Handloom Sector in Chandur

Dr. D. Narasimha Reddy
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Handloom Sector??

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World Textile Trade

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Contextualizing the Indian Textile Industry
Contextualizing the Indian Textile Industry

Powerloom

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Mills

Handloom
Global Trade

Indian textile sector

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Exports/Imports
Powerloom
Handloom
Mills
Garment
Spinning
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Basics

• Handloom and powerloom are competing sectors
• Most of the powerloom workers are previously handloom weavers. However, powerloom requires workers than weavers
• Policy makers previously have exhorted handloom weavers to shift to powerloom for enhancing incomes
• Suicides are indicators of a crisis, across the sector, and not specifically related to family issues
• Scale of production does not explain suicides; why now and not before
• Handloom and powerloom are part of a global change process in textiles

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EXISTING PRODUCTION CAPACITY

Sector-wise Cloth Production in India in quantity terms

- Powerloom: 63%
- Handloom: 13%
- Mill: 3%
- Khadi, wool & Silk: 2%
- Hosiery: 19%
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EMPLOYMENT POSITION

Present Employment Generation in Different Sector of cloth manufacturing

- Khadi, wool & Silk: 7%
- Hosiery: 21%
- Mill: 1%
- Powerloom: 30%
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EXISTING CLUSTERS IN INDIA

<table>
<thead>
<tr>
<th>Handloom</th>
<th>Powerloom</th>
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</thead>
</table>

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## Major Handloom Clusters in AP

<table>
<thead>
<tr>
<th>Handloom clusters</th>
<th>Major products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gadwal, Ghattu, Rajoli, Narayanpet in Mahbubnagar district</td>
<td>Sarees</td>
</tr>
<tr>
<td>Pochampally, Koyyalagudem, Choutuppal, Ghattupal in Nalgonda District</td>
<td>Ikat textiles</td>
</tr>
<tr>
<td>Mangalagiri in Guntur district</td>
<td>Saris, Dress materials,</td>
</tr>
<tr>
<td>Venkatagiri in Nellore</td>
<td>Sarees</td>
</tr>
<tr>
<td>Dharmavaram, Peddapappur, Tadipthri, Yadiki in Anantapur district</td>
<td>Silk Sarees</td>
</tr>
<tr>
<td>Adoni, Gudur, Kodumuru, Kosagi, Nagaladonna, and Yemmiganur in Kurnool district</td>
<td>Bedsheets, towels, Lungis</td>
</tr>
<tr>
<td>Kothawada in Warangal district</td>
<td>Cotton Durries</td>
</tr>
<tr>
<td>Chirala, Vetapalem Prakasam district</td>
<td>Sarees, Dress Materials</td>
</tr>
</tbody>
</table>

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Inter-Sectoral issues: Access to Yarn

• Increasing exports of yarn, especially cotton yarn
• Increasing exports of raw cotton
• Higher custom duties on yarn imports – silk 30 percent, wool 10 percent
• Volatility in yarn prices – upwardly mobile
• Poor sale distribution network
• Closure of cooperative spinning mills
Sectoral issues: Access to capital

- Decreasing private and public investments for production in specific clusters
- Decline in institutional investment, esp. NABARD
- Burgeoning debts
- No/low loans from scheduled banks
Sectoral issues: Market distortions

- *Duplicate* handloom products in the market
- No legal protection to market transactions and handloom products
- High disparity in production and marketing prices
- Rising imports of fabrics and finished textiles

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Growth Policies Identified…

- National Textile Policy 2000
- National Foreign Trade Policy
- Eleventh Five-year Plan
- Apparel and Textile Policy of AP, 2005-10
- Annual budgets (State and Central)

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Threats Identified…

• Organised lobby groups such as CITI, AMFI, CII, FICCI, etc.
• Economists and bureaucrats (World Bank trained)
• Lethargy among handloom leaders and groups
Sectoral Trends

• Policy, Institutional framework, Fiscal Instruments and interventions are straining the handloom sector as a whole

• Select powerloom clusters are reeling under depressed economic conditions due to
  – Increasing input costs
  – Reduced trickling down of value created to the lower end of the chain
  – Limited adaptability and innovation thereby reducing market access both in domestic and international markets

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Sectoral Trends

• Powerloom workers are more stressed than handloom weavers

• In a cost competition scenario, powerloom is unviable, without value addition and government support

• Suicides in handloom sector are happening and are likely to increase. Only better policies can prevent further suicides
Way Forward

• Review of national textile policy
• Review of AP Apparel and Textile Policy
• Higher budget allocations for handloom in 11th five year plan
• Implementation of HR Act
• Enactment of Textile Labelling Act, for non-handloom products
• Review of provisions for handloom in national foreign trade policy

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Way Forward

• Women oriented welfare and developmental programmes
• HS classification for handloom products
• SHGs and cooperatives in remote areas
• Cleaning of handloom cooperatives through gradation
• Handloom products in sensitive and special products

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Way Forward

• Cleaning up of All India Handloom Board and other relevant committees of political and business appointments, with knowledgeable handloom representatives
• Separate handloom growth and development policy
• Establishment of Handloom Chambers of Commerce
• Establishment of HEPC offices in all State capitals
• Review and improvements of handloom institutions, and their performances
• Curtailing of handloom funds diverted to NIFT
Micro factors

- Low incomes due to low, inadequate and inappropriate wages
- Exploitative relations of production
- Lack of markets
- High level of indebtedness
- Increasing output but reducing wages and enhanced vulnerabilities

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Supply Chain Stages in Handloom Products

Terminal Market to Consumer
Primary Market to Terminal Market
Master Weaver to Primary Market
Production

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