तरक्की के लिए क्या करना चाहिए?</p>	

Annexure II

Problems and prospects of handloom sector in employment generation in the globally competitive environment.-Questionnaire: Weavers Societies

1	नाम : स्थान जिला : प्रदेश : दिनांक :	
2	समिति मे कितने सदस्य है? सक्रिय बुनकर सदस्य कितने है?	
3	समिति मे कितने करघो पर काम होता है?	
4	समिति बुनकर विभाग के साथ किस तरह से जुडी है ? i. कार्यशील पूंजी आवेदन बैंक को अनुसंशा के साथ भेजना ii. सरकारी अनुदान सहायता उपलब्ध करवाना iii. बुनकरो को स्वास्थ्य बीमा दिलवाना iv. समिति का ऑडिट करवाना v. मार्केटिंग rebate उपलब्ध करवाना vi. अन्य	
5	बुनकर सदस्यो से समिति किस तरह जुडी है? आगे किस तरह से जुड़ सकती है ?	
6	एक वर्ष मे औसतन कितने दिन का रोजगार समिति उपलब्ध करवा पाने की स्थिति मे है? इसे बढ़ाने के लिए क्या करना है?	
7	क्या उत्पादन करते है? i. चादरे , ii. धोती, iii. गमछा , iv. शर्ट पैंट का कपड़ा, v. सिल्क कपड़ा vi. अन्य उत्पाद	
8	कच्चा माल कहाँ से लाते है ? i. एनएचडीसी के डिपो से ii. व्यापारी से iii. मास्टर बुनकर द्वारा दिया जाता है iv. बुनकर संघ से प्राप्त होता है	
9	कच्चा माल मिलने मे क्या कठिनाई होती है ?	

10	यदि कच्चा माल सुलभ हो जाए तो माल बेचने में क्या आराम हो जाएगा ?	
12	कपड़ा उत्पादन की क्या मुश्किलें हैं ?	
13	तैयार किए जाने वाले माल की डिज़ाइन ,रंग आदि के बारे में कौन बताता है? i. साथी बुनकर, ii. बुनकर संघ iii. व्यापारी, iv. बुनकर विभाग के लोग , v. अन्य स्रोत	
14	आप द्वारा बनाए गए वस्त्र का प्रतियोगी उत्पाद क्या है? बाजार में अपने सामान की पकड़ बनाने के लिए क्या करना होगा ?	
15	तैयार माल की बिक्री कैसे करते हैं? i. बुनकर संघ के माध्यम से, ii. स्वतंत्र रूप में समिति के अपने विक्रय केंद्र से , iii. व्यापारी मास्टर बुनकर के माध्यम से या/ iv. अन्य किसी तरीके से	
16	i. तैयार माल की बिक्री करने में आपको क्या परेशानी होती है? ii. समाधान क्या है ? iii. आपकी नज़र में माल बेचने का अच्छा तरीका क्या होगा ?	
17	औसतन किसी एक समय में कितना कच्चा माल और कितना तैयार कपड़ा समिति के स्टॉक में रहता है?	
18	i. क्या समिति की अधिकतम बिक्री त्योहारों के मौसम में होती है ? ii. क्या इसकी वजह से कई महीने तक तैयार कपड़ा एवं कच्चा माल रखा रहता है? iii. इस inventory को कैसे कम किया जा सकता है ?	
19	कारोबार चलाने के लिए आप पूंजी कहाँ से लाते हैं ? i. समिति की खुद की बचत , ii. साहूकार व्यापारी से उधार/, iii. कच्चे माल व्यापारी से उधार, iv. बुनकर संघ से मिली अग्रिम बुनाई राशि v. बैंक ऋण vi. या अन्य	
20	बुनकर समिति को कैसे मजबूत किया जा सकता है।	

21	<p>i. पर्याप्त कार्यशील पूंजी सुनिश्चित करने के लिए क्या कदम उठाए जाने चाहिए ?</p> <p>ii. क्या सरकारीसहकारी बैंक के अलावा कभी / और से सुलभ वित्त प्राप्त हो सकता है</p>	
22	क्या समिति के अलावा बुनकरो की कोई संस्था हो सकती है?	यदि हाँ तो कौन सी ? यदि न तो क्यों?
23	हतकरघा क्षेत्र मे रोजगार और आय को बढ़ाने के लिए क्या करना चाहिए ?	

Annexure-III- Consortiums in handloom cluster

-Status of consortium/ Association/Producer's Company till May 2012									
S. No.	Name of the Cluster	No. of Consortias formed	Membership details					Name along with relevant details- Consortium/Apex body/producer's company	Registration status
			Weavers	Master Weavers	Traders	Co-opsoc/SHG	Total		
1	Barabanki Uttar Pradesh	3	859	3	0	10	872	1. Barabanki Bunkar Vikas Sansthan 150, weavers and 10 SHGs 3. BarabankiHathkarghaVikas Sansthan-700 members 4. Hathkargha Bunkar Seva Sansthan-12 members	All registered under Societies Act.
2	Bargarh Odisha	4	850	123	0	10	983	1. GangadharMeherikat Club covering 11 master weavers and 400 weavers-Design Development & Mktg. Activity 2. Sambalpuri Bunkar Sangh covering 3500 weavers-looking after CFC/Dye House & Raw Material Bank 3. Jhilminda Traditional Weavers Group with 12 master weavers covering 450 weavers- Design Development &Mktg.Activity 4. Sambalpuri ikatHandloomPark, Bargarh- To set up HandloomPark at Bargarh	(1) Registered by DRCS, Sambalpur under Self Help Cooperative Act 2001 (3) Registered by DRCS, Sambalpur under Self Help Cooperative Act 2001
3	Bhagalpur Bihar	4	1583	17	3	56	1659	1.Bhagalpur Handloom Bunkar Sangh 2. Radha Nagar Handloom Bunkar VikashSangh 3. MustafapurBundarJagriti Samiti. 4.ARPAN Grameen Handloom Weavers Producers Co. Ltd.	All 3 consortiums registered under society Act 1860 (21) & Producer Company Registered under Company Act.
4	Bijohnagar, Assam	1	1470	20	5	230	1725	Bijohnagar SipiniUnnyanSamiti,Bijohnagar.[Formed for manage CFC operations & Dye House and other execution] Total 1471 persons covered in this consortium.(Member of Consortium: 215 SHG-750 members,140 JLG/JLGs-700 members, Master weaver-20 nos, 5 Traders; Total members of consortium 1421 members)	Registered under Societies Act. Reg. No. RS/KAM/240/A-15/891 of 008.Recently it has been decided by the executive body of the consortium to get registered under company Act before the management of CFC & DH is handed over to them. n this regards the advice of one reputed CA has been sought & necessary documents are being prepared to get registered under Company Act.

5	Bijnore Uttar Pradesh	5	2190	27	0	0	2217	1.Top Ten Bijnore Handloom Manufacturers Consortium-Sahaspur [11 Master Weavers-covering 550 Weavers] 2. Diamond Handloom Weavers VikasSansthan – RawanaSikharpur covering 9 Master Weavers & 400 Weavers. 3.SunriseHandtex-Nehtor 7 Master Weavers & 360 Weavers 4. Lucky Handloom Weavers VikasSansthan-Chandpur 6 Master Weavers & covers 120 Looms. 5. SPV by Name Bijnore H/L Weavers Services registered as Public limited Company for managing CFC and Dye house. Sales Tax registration of SPV Completed TIN allotted (09862305514)	(1) Registered under Societies Act & registered under Public Limited Co. Act with 11 directors.
6	Bardhwan West Bengal	6	2910	32	5	7	2954	1. Burdwan handloom development and producer co. pvt. Ltd. To manage the Dye house 2. Kalna MahakumatangilshilpSangh having membership of 600 weavers 3. RupayantantBabshayeeUnnayanSangh 4. Kalna MahakumaSrijani Samiti- SHG based women consortium with 62 women members. Samudragarh TantUnnayanSangh, Dakshin GoalparaTantBAstraBabasayee KalyanSangh& Samudragarh Handloom & Handicraft Artisans Welfare Association. Six new Consortium registered under WB Societies Act during the year 2009-10 for marketing purpose & Burdwan Handloom Development & Producers Co. Pvt. Ltd. registered under Company's Act that will run the CFC & Dye house in future.	(1) Registered under Societies Act and (2) Producers Company Act (3)Registered under Societies Act (4) Registered under west Bengal Societies Act.
7	Chanderi Madhya Pradesh	1	500	0	0	0	500	Chanderi Handloom Cluster Development Producer Co. Pvt. Ltd representing 50 SHGs.	Registered under Producers Company Act.
8	Gwalior Madhya Pradesh	1	300	0	0	0	300	Gwalior Fur Textile Association Samiti	Under Societies Act.
9	Chirala Andhra Pradesh	1	0	13	0	0	13	Consortia formed & registered name as "Consortia of Epurupalem handloom clusters"	Under Societies Registration Act of 35 of 2001
10	Gadag Andhra Pradesh	0	0	0	0	0	0	Consortium is not formed since IA, KHDC Ltd, is an apex body itself and extending all the facilities/benefits to the weavers of cluster.	KHDC Ltd IA is a registered co under Company's Act 1956
11	Imphal, Mizoram	2	275	2	0	7	284	1. Imphal East Weavers Marketing Federation	Registered under Societies Act in Nov.08

								2. Gacedu (GulabAdvanceCenter for Empowerment and development Unlimited) – SPV for CFC & DH Mgt.	
12	Kullu, Himachal Pradesh	0	0	0	0	0	0	No plans to form consortium since it is an Apex body itself.	IA i.e. H&H Corporation have its 18 Emporia and all SHGs are provided marketing facilities through the emporia of the corporation
13	Kurinijipadi, Tamilnadu	1	700	2	0	25	727	Kurinijipadi Handloom cluster consortium formed with 2 Master weavers, and 25 Cooperative Societies having 700 weavers.	Registered under Societies Act.
14	Madhavaram, Tamilnadu	1	1	9	2	1	13	Madhavram handloom cluster consortium formed with 13 members	Registered under Societies Act.
15	Mubarakpur, Uttar Pradesh	3	2250	4	0	0	2254	Formed 3 CONSORTIUM: 1. Purvanchal weavers Association,[defunct] 2.Weavers Handloom, Kendra Society 3. Ashrafi Bunkar Sewa Kendra Society	All Registered under Societies Act.
16	Shantipur (Nadia), West Bengal	14	0	84	0	23	107	Total fourteen Consortia's were formed namely 1. M/s Santipur Handloom Weavers Consortium 2. M/s SKP handloom Weavers consortium 3.M/s Accru handloom Exporters Consortium 4.M/s Santipur handloom Designers Consortium 5.M/s FuliaTangail handloom weavers consortium 6.M/s Kritiwas handloom weavers consortium 7. M/s Nadia handloom weavers consortium 8. Gobarchar Golden SHG handloom weavers consortium 9.Fulia MD handloom weavers consortium 10.Fulis MD handloom weavers consortium 11.Modern handloom weavers Network 12.Fulia 52 Bigha handloom consortium 13.Shantipur Lifeline SHG handloom consortium 14. Shantipur handloom Federation – federation of consortiums	9 Consortiums are registered under Societies Act. 4 consortiums have applied for registration.
17	Sonepur, Odisha	4	1272	40	40	28	1380	Associations formed Viz; 1. Jagruti Bunkar sangh(JBS) having 251 weavers including 8 master weavers cum traders. 2. Bhulia master weavers Association (BMWA) having 561 weavers including with 12 master weavers cum traders	JBS & SBS have been registered under Societies Act 1860.Relevant papers of BMWA submitted with registering authority of registration under societies Act-

								3. Sonapur Bunkar Sangh (SBS) having 200 weavers including 10 master weavers cum traders. 4. Ikat India producer Co. Ltd. is registered on 21 st April 2010 under Companies Act 1956. it has 300 weavers with 10 no of Directors. These 10 are master weavers cum traders. Shares have been issued.	1860. Final judgment is awaited. Registered under company Act 1956 bearing registration no. U17121OR2010PTC01 1880.
18	Tirunannamalai, Tamilnadu	1	1700	0	0	16	1716	Tirunannamala handloom cluster consortium formed with 14 weavers cooperative Societies & an NGO women's handicraft development societies. Tax Payers index Number is obtained.	Registered under societies Act.
19	Trichy, Tamilnadu	2	500	10	2	25	547	1. Manmedu Handloom Tex consortium 2. Manmedu Handloom Tex Producer Co. Ltd.	Partnership firm with State Government Reregistered as producers company under company's Act 1956
20	Trivandrum, Kerala	0	0	0	0	0	0	No consortium is formed in the cluster, since the IA i.e. KSHDC (Hanveen) has taken the responsibility of marketing and other support to the cluster.	
21	Varanasi, Uttar Pradesh	1	1545	5	6	0	1556	Banaras HathkarghaVikas Samiti Producer Co. Ltd. Registered	Registered under Producers Company Act.
	Grand Total	55	1890 5	391	63	438	19807		

[Source: Government Of India; Ministry of Textiles Website]

Annexure IV-Status of SHGs Formation & Credit Linkage till May 2012 in Handloom Clusters

S.No.	Name of the cluster	SHGs formed (in NO's)	Weavers Covered	Status of Credit Linkages		
				Bank A/c Opened	Credit Amount Rs. In Lakhs	Remarks
1	Barabanki, UP	51	810	51	9.10	51 SHGs formed and account opened. 11 SHGs have got credit worth Rs.9.10 lakhs. from Grameen Bank
2	Bargarh, Odisha	104	1304	104	140.00	All the 104 groupshave been bank linked and 72 groups financed worth Rs.140.00 Lakhs from banks like SBI, Punjab National Bank, Utkal Grameen Bank, Dist. Central Co-op. Bank. Besides, 455 individual weavers financed worth Rs.104.50 Lakhs under Swaropgari Credit Card/ Artisan Credit Card Scheme.
3	Bhagalpur, Bihar	145	1907	145	40.75	53 SHGs have got a revolving fund of Rs. 25.000 each. Total credit realized by groups Rs.13.25 lakhs. Rs.4.00 lakhs cash credit facility provided for the association.
4	Bijoyagar, Assam	215	1521	215	414.00	75 SHGs have been provided credit by different commercial banks. 140 JLGs have also been sanctioned creditby the banks. Someof the major banks given credit viz Assam Grameen Bank-Rs.50.00 Lakhs, Punjab National Bank - Rs.80 Lakhs, SBI – Rs.70 Lakhs, UBI-Rs.40 Lakhs, Allahabad Bank- 30 Lakhs and other banks with less credit given.
5	Bijnore, UP	40	540	40	0.00	Till date no credit linkage has been done
6	Burdwan, W Bengal	150	2046	150	76.15	Total 76.15 lakhs loan sanctioned to 45 SHG by UCO bank.
7	Chanderi/ Gwalior, MP	205	1996	200	26.71	203 SHGs have been formed covering 1976 weavers, 75 groups got loan of Rs.24.71 Lakhs. CC limit of Rs. 2.00 Lakhs sanctioned by SBI for the producer company. Also received credit linkage from other MFI institutions.
8	Chirala, AP	146	1481	146	60.00	62 SHGs have got loan of Rs.60.00 Lakhs
9	Gadag, AP	45	602	45	2.80	20 SHG account opened. 9 SHGs received credit worth Rs.2.80 Lakhs as working capital loan. Grameen Bank and Vikas Bank, Gadag district provided credit linkage to the weavers.
10	Imphal,Mizoram	199	2780	199	31.80	15 SHGs received credit of Rs.15.00 lakh and 20 SHGs have received credit of Rs.16.80 lakh. Micro finance institutions provided market linkage in the cluster.
11	Kullu,HP	156	3141	130	15.30	155 SHGs formed having member 3131 weavers, credit facilitation of Rs.15.30 lakhs. Major Banks viz. KangaraCentral Cooperative Bank -5.50 lakhs. Himachal Grameen Bank- 5.50 lakhs, J&K Bank 4.30 lakhs
12	Kurinijipadi,TN	58	878	58	24.80	38 SHG have got loan worth Rs.24.80 lakhs from Vijaya Bank , Indian Bank &Cuddalore District Central Cooperative Bank
13	Madhavaram,TN	50	500	50	18.00	SBI Has provided Rs.7.00 lakhs for 14 SHG and also enhanced Rs. 1.00 lakhs for each group for 7 SHGs women weavers are the major beneficiary from the bank
14	Mubarakpur,UP	70	758	70	0	70 SHGs formed covering 758 weavers. No credit linkage established.
15	Shantipur (Nadia),WB	185	2730	185	33.32	An amount worth Rs.10 Lakhs through MCGF to weavers group taking care of 300 weavers.

						Rs. 1,11,300 through SHG in the first phase SHG Capacity Building. Rs. 10 Lakhs in 2 nd phase SHG Capacity Building (09.10) Rs. 3.61 Lakhs credit to 8 SHG Groups. Another 8.6 Lakhs credit were facilitated to SHG & consortium members for embroidery machines & new HL Purchase.
16	Sonepur, Odisha	94	1080	94	84.27	56 SHGs have got credit of Rs.56.77 Lakhs another 37 individual have got total credit of Rs. 27.50 Lakhs, SBI, Utkal Grameen Bank
17	Tirunannamalai, TN	68	700	50	11.80	Grading Completed in 44 SHGs. TIN NO. obtained for all SHGs 12 SHG received Bank credit of Rs.11.80 Lakhs
18	Trichy, TN	62	830	50	1.20	62 SHGs of exclusive weavers/ wapers formed 2 SHGs got loan worth Rs.60.000 each from Laxmivilas Bank, Manamedu sanctioning of another Rs.3.00 lakhs loan is pending from Laxmivilas Bank.
19	Trivandrum, Kerala	97	1347	97	0.00	97 SHG formed. 7 SHG opened bank account loan worth Rs.1.50 Lakhs sanctioned to 3 SHGs from SBI Bank.
20	Varanasi, UP	145	1731	145	102.23	49 SHGs got credit linkage worth Rs.72.58 Lakhs. 72 weaver's families got loan worth Rs.21.65 Lakhs. A weaver has got cash credit of Rs.8.00 Lakhs. Thus total of Rs.102.23 Lakhs have been facilitated as credit to the weavers.
Grand Total		2285	28682	2224	1092.23	

Annexure V

Handloom Sector Profile- Uttar Pradesh, W Bengal and Andhra Pradesh

A. The Handlooms industry of Uttar Pradesh

The Handloom Industry of Uttar Pradesh produces about 15 % of the total fabric of this country, has nearly 5.6 % share of total weaving units in India, employees 6.4 % of the total number of workers and 6.6 % of the total numbers of weavers in this country

Uttar Pradesh is the only state which has a distinction of being able to offer the complete range of handloom products, viz – home furnishing, floor coverings, bed covers, bed sheets, dress material, towels, table linen and a vast range of woven and printed sarees made of cotton and silk and many more items.

The element of art and craft present in Uttar Pradesh makes it a potential sector for upper segments of the market both in India as well as globally. (Source: Planning Commission Report on Handloom Industry of Uttar Pradesh)

The Structure of Co-operative Societies : The handloom weavers in Uttar Pradesh are organized in a co-operative fold with two tier structure with the primary societies at the identified production centre level called Primary Handloom Weavers' Cooperative Societies (PHWCS) and the APEX handloom co-operative Society at the State Level called "APEX co-operative society), which is formed by collective membership of large number of primary co-op society from different important production centres of the state.

As per census conducted by the ministry of Textiles, Govt. of India in 1995-96, in UP there are 2.11 lakh handlooms providing direct and indirect employment to about 6.33 lakh persons.

The major clusters for handlooms weaving in the state are Varanasi, Barabanki, Mubarakpur, Moradabad and Bijnore. Banarasi sari, dress material, terry towel, bedspread, bed sheets, Khes, duster cloth and home furnishings are the main products produce in the Uttar Pradesh.

During the period 1980-1994 the scheme of Janata Dhoti was in operation the State Government organized the supply of adequate quantity of yarn to the handloom co-operatives society and the weavers. The yarn was directly supplied by UPSTC and U.P. Cooperative spinning mills under control of State Govt. through U.P. Handloom Corporation and UPICA and a subsidy of 20% was provided by the central Govt. through State Govt. That was the Golden Era for handloom weavers in U.P. During the process of industry liberalization and globalization most of the subsidy were withdrawn including Janata Dhoti scheme due to which most of the skilled master weavers shifted to different jobs and migrated to other textile centres like Kurukshetra, Panipat and Delhi.

It was the turning point of the handloom industry where the activity started diminishing.

Handloom Census 2009-10

Parameters	All India	U.P.	Varanasi
Number of Handlooms	2377331	80.295	31,378
Number of Handloom weavers	4331876	2,57,783	95,439

Plan Schemes of Office of Development Commissioner (Handlooms), being implemented during XI & XII Plan period:

1. Integrated Handloom Development Scheme /National Handloom Development Programme/Comprehensive Handloom Cluster Development Scheme

No. of Cluster/Groups	Size of Cluster	GOI's Shares	Funds released	Name of Schemes
1 -Varanasi Mega Cluster	25000 Handlooms	Rs.70.00Cr.	Rs.32.16 Cr.	Comprehensive Handloom Cluster Development
4- Varanasi, Mubarakpur, Bijnore and Barabanki	5000 Handlooms each	Rs. 2.00 Cr. For each cluster	Rs. 6.86 Cr.	Integrated Handloom Development Scheme. National Handloom development Programme

2. Handloom Weavers Comprehensive Welfare Scheme

Year	Weavers covered under Health insurance Schemes	Weavers covered under Mahatma Gandhi Bunkar Bima Yojana
2007 - 08	-	14350
2008 - 09	431921	21560
2009 - 10	371617	13269
2010 - 11	191714	12999
2011 - 12	202325	11449
2012 - 13	178316	9920
2013 - 14	178316	11952
2014 - 15	178316	(upto March, 2015) 11773

3. Yarn Supply Scheme

Year	Quantity (In Lakh Kg)	Value (Rs. In Lakh)
2007 - 08	50.484	3887.60
2008 - 09	53.273	5256.62
2009 - 10	42.996	4737.88
2010 - 11	34.603	4465.18
2011 - 12	16.820	2675.69
2012 - 13	33.417	8769.93
2013 - 14	50.185	18375.02
2014 - 15 (as on 20.02.2014)	46.928	12.90.14

At present 95 yarn depots are functioning in Uttar Pradesh

4.Revival, Reform and Restructuring Package

Total coverage:12 Apex Societies, 1876 PWCs, 1005 SHGs & 21964 individual weavers.

Total claims approved by the State Level Monitoring & Review Committee: 108.94 lakh

Total amount released : 108.83 lakh

5. Weavers Credit Cards

(Rs. In Crore)

Year	WCC issued	Loan Sanctioned	Loan Disbursed
2012-13	6477	28.00	5.92
2013-14	9459	29.23	11.85
2014-15	11674	39.52	9.32

6.List of Weavers/ Weavers societies/institutions interacted with during the field visit in UP

A. Gorakhpur district

- 1.Shri Ram Badai,Astt. Commissioner (handloom) Gorakhpur
2. Shri Arvind Singh, Superintendent
3. Shri Aftab Ahmad, Tech. supervisor
4. Shri Naveen Kumar,DDM NABARD Gorakhpur
5. Shri Vijay Kumar, DDM NABARD Mau

B. Societies Visited

- i. Bunkar Udyog SahakariSamiti Ltd , Naurangabaduttari
- ii. Handloom Cutwork Bunker SahakariSamiti,Rasoolpur, Gorakhpur
- iii. HathkarghaSahakariSamiti Ltd. Rasoolpara, Gorakhpur

-
- iv. Bunkar Sahkari Samiti Ltd.Naurangabad Gorakhpur
 - v. Khalilabad Industrial Central Weavers Cooperative Union,Khalilabad, Gorakhpur

C. Individual weavers

- 1.Shri MuneerulHasanVillage Maghar ,Sant Kabir Nagar
2. Shri Mohammad talib, village dhadwa, Sant Kabir Nagar
3. Shri Abdul Wahab, Sant Kabir Nagar
4. Shri Mustak Ahmad, Sant Kabir Nagar
5. Shri Nisaar Ahmad,village hardi, Sant Kabir Nagar
6. Shri Anwar Hussain, Maghar Sant Kabir Nagar
7. Shri Abdul Moin,PathanTola, Khallabad ,Sant Kabir Nagar

D. Mau district

1. Shri Pradeep Tripathi, Astt. Commissioner, (Hatkargha) Mau region
2. Shri Sharad Chandra Chauhan,Industrial Supervisor Directorate of Handloom
3. Shri FirozBadra Ansari Industrial Supervisor Directorate of Handloom

E. Individual Weavers - ChiraiyaKot Village Mau.

- i. Shri Main ud din
- ii. Shri Kharun Bashar
- iii. Shri Shameem
- iv. Shri Mqsood
- v. Shri Naushad
- vi. Shri Khairul Bashar
- vii. Shri Nazeer Ahmad
- viii. Shri Ali Akhtar

F. Weaver Societies:

- i. Sahana Bunkar Sahkarisamiti Limited, ChiraiyaKot
- ii. AnsarHatkarghaBunkar SahakariSamiti , JameenBurhan, Chiraiyakot
- iii. Apex District handloom Weavers Cooperative society Mau.

West Bengal

West Bengal has a rich tradition of Handloom Weaving. It is a part of its cultural heritage. The textile products of Bengal have attracted not only national but also worldwide attention and bears the timeless legacy of our cultural heritage.

'Jamdani' and 'Tangail' are two pioneer sarees in the field of heritage handloom products of Bengal handloom.

'Jamdani' - the great characteristic of fine art in hand weaving derived from a "Persian" word 'JAM' meaning a 'cup' and 'DANI' denotes the 'container'. Jamdani style of weaving flourished under the benign, rich and enlightened patronage of kings and emperors. It may be considered as a textile of excellence for its super fine qualities in the fifteenth & sixteenth centuries. Excellence in weaving lies in the virtuosity of forms drawn from the social, religious and natural environment and translated through a particular technique and the weaver's sensitivity to create a new art form.

'Tangail' was originated from Tangail, a district of present Bangladesh. Previously it was named as "Begum Bahar" where silk warp and cotton weft were used. Later on, both cotton warp and weft were in vogue. The weaver mainly of 'BASAK' community who migrated from Tangail district before partition of our country & settled in 'Katwa' Dhatrigram, Tamaghata, Samudragarh, area in Burdwan district.

At present, silk Tangail sarees have been revived. The technique of drawing and weaving of extra weft for figured Tangail sarees is more or less identical to Jamdani sarees. Unlike Jamdani, two plain picks instead of a single pick are inserted after each extra weft meant for figured design.

Silks of Bengal were much acclaimed the world over since ancient times. The most well-known Bengal silk saree which carry its popular name is Baluchari saree - a production of exclusive design and fabulous weaving technique. A revival in recent time of both the Baluchari and another outstanding traditional Bengal saree - "Daccai" has led to nationwide and worldwide popularity and interest in Bengal silks. Like silks cotton sarees are also woven in a fascinating and exquisite range.

The Daccai Jamdani is a fabric on which designs are raised in inimitable style. Handloom still remains the great employer of rural sector in Bengal. 3.5 lakhs handlooms exists in West Bengal till date. Santipur, Fulia in Nadia district, Dhaniakhali, Begampur in Hooghly district, Samudragarh, Dhatrigram, Katwa, Ketugram in Burdwan district, Bishnupur in Bankura district are the mainly handloom concentrated areas in the state of West Bengal.

1. Status of Handlooms Sector:

Parameters	All India	West Bengal
Number of Handlooms	2377331	3,07,829
Number of Handloom workers	4331876	7,79,103

*As per Third Handloom Census (2009-10)

Plan Schemes of Office of Development Commissioner (Handlooms), being implemented during XI & XII Plan period:

2. Integrated Handloom Development Scheme /National Handloom Development Programme/Comprehensive Handloom Cluster Development Scheme

During the period 2007-08 to 2015-16, 39 Cluster Development Projects were sanctioned and a sum of Rs.1565.17 lakh was released, benefitting 13952 handloom weavers. Details of clusters sanctioned are as follows

Year	Number of clusters sanctioned	Central Share (Rs. in lakh)	Amount released (Rs. in lakh)
2007-08	25	1056.27	230.61
2008-09	9	345.79	127.75
2009-10	0	0.0	0.00
2010-11	5	258.97	75.70
2011-12	-	0.00	886.77
2012-13	-	0.00	0.00
2013-14	-	0.00	233.74
2014-15	-	0.00	10.60
2015-16	-	0.00	0.00

From financial year 2014-15 funds are being released under comprehensive handlooms Development Schemes (CHDS) a component of National handloom Development Programme (NHDP)

3. Handloom Weavers Comprehensive Welfare Scheme

Handloom Weavers Comprehensive Welfare Scheme is implemented with the components of (I) Health Scheme and (II) Mahatma Gandhi Bunkar Bima Yojana.

Year	Weavers covered under Health insurance Schemes	Weavers covered under Mahatma Gandhi Bunkar Bima Yojana
2007 - 08	245000	59529
2008 - 09	246913	25138
2009 - 10	285000	30386
2010 - 11	352300	28434
2011 - 12	381714	41906
2-12 - 13	381714	34062
2013 - 14	(1.4.13 to 31.3.14)	54204
2-14 - 15	381714 (upto 30.9.14)	61500 (upto March,15)

4. Revival, Reform and Restructuring Package

Of the 1 Apex Society, and 2207 functional societies in the state of West Bengal claims of 1 Apex, 456 PWCS, 47 SHGs & 1487 individual weavers have been approved at Rs. 126.71 crore & released Rs. 105.70 crore so far.

4. Concessional Credit to Handloom Sector

Under Concessional Credit margin money @ Rs.10, 000/- per weavers is provided and loan to the handloom weavers is given at 6% interest by way of interest subvention by Government of India subject to maximum of 7%.

So far total 47382 credit cards have been issued by banks. An amount of Rs.13293.54 lakh has been sanctioned and loan disbursed of Rs.1626.03 lakh so far.

5. List of Weavers/ weavers' societies/institutions interacted with during the field visit to West Bengal

A NABARD

- i. Smt. T S Raji Gain, CGM NABARD West Bengal
- ii. Shri Pinaki De , AGM
- iii. Shri A Mandal, DDM, NABARD, Nadia
- iv. Shri Partha Mandal DDM NABARD Burdwan

B State Government Officials

- i. Shri Debashish Ghosh , Director of Textiles and Handlooms , Government of West Bengal
- ii. Shri Mritunjay Bandopadhyay , CEO, west Bengal Khadi & Village Industries Board Subhasish Bakshi, Technical Officer Handlooms
- iii. Shri Sukumar Basak , Technical Officer Jagannathpur cluster
- iv. Shri Malay Biswas, KVIB Nadia

C. Societies Visited

D. Nadia district

- i. Fulia Tangail Shari Bayan Silpasamabaysamity Ltd. Fulia , Nadia
- ii. Nutan Fulia Tantubay, Sambay Samiti LTd , Fulia , Nadia
- iii. Tangail Tantujibi Unnayan Sambay Samiti Ltd, Fulia , Nadia
- iv. Matiary Kutir Shilp Pratisthan, Nadia, West Bengal (KVIC)
- v. Chandanpur Khajababa Tantubay, Sambay Samiti Ltd

E. Individual weavers

- i. Shri Chander Sheikh, Jaggannathpur, Fulia, Nadia
- ii. Shri Dalim Sheikh, Jaggannathpur, Fulia, Nadia
- iii. Shri Sati Uddin Ahmad, Jaggannathpur, Fulia, Nadia
- iv. Smt Jahanara Bibi, Jaggannathpur, Fulia, Nadia

v. SmtSubashebbi , Jaggannathpur, Fulia, Nadia

F Common facility centre run by AD (Handloom Nadia) at Chandanpur

G. Bardhwandistrict

- i. Chairman, PurbasthaliPanchayat Samiti Srirampur.
- ii. Madhya Dakshin Srirampur handloom cluster
- iii. Khadi Gramodyog Shilp UnnayanSanstha ,Burdhwan
- iv. MahaprabhuPadha Tantubay Bunkar Samiti , Sri Rampur
- v. CFC centre run by KVIB Burdhwan
- vi. Burdwan DCCB- Tapan Kumar Mukherjee, DGM loans and advances

Andhra Pradesh

The Handloom Societies in Andhra Pradesh are organised as a two tier structured societies in the village called Primary Handloom Weaver's Co-operative Society. The APEX society at the State level called A.P. State Handloom Weavers' Co-operative society Ltd. (APSHWCS), popularly called as APCO. The APCO Fabrics is a Govt. controlled and managed body coordinates the procurement and export of Hand loomed fabrics from A.P.

The Handloom fabrics of A.P has a wide range and includes in a variety of colours, silks, Tie & Dye materials, Durries, Dress materials.

Export: Way back in 10th & 11th Century AD, the handmade textiles of A.P has been in great demand in Far East and the Arab World. It was the Arab who introduced this exquisite range of fabrics in Europe.

The ruling dynasty at that period was Persian in origin, maintaining a close relationship with Iran. Exchange of trade and craftsman was encouraged. Persian craftsmen came to A.P and worked with the local craftsman at Golconda, the Capital QutubShahi dynasty and in other parts also like Machilipatnam, Warangal etc,. This wide exposure and interchange of ideas resulted into an unique blend of designs, colours and textures. Today, A.P. is renowned for its fine range of silk brocades and cottons, each having a very special identity that sets it apart.

1. Handloom Census - 2009-10:

Parameters	All India	Andhra Pradesh
Number of Handlooms	2377331	124714
Number of Handloom weavers	4331876	355838

Plan Schemes of O/o DC (Handlooms), being implemented during XI & XII plan period:

2. Integrated Handloom Development Scheme /National Handloom Development Programme/Comprehensive Handloom Cluster Development Scheme

No. of Cluster/Groups	Size of Cluster	GOI's Shares	Funds released	Name of Schemes
1 Mega Cluster (Parkasham& Guntur District)	25000 Handlooms	Rs.70.00Cr.	Rs.0.160 Cr.	Comprehensive Handloom Cluster Development Scheme

3. Handloom Weavers Comprehensive Welfare Scheme:

Year	Weavers covered under Health insurance Schemes	Weavers covered under Mahatma Gandhi Bunkar Bima Yojana
2007 - 08	127594	83590

2008 - 09	121481	122968
2009 - 10	120027	90460
2010 - 11	140000	84966
2011 - 12	140043	77378
2012- 13	140043	74997
2013- 14	140043	70962
2014- 15	(30.09.2014) 140043	(upto March,2015) 87704

4. Yarn Supply Scheme

Under the Mill Gate Price Scheme, Yarn supplied to Andhra Pradesh during XI & XII plan period is as under:-

Year	Quantity (In Lakh Kg)	Value (Rs. In Lakh)
2007 - 08	34.83	4679.9
2008 - 09	47.132	52.04.29
2009 - 10	54.487	6813.13
2010 - 11	42.431	7528.55
2011 - 12	41.484	8437.08
2-12 - 13	46.844	9524.74
2013 - 14	41.731	11811.39
2-14 - 15 (as on 20.02.2015)	11.545	7547.53

At present 70 yarn depots are functioning in Andhra Pradesh including Telangana.

5. Revival, Reform and Restructuring Package

Total coverage 1 Apex, 606 PWCs, 1005 SHGs & 9450 individual weavers.

Total claims approved by the SMRC : 200.26 lakh

Total amount released by the NABARD : 142.94 cr

(GoI share:102.28 cr State share 40.67 cr)

6. Weavers Credit Cards

(Rs. In Crore)

Year	WCC issued	Loan Sanctioned	Loan Disbursed
2012-13	15031	46.82	37.40
2013-14	9229	28.99	28.11
2014-15	2116	7.10	7.10
2015-16	-	-	-

7. List of Weavers/ Weavers societies/institutions interacted with during the field visit to Andhra Pradesh

A. NABARD

- i. Shri Harish Jawa, CGM NABARD AP RO
- ii. Shri Venu Gopal, Asst Manger
- iii. Shri A Bhavani Shankar, DDM,NABARD, Guntur
- iv. Dr K Prasad DDM NABARD East Godawari
- v. Shri Sudarshan Rao, LDM, Guntur District,
- vi. Shri Bhanu Prasad, DCCB, CEO
- vii. Shri General Manger, DCCB, East Godawari.

B. State Government Officials

- i. Shri. P Naresh, IRS, Commissioner and Ex Officio CEO to Govt of AP, Commissionerate of Textiles and Handlooms , Government of Andhra Pradesh;
- ii. Shri A Murali Krishna, Joint Director Commissionerate of Textiles and Handlooms , Government of Andhra Pradesh
- iii. Shri S.Ramesh, Assistant Director H and T, District: GUNTUR
- iv. Shri Kanna Babu, Assistant Director H and T, District: EAST GODAVARI

C . Societies Visited

Gunturdistrict:

1. Arumbaka, Handloom Weavers Coop Production and Sales Society Ltd, Shri D Rambabu President;
2. Isukapally, Handloom Weavers Coop Production and Sales Society Ltd, Shri K V Subba Rao President
3. Consortium of Cherukupalli Handloom Cluster;
4. The JanathaHandloom Weavers Coop Production and Sales Society Ltd, Shri Samba Shiva Rao
5. Markondaiah, Handloom Weavers Coop Production and Sales Society Ltd, Magalagiri,
6. Sarsawathi, Handloom Weavers Coop Production and Sales Society Ltd, Magalagiri,

D. Individual weavers

1. Shri Shiv Kumar. Isukapalli
2. Shri K Siva Durga Rao, Sethinapalli
3. Shri DamerSubbaiah
4. Shri S.Durga Rao
5. Shri V Vasanth Kumar
6. Shri A.Gopinath.
7. Shri Samba Shiva
8. Shri Manmadha Rao

E. Discussions with Officials of Common Facility Centre run at Cherukupalli

F. East Godavari district

1. Uppada Weavers Cooperative Society Ltd., in Kothapalli
2. Hasanbada Handloom Weavers Co-operative Production & Sale Society Ltd,
3. Sh Veerupakasham, President, Hasanabada PWCS.

G. Individual weavers

1. Shri P Durga Prasad
2. Shri K Shiva Krishna
3. Shri G ravi Kumar
4. Shri V Hari Prasad
5. Shri L. Markondai

HDastakaar Andhra; SmtShyamaSundari,

Annex-VI

**List of Officials with whom the Study team interacted at BIRD, Lucknow
[1-3 February 2016]**

S.No	NAME S/Shri	DESIGNATION	OFFICIAL ADDRESS	STATE
1	S/Sh Jogi Meghnath	GM	RBI, Lucknow	UP
2	Sarweshwar Shukla	GM	District Industries Centre , Lucknow	UP
3	Dinesh Singh	Add. GM Ex ADC Handloom	Ordinance factory ,Kanpur	UP
4	Rajveer Singh	MD	Apex Cluster Development Agency	Delhi
5	Amar Singh	Officer	The Kangra Central Coop. Bank Ltd., Bhutti Colony	Himachal Pradesh
6	Anal Kumar Srivastava	Manager	Allahabad U P Gramin Bank Laharpur, RO., Biswan	Uttar Pradesh
7	Ms Archana Gupta	Officer	Uttar Pradesh Handloom & Handicrafts Corporation Ltd., Lucknow	Uttar Pradesh
8	D R Sangwan	Senior Manager	Rajasthan Marudhara Gramin Bank, Nagaur	Rajasthan
9	Debabrata Mazumder	Senior Account Officer	West Bengal State Handloom Weavers Coop. Society, Kolkata	West Bengal
10	G L Mishra	Senior Manager	Allahabad U P Gramin Bank Khairabad, RO., Sitapur	Uttar Pradesh
11	Hesamul Hasan	Secretary	Bunker Sakhari Samiti Ltd., Gorakhpur	Uttar Pradesh
12	Ms Indira Sharma	Officer	Himachal Pradesh State Handicrafts & Handloom Corporation Ltd., Shimla	Himachal Pradesh
13	Jeet Singh Nirman	Senior Manager	The Patiala Central Coop. Bank Ltd., Patiala	Punjab
14	K P Khare	Manager	Uttar Pradesh Coop. Bank Ltd., Lucknow	Uttar Pradesh
15	Kesho Ram	Marketing Assistant	Himachal Pradesh State Handloom & Handicrafts Development Coop. Federation Ltd., Bhunter	Himachal Pradesh
16	Nitesh Dhawan	Assistant Commissioner	Handloom & Textiles Department, Varanasi Region	Uttar Pradesh
17	Prakash Ranjan Mandal	Manager	Basudebpur SBTSS Ltd., Basudebpur, Purba Medinipur	West Bengal
18	Praveen Kumar	Weaving Master	Himachal Pradesh State Handicrafts & Handloom Corporation Ltd., Shimla	Himachal Pradesh

19	Rajinder Singh	Officer	The Kangra Central Coop. Bank Ltd., Kullu	Himachal Pradesh
20	Ram Barai	Assistant Commissioner	HathkarghaEvamVastraudyog, Gorakhpur	Uttar Pradesh
21	SanjibMandal	Manager	United Bank of India,	West Bengal
22	Sisir Kumar Nag	Assistant Director Textiles	Odisha State Handicrafts & Handloom Corporation Ltd., Bolangir	Odisha
23	Sunil Patidar	Assistant Manager	Narmada Jhabua Gramin Bank, Maheshwer, Khargone	Madhya Pradesh
24	Vikrant Gill	Weaving Master	Himachal Pradesh State Handicrafts & Handloom Corporation Ltd., Shimla	Himachal Pradesh
25	ZainulAbidin	Vice Chairperson	HathkarghaEvamVastraudyogNi deshalay, Varanasi	Uttar Pradesh
26	Ramzan Ali	President	Banaras Handloom Silk Fabrics Coop. Solution Ltd., Varanasi	Uttar Pradesh
