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Handloom Industry in India: A Study

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Abstract

The textile industry has two broad segments, namely, handloom, handicrafts, sericulture, powerlooms in the unorganized sector, and spinning, apparel, garmenting, made-ups in the organised sector. Handloom weaving is one of the largest economic activities after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. The Government of India, since independence, has been following a policy of promoting and encouraging the handloom sector through a number of programmes and schemes. According to the Handloom Census of 2009-2010, the total number of weavers recorded 43.32 lakh. Production in the handloom sector recorded a figure of 7202 million sq. meters in the year 1995-96, these production was increased 7116 million sq. meters 2013-14. During 2005-06 to 2013-14, the growth was registered positive accounting 1.4 per cent per annum and statistically positive significant at 1 % level. During the year 2013-14, the highest fund goes to Tamil Nadu state from the central assistance accounting 28.59 per cent of the share of total central assistance followed by Uttar Pradesh (26.59%), Andhra Pradesh (21.22%), Gujarat (9.42%), Haryana (5.15%), West Bengal (4.75%) and Kerala (4.29%). Exports of Handlooms during 2009-10 were of the order of US\$ 265 Million and increased to 365 million in 2010-11, recording a growth of 38 per cent. During 2011-12, exports of Handloom further increased to US\$ 554 million, recording a growth of 60 per cent. The biggest destination of India's Handlooms products is the USA followed by the EU.

Keywords: India, Handloom, Production Exports, Growth, 12th plan.

1. Introduction

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports, contributing nearly 13.25 per cent of the country's total exports basket. The textiles industry is labour intensive and is one of the largest employers and has realized export earnings worth of \$ 41.57 billion in 2013-14. The textile industry has two broad segments, namely, handloom, handicrafts, sericulture, powerlooms in the unorganized sector, and spinning, apparel, garmenting, made-ups in the organised sector. The new Government has taken many initiatives for the development of the textiles sector, under the leadership of the Prime Minister, Mr. Narendra Modi, has stressed an economic vision based on increasing production, export and generating employment, giving particular attention to generation of productive employment opportunities for the youth; inclusive and participative growth; skill, scale and speed; make-in-India brand; zero defect-zero effect (on environment); and Adarsh Gram.

Handloom weaving is one of the largest economic activities after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. The handloom sector occupies a distinct and unique place in the Indian economy, besides being the largest generator of non-farm rural employment. The handloom industry is largely household based, carried out with labour contributed by the entire family. It is dispersed, spread across thousands of villages and towns in the country.

This sector contributes nearby 11 per cent of the cloth production in the country and also contributes to the export earning of the country and also 95 per cent of the world's hand woven fabric comes from India.

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The handloom sector has been sustained by transferring skills from one generation to another. The strength of the sector lies in its uniqueness, flexibility of production, openness to innovations, adaptability to the supplier's requirement and the wealth of its tradition.

The Government of India, since independence, has been following a policy of promoting and encouraging the handloom sector through a number of programmes and schemes. Due to various policy initiatives and scheme interventions like cluster approach, aggressive marketing initiative and social welfare measures, the handloom sector has shown positive growth and the income level of weavers has improved.

The handloom fabric production has been very impressive and growth has been at the rate of 6 per cent to 7 per cent in the beginning of the 11th Plan. The subsequent economic downturn has affected all the sectors. In India and handloom sector was no exception. The production had declined nominally in 2008-09. Now, there is a positive sign and production has shown upward growth.

2. State-wise Handloom position in India

The number of Handloom Units, Weavers and allied Workers and Handlooms as per the Handloom Census, 2009-10 are given in Table-1.

Table 1: State-wise details of Handloom Units, Workers and Looms

State	No. of Units	No. of Handloom Weavers & Allied Workers	No. of Handlooms
Andhra Pradesh	176996	355838	124714
Arunachal Pradesh	30343	33041	27286
Assam	1240817	1643453	1111577
Bihar	25485	43392	14973
Chhattisgarh	2664	8191	2471
Delhi	1875	2738	2560
Gujarat	3676	11009	3900
Haryana	6455	7967	4876
Himachal Pradesh	7006	13458	5578
Jammu & Kashmir	17293	33209	7301
Jharkhand	14178	21160	2128
Karnataka	37680	89256	40488
Kerala	11690	14679	13097
Madhya Pradesh	8691	14761	3604
Maharashtra	1977	3418	4511
Manipur	178975	218753	190634
Mizoram	39499	43528	24136
Meghalaya	11400	13612	8967
Nagaland	60891	66490	47688
Odisha	40683	114106	43652
Pondicherry	1754	2803	1771
Punjab	2377	2636	261
Rajasthan	22668	31958	5403
Sikkim	568	568	345
Tamil Nadu	189069	352321	154509
Tripura	120652	137177	139011
Uttar Pradesh	110542	257783	80295
Uttarakhand	10606	15468	3766
West Bengal	406761	779103	307829
All India	2783271	4331876	2377331

Source: Handloom Census report of 2009-2010

As against the total number of weavers at 43.32 lakh as per the Handloom Census of 2009-2010, the number of weavers as per the earlier (2nd) Handloom Census (1995) was 65 lakh, thus indicating a significant fall in total employment in the sector in recent years as compared to the earlier period. The reduction can be attributed partly to the impact of the global recession in 2008 and partly to the impact of growing competition from the decentralized powerloom and mill-made sector. This decline in employment in the handloom sector could have social and economic implications for the weaver community if the trend persists, thereby pointing towards the urgency of bringing in appropriate reforms to reverse the trend. However, although the number of weavers has declined between the 2nd and the 3rd (latest) Census, there is an increase in the number of full-time workers from 44 per cent as per the 2nd Census to 64 per cent as per the

latest Census. Moreover, there is also an increase in the days of work per weaver household from 197 person days as per the 2nd Census to 234 person days as per the 3rd Census.

3. Handloom cloth production trends in India

As an economic activity, handloom is the one of the largest employment providers after agriculture. The sector provides employment to 43.31 lakh persons engaged on about 23.77 lakh handlooms, of which, 10 per cent are from scheduled castes, 18 per cent belong to scheduled tribes, 45 per cent belong to other backward classes and 27 per cent are from other castes. Production in the handloom sector recorded a figure of 6952 million sq. meters in the year 2012-13. During 2013-14 production in the handloom sector is recorded to be 7116 million sq. meters.

Table 2: Production of cloth by Handloom sector in India[1995-96 to 2013-14] (Qty. in million Sq. Mtrs)

Year	Quantity (Qty. in million Sq. Mtrs)	Year	Quantity (Qty. in million Sq. Mtrs)
1995-1996	7202	2005-2006	6108
1996-1997	7457	2006-2007	6535
1997-1998	7604	2007-2008	6947
1998-1999	6792	2008-2009	6677
1999-2000	7353	2009-2010	6769
2000-2001	7472	2010-2011	6903
2001-2002	7585	2011-2012	6901
2002-2003	5989	2012-2013	6953
2003-2004	5581	2013-2014	7116
2004-2005	5705	Source: Ministry of Textiles, Govt. of India.	

4. Handloom production Growth trends in India

From the analysis average annual handloom production noted 6874 million sq. mtrs during the first sub period and this average annual handloom production was decreased 6768 million sq mtrs during the second sub period. From the coefficient of variation all the study periods has recorded high consistency and low variability. Handloom production growth was registered negative accounting -3.00 per cent per

annum and statistically negatively significant at 1 % level during first sub period these growth was increased during the second sub period accounting 1.4 per cent per annum and statistically positive significant at 1 % level. Finally, overall period the handloom production growth was recorded -0.4 per cent per annum and statistically insignificant. All the study periods' growths are given in table-3.

Table3: Handloom production Growth trends in India [1995-96 to 2013-14]

Periods	Average	STDEV	CV	ACGR	R ² -value	t-value
First Sub Period-I [1995-96 to 2004-05]	6874	809.75	11.78	-3.00	0.547	3.106**
Second sub Period-II [2005-06 to 2013-14]	6767.67	300.30	4.44	1.40	0.669	3.764**
Overall Period-III [1995-96 to 2013-14]	6823.63	609.02	8.92	-0.40	0.051	0.954 ^{NS}

Note: ** indicates significant at 1 per cent level and NS indicates insignificant
STDEV: Standard Deviation, ACGR: Annual Compound Growth Rate
CV: Coefficient of variation

5. Exports of Handlooms in India

Harmonized System of Classification for Handlooms products was introduced in 2009-10. Exports of Handlooms during 2009-10 were of the order of US\$ 265 Million and increased to 365 million in 2010-11, recording a growth of 38 per cent. During 2011-12, exports of Handloom further increased to US\$ 554 million, recording a growth of 60 per cent. The biggest destination of India's Handlooms products is the USA followed by the EU.

6. Central assistance to states

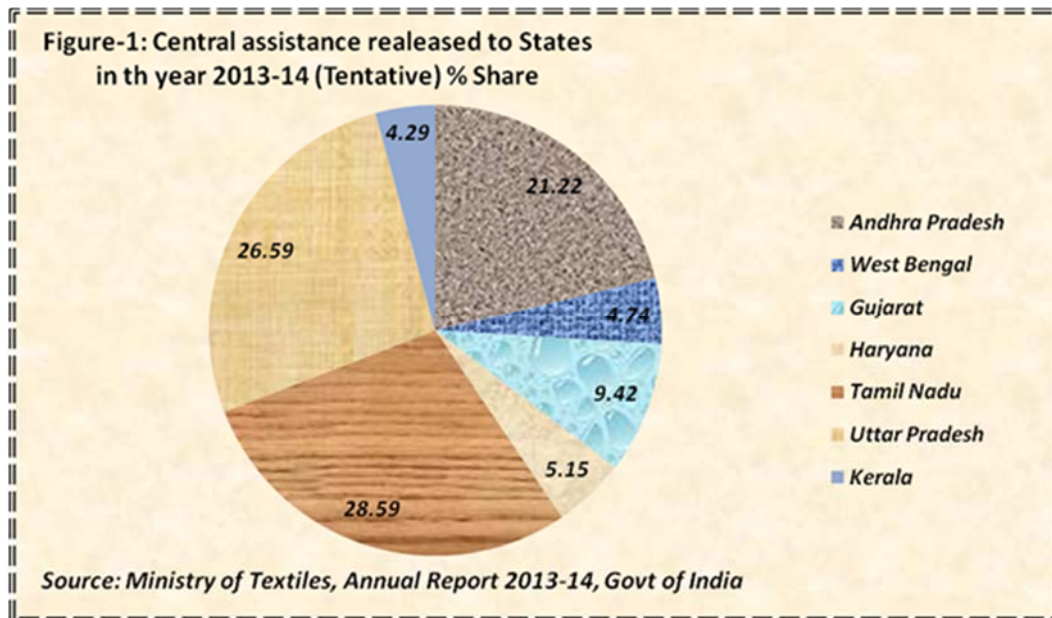
The state of Tamil Nadu occupies first place for the Central assistance from the period of 2001-02 to 2013-14, followed by Andhra Pradesh, Gujarat, west Bengal, Rajasthan, Kerala, Uttar Pradesh, Haryana and Madhya Pradesh. In the year

2001-02, Tamil Nadu state acquired highest funds from the central accounting 67.90 crores, last five years Tamil Nadu, Andhra Pradesh and Gujarat had acquired nearly 70 per cent of the central assistance. During the year 2013-14, the highest fund goes to Tamil Nadu state accounting 28.59 per cent of the share of total central assistance followed by Uttar Pradesh (26.59%), Andhra Pradesh (21.22%), Gujarat (9.42%), Haryana (5.15%), West Bengal (4.75%) and Kerala (4.29%). The figure-1, shows the share of central assistance to state in the year 2013-14 (tentative). Finally, the Central Assistance to the states has increased, in 2001-02 the central assistance was noted just Rs.100 crores, these funds was increased to Rs.328 crores in the year 2013-14. The central assistance released to set up enforcement machinery in the States is given in Table-4.

Table 4: Central Assistance Released to States

Name of the State	Year-wise Amount released [State % share central Assistance]													Total central Assistance to states from 2001-02 to 2013-14
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Tentative	
Andhra Pradesh	--	17.94 (14.95)	--	--	14.58 (12.15)	11.09 (12.32)	71.90 (47.93)	17.72 (11.81)	96.27 (27.51)	35.32 (10.09)	69.62 (19.89)	63.08 (23.32)	69.61 (21.22)	467.13 (17.84)
West Bengal	--	--	18.89 (15.74)	--	19.66 (16.38)	--	11.58 (7.72)	11.40 (7.60)	7.88 (2.25)	27.98 (7.99)	17.14 (4.90)	19.78 (7.31)	15.57 (4.75)	149.88 (5.72)
Gujarat	--	18.66 (15.55)	39.25 (32.71)	19.19 (15.99)	34.18 (28.49)	--	--	56.70 (37.80)	57.82 (16.52)	23.83 (6.81)	35.07 (10.02)	27.99 (10.35)	30.92 (9.42)	343.61 (13.12)
Rajasthan	--	8.73 (7.27)	10.11 (8.43)	23.41 (19.51)	4.19 (3.49)	--	--	28.74 (19.16)	26.06 (7.45)	13.03 (3.72)	13.03 (3.72)	13.03 (4.82)	--	140.33 (5.36)
Madhya Pradesh	9.29 (9.29)	6.88 (5.73)	5.99 (4.99)	7.20 (6.0)	6.23 (5.19)	--	--	11.73 (7.82)	13.09 (3.74)	8.24 (2.35)	11.16 (3.19)	16.15 (5.97)	--	95.96 (3.66)
Haryana	5.52 (5.52)	6.05 (5.04)	7.68 (6.4)	5.60 (4.67)	--	--	28.00 (18.67)	--	16.10 (4.60)	13.78 (3.94)	11.45 (3.27)	--	16.89 (5.15)	111.07 (4.24)
Tamil Nadu	67.90 (67.90)	61.74 (51.46)	38.07 (31.73)	64.60 (53.83)	41.16 (34.3)	78.91 (87.68)	38.53 (25.68)	23.71 (15.81)	132.78 (37.94)	142.33 (40.67)	167.92 (47.98)	116.2 (42.95)	93.8 (28.59)	1067.65 (40.77)
Uttar Pradesh	--	--	--	--	--	--	--	--	--	28.98 (8.28)	--	--	87.23 (26.59)	116.21 (4.44)
Kerala	17.29 (17.29)	--	--	--	--	--	--	--	--	56.51 (16.15)	24.61 (7.03)	14.29 (5.28)	14.06 (4.29)	126.76 (4.84)
Total Expenditure	100.00 (100.00)	120.00 (100.00)	120.00 (100.00)	120.00 (100.00)	120.00 (100.00)	90.00 (100.00)	150.00 (100.00)	150.00 (100.00)	350.00 (100.00)	350.00 (100.00)	350.00 (100.00)	270.52 (100.00)	328.08 (100.00)	2618.6 (100.00)

Source: Ministry of Textile, various annual reports, Govt. of India.



The handloom sector have root in the rich traditional, historical and cultural diversity that distinguishes India from the rest of the world. The handloom sector is also particularly significant as they provide low-cost and green livelihood opportunities to lakhs of families, besides supplementing incomes in times of agrarian distress, checking migration and preserving the traditional economic relationships between different sections of the society. Indian handlooms are characterised by an infinite variety of weaves, textures and designs spun on the handloom, ranging from the finest muslins to heavy bedspreads, from delicate pastels to earthy hues, and from appealingly simple to amazingly intricate compositions, which are known throughout the world since ancient times. This sector can meet every need, from exquisite fabrics, which take months to weave, to popular items of mass production for daily use. Handloom, being a State subject, its development is primarily the responsibility of the State Governments. However, the Government of India has been supplementing the efforts of the States with its policy of promoting and encouraging the sector through suitable interventions.

7. The performance of the handloom sector during the 11th plan period

During the Eleventh Plan period is indicated that total handloom cloth production was 6,947 million square meters during the first year of the Eleventh Plan (2007-08), but it declined by 3.89 per cent in the following year (2008-09) which was marked by global recession. However, since then, production has consistently risen in the third and fourth years of the Eleventh Plan, to reach a production level of 6,930 million square meters during 2011-12, which accounts for over 14 per cent of total cloth/textile production, comprising handloom, mill-made and powerloom, in the country. Exports rose by 26 per cent in 2010-11 to Rs.1,574.95 crore as compared to the previous year and further to Rs.2,653.95 crore, registering a growth of 68 per cent over the previous year.

While considerable progress has been made in the handloom sector during the Eleventh Plan as depicted, a lot still remains to be done as the sector continues to face several discouraging challenges and uncertainties.

8. The Vision and Strategies for the 12th Plan for Handlooms sector

The vision for the handloom sector for the Twelfth Plan is to develop a strong, competitive and vibrant sector in order to provide sustainable employment to the weavers and ancillary workers, particularly belonging to the disadvantaged sections of the population and to ensure faster, more inclusive growth of the sector. To achieve the vision, the emphasis in the Twelfth Plan will be on consolidation of past gains and strengthening of marketing systems. Effort will continue over the next five years to promote supply of yarn/dyes and chemicals in smaller quantities/sachets and allocation of more depots; achieving universal financial inclusion of weavers/ancillary workers with margin money and credit guarantee support, interest subvention, greater coverage of Weaver Credit Cards and linking SHGs with banks, Microfinance Institutions (MFIs) and others for greater access to credit; expanding coverage under weaver welfare programmes; restructuring the cluster development approach for more efficient management and increased sustainability of existing clusters and taking up new clusters where none have been assisted so far; broadening the eligibility of implementing agencies to include NGOs, associations, design institutes, management institutes and other institutions of repute which have local and regional experience and relevant expertise; enumerating women's contribution in mapping/diagnostic exercises; and establishing robust monitoring and evaluation systems, along with defined goalposts.

The Twelfth Plan will also encourage greater environmental compliance and occupational health and safety by adoption of measures such as quantifying environmental impact in planning for cluster development, mandatorily installing effluent treatment plant (ETP) in all the dyeing units in PPP mode, promoting solar lighting and supporting adoption of improved looms with better ergonomics to reduce drudgery of weavers. To overcome the exiting training and skill gaps, the Weavers' Service Centres (WSCs) and Indian Institutes of Handloom Technology (IIHTs) will be strengthened and further consolidated. Formal crafts education will be introduced through establishment of Textiles chairs in leading regional and national universities to inspire and draw

young people into joining the sector. A Textile Museum/Observatory/Resource centre/Hastkala Academy to support preservation, revival, archiving and documentation of languishing handloom crafts (including handicrafts) will also be set up under PPP. Design and product diversity, including development of niche products will be directed towards strengthening marketing and brand building. The brand of 'Handmade in India' will be promoted domestically as well as abroad, and since the handlooms, handicrafts, and khadi and the village industry sectors are distinct but have threads of commonality, greater synergy will be encouraged between them to achieve more efficient utilization of resources. The coverage of 'Handloom Mark' is proposed to be enlarged to cover all handloom products within a definite time frame. States will be encouraged to leverage the rich tradition of the handloom sector to develop tourism potential by showcasing the unique skills/products by setting up permanent establishments where live demonstration of the crafts along with sales counters could be provided for, at strategic locations, which could serve as captive marketing channels for weavers. To boost exports, besides participation in fairs and exhibitions abroad, 'India Weaves Week' will be organised at the Indian Embassies/High Commissions.

Special Assistance to NER will be extended through focus on up gradation of looms, dye houses and work-sheds after in-depth evaluation and review of existing infrastructure. SHGs will be formed and training facilities upgraded to arrive at 100 per cent coverage of handloom workers. An Apparel Designing and Training Institute is proposed to be set up, linked with one Special Weavers' Service Centre. A new umbrella scheme that gives space for framing projects for NER within the objectives for the handloom sector with flexibilities in guidelines to suit their peculiar difficulties is proposed. One of the projects within the scheme would be conversion of domestic handloom units into Minimum Economic Size (MES) commercial units aimed at creating commercial areas with infrastructure including worksheds, equipment and common facility centres for making the handloom industry in NER more market responsive and professionally oriented. 19.164. Major interventions proposed for the handloom sector during the Twelfth Plan are given in Box 19.3.

9. Conclusion

Handloom is the one of the largest employment providers after agriculture. The sector provides employment to 43.31 lakh persons. Production in the handloom sector recorded a figure of 7202 million sq. meters in the year 1995-96, these production was increased 7116 million sq. meters 2013-14. During 2005-06 to 2013-14, the growth was registered positive accounting 1.4 per cent per annum and statistically positive significant at 1 % level. Exports of Handlooms during 2009-10 were of the order of US\$ 265 Million and increased to 365 million in 2010-11, recording a growth of 38 per cent. During 2011-12, exports of Handloom further increased to US\$ 554 million, recording a growth of 60 per cent. The biggest destination of India's Handlooms products is the USA followed by the EU. In the year 2013-14, the highest fund goes to Tamil Nadu state from the central assistance accounting 28.59 per cent of the share of total central assistance followed by Uttar Pradesh (26.59%), Andhra Pradesh (21.22%), Gujarat (9.42%), Haryana (5.15%), West Bengal (4.75%) and Kerala (4.29%).

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