



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

## DEVELOPMENT OF HANDLOOM INDUSTRY IN INDIA DURING THE FIVE-YEAR PLANS

**Dr. R. Emmaniel**

Head of the Department

Department of Business Administration

St. Ann's College of Engineering and Technology

Chirala-Andhra Pradesh, India

### Abstract

Handloom sector enjoys predominant status in the Indian textile industry. It has set up with both household who work at their home and non-household units. It contributes substantially to the export earnings. About 90 percent of world hand woven fabric comes from India and have its own distinct place in the world. It is not just a symbolic to the Indian traditions, but also one of the oldest arts on the planet. Weavers in India, have expertise in making high quality of handloom fabric with amazing skills which has brought unique identity to the Indian handlooms across the world. The role and performance of government institutions which are established to enhance handloom industry are. They should conduct some campaigns / workshops periodically to educate weavers about new trends and issues and government should provide required assistance to conduct such programmes.

**Keywords:** Industrial Revolution, Planning Commission, cooperative, Exports, Declined.

### INTRODUCTION

#### PROFILE OF HANDLOOM INDUSTRY IN INDIA

Handloom weaving is an artistry with traditional heritage and culture. It has been sustained through transferring the skill of weaving over generations. Though there is snugness in the handloom sector, the handloom products are quite famous for their artistic elegance and complicated designs. There are historical records show that handloom fabrics of India had built their reputation in the international market long before the historic industrial revolution.

Handloom sector enjoys predominant status in the Indian textile industry. It has set up with both household who work at their home and non-household units. It contributes substantially to the export earnings. About 95 percent of world hand woven fabric comes from India and have its own distinct place in the world. It is not just a symbolic to the Indian traditions, but also one of the oldest arts on the planet. Weavers in India, have expertise in making high quality of handloom fabric with amazing skills which has brought unique identity to the Indian handlooms across the world.

The handloom fabric production has been imprinted with the growth rate of 6 to 7 percent during eleventh five-year program. The subsequent economic downturn has touched on the handloom sectors in India, as a result of this the production in handloom sector has declined in 2002-09. Nowadays there is a positive sign and yield has shown upward growth and recorded a figure of 6952 million sq. Meters in the year 2012- 13. During 2013- 14, cloth production in the handloom sector is reported to 7116 million sq. meters.

#### Significance of Handloom Sector in Rural Economy

Besides, its contribution towards national economy, the handloom sector assures economic development of the rural poor in India. It is one of the largest economic activities, providing direct employment to over 65 lakhs persons engaged in weaving across the country, out of this, more than 40 percent are adult females and the majority of them are low cast and extremely poor, working in small family units. It accounts for 19 percent of the total cloth production in the country.

#### Handloom Sector and Rural Employment

Handloom sector is the largest employment provider in India, in fact, after agriculture. It is basically low capital and largest labour-intensive sector. Most vulnerable sections of the society like scheduled castes (SCs), scheduled tribes (STs) and other backward castes (OBCs) were employed in the sector. Out of the 43.31 lakh persons involved directly in handloom weaving, along roughly 23.77 lakh looms, of which, 45 per cent belong to other backward classes, 18 per cent belong to scheduled tribes, 10 per cent are from scheduled castes and 27 per cent are from other castes.

#### Development In During Five-Year Plans

Handloom sector in India has expanded as a cottage industry since ancient times. Various generations of handloom weavers suffered long from the mistreatment of Britishers. After independence, special focus laid on this industry in the different five-year



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

plans. Also, to appear into the difficulties of weavers and industry, different committees were appointed at different times for comprehensive study. Besides, a number of institutions were established to channelize financial resources and other marginal assistance to the industry. Having spread throughout the duration and width of the country, the handloom sector has been a source of sustenance for millions of people. It has been a prime provider for millions of people to eke out livelihood and indirectly the allied occupations have been providing livelihood for many more millions of people. The share of handloom fabrics in providing the clothing requirements to meet the growing demand of the ever-growing masses is quite remarkably significant, as its share almost occupies one-third of the cloth production.

Since handloom industry has been playing prominent role in the economic development of the lives of many more millions of people, Government of India took and has been taking several measures for the welfare and prosperity of the handloom weaver and for the development and prospects of the industry. Further, having understood the need for the improvement of the handloom industry, The Planning Commission right from its inception has paid considerable attention towards improving the living standards of handloom weavers and towards the development of the industry.

### First Five-Year Plan (1951-1956)

In the first five-year plan, it was given importance to the handloom sector like other sectors. The emphasis was on maximum utilization of idle capacity rather than establishment of new units. In this way the disguised unemployed labour can be absorbed for the development of village industries such as weaving etc. Government has introduced handloom and khadi industries act, 1953, which provided levy on mill cloth to encourage, assist and develop the handloom industry in the field of production, quality control and marketing.

One of the strong policies implemented by the government during the first five-year plan was to exercise control over the productive capacity of the mills with a view to restricting competition to the handloom sector from the mill sector. Rebate scheme was inaugurated in September, 1953 to assist weavers.

Out of the total financial outlay of Rs. 31.2 crore for village and small-scale industries, Rs. 11.1 crore have been made exclusively for the handloom industry during first five-year plan. Production of handloom material increased from 742 million yards in 1950- 51 to 1554 million yards in 1954- 55.

### The Second Five Year Plan (1956-61)

The Government of India introduced the second five-year plan on 1<sup>st</sup> April, 1956. An independent position was carried out for the development of this sector. To promote the technological efficiency of the handloom sector, All India institute of handloom technology was started in 1956. For research promotion, improvisation of production technique and invention of new designs, weavers' service centres were opened in the principal handloom centres.

In the Second Five Year Plan period the first weavers' services centres were started in Bombay in 1956. These Weavers Service Centres work with the main functions of research and service and training. Out of total outlay of Rs. 200 crores for small scale industries, Rs. 59.5 crore have been fixed for handloom industry during second five years plan. Production of handloom cloth increased from 742 million yards in 1950- 51 to 1900 million yards in 1960- 61. Export of handloom cloth on an annual average has been about 36 million yards. The number of looms in cooperative fold increased from less than 7 lakhs in 1953 to 13 lakhs by middle of 1960.

### Third Five Year Plan (1961-66)

The main aim of the handlooms during the third five-year plan was to bring about further expansion of production of handloom cloth through fuller employment of weavers and introduction of improvised technology. Loan assistance on liberal scale was provided to weavers. It neglected the need to improve the productivity of cloth on one hand and of the weavers on the other.

Out of total outlay of Rs. 264 crores for village and small-scale industries, Rs. 34 crores have been fixed for handloom industry during third five years plan. Production of handloom cloth increased from 742 million yards in 1950- 51 to 3141 million yards in 1966. The number of looms in cooperative fold increased from 1.32 million in 1960- 61 to 1.41 million in 1966- 67. Exports of handloom goods increased from Rs. 5 crores in 1960 to about Rs. 12.6 crore in 1965. For making exports to non-traditional markets viz., Europe and U.S.A. compulsory inspection was carried for 152 lakh yards in 1963.



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

#### Fourth Five Year Plan (1969-74)

The policy regarding assistance to handloom industry remained unchanged during annual plans (1966- 67 to 1968- 69) and fourth five-year plan (1969- 74). Greater effort has been made during the plan period to arrange regular supply of yarn and other improved appliances to train weavers with new technique. The total expenditure during this period for handlooms was Rs. 29.21 crore.

In the Fourth Plan there was a significant change in the basic approach towards the development of weaving industry in rural areas. The Ashok Mehta Committee (1968) critically reviewed the programmes of three types of industries and Annual Plans of Planning Commission, 1966 and suggested an approach towards their development in the Fourth Plan. The objectives of the Plan were: Social Objectives of providing employment; the economic objectives of producing saleable articles; wider objective of creating self-reliance among the people and building up a strong rural community.

The Fourth Five Year Plan's target of production of cloth from the decentralized sector was 4,250 million meters, whereas the actual production was 3,650 million meters by the end of the Plan resulting in short of 600 million meters. The exports of handloom fabrics surpassed the target to the extent of Rs. 17 crores as against the target of Rs. 15 crores. An outlay of Rs. 26.48 crore was envisaged for the development of Handloom Industry and the actual expenditure was Rs. 28.57 crore, which was in excess of Rs. 2.09 crore over the Plan out lay.

Government of India appointed high powered study team on the problems of handlooms known as the sivaraman Committee in 1973 to make an in-depth study of the problems of the Handloom Industry. The high-power study team made an in-depth enquiry into the various problems of the industry. The report was submitted in July 1974 with many important recommendations. Some important recommendations are to create an agency at the centre exclusively for the development of handloom industry and setting up Handloom Corporation to look into the problems of weavers outside the cooperative fold.

#### Fifth Five Year Plan (1974-79)

During this period, Government has initiated certain special schemes for revitalization and development of handloom industry as a point of the 20-point economic programme. It includes integrated handloom development projects and export production projects. Another scheme production and distribution of handloom janatha cloth which is a counterpart of controlled cloth of mill sector. It was started in 1976.

Total outlay for fifth five-year plan was fixed at Rs. 99.92 crore. Export projection was expected to be in the order of Rs. 155 crores. Production expected to raise up to 4800 million metres in case of cotton handloom cloth.

Fifth financial plan outlays on Handloom Industry was Rs. 37.30 crore in the Central Sector and 62.62 crore in the State Sector totalling 99.92 crore. By the end of the Fifth Plan period 1979-80 the production in the handloom sector went up to 2,900 million meters and the employment coverage increased to 6.15 lakh persons. The exports from this industry rose to Rs 261 crore. By March 1980 (end of the Fifth Plan) of the 30.21 lakh handlooms in the country 13.17 lakh looms had been brought under Co-operative fold. But the effective coverage was estimated at about 9.4 lakhs or 31 per cent as against the Fifth Plan target of 60 per cent.

In the field of exports this sector accurate for more than one-third of the total exports in the count. The production had gone up from 2.100 million yards in the year 1973 – 74 to 2.900 million yards in the year 1979 – 80 and exports increased from Rs. 77 crores to Rs. 261 crores during the 1974 – 80, plan period.

#### Sixth Five Year Plan (1980-85)

The Sixth Five Year Plan (1980-85) was launched by the Government with the foremost objective of removal of poverty. The programs for the development of village and small-scale industries had been drawn to generate large scale employment opportunities on a decentralized and dispersed basis, to upgrade the existing levels of skills of artisans as well as quality of their products, and to set up production both for mass consumption and export. With more emphasis on the development of handlooms in the Sixth Five Year Plan, its production was envisaged to increase from 2,900 million meters in 1979-80 to 4,100 million meters by the end of the Plan in 1984-85. This delineated a growth rate of 7.2 per cent per year as against 5.2 per cent during the previous Plan.

The employment coverage in Handloom Industry was expected to go up from 61.5 lakh persons to 87 lakh persons in the Sixth Plan. In the export front, it was expected that the total handloom cloth exports would go up from Rs. 261 cores (Fifth Plan) to



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

Rs. 370 crores over the Sixth Plan period. The target for the Sixth Plan was to bring sixty per cent of the handlooms under effective Co-operative coverage. By the end of 1982-83 about 16.8 lakh handlooms had been brought under the co-operative fold.

In addition to the Co-operativisation of handlooms, the main thrust of the developmental programmes could be on augmenting the supply of raw materials, credit and marketing of the products, increasing the productivity through modernization and renovation of looms. About 15,000 looms were modernized during each of the years i.e., in 1981-82 and 1982-'83. In this Sixth Plan a new Institute of Handloom Technology was established at Guwahati to cater to the needs of North Eastern Region.

The financial outlay for the handloom sector in the Sixth Five Year Plan 1980-85 was Rs. 310.93 crore in the total outlay of Rs. 1,780.45 crore.

### Seventh Five Year Plan (1985-90)

The Seventh Five Year Plan laid emphasis on co-operativisation and development of handlooms through Central/State level corporations, ensure adequate availability of yarn, provision of technological inputs and other raw materials, modernization of looms, increase the production of mixed fabrics on handloom design, support to improve the competitiveness.

The target of production of handloom cloth had been placed at 4600 million meters and additional employment to be generated had been estimated at 23.47 lakh persons for the Seventh Plan. Exports of Handloom fabrics and products would increase from Rs. 348.86 crore to Rs. 485 crores.

### The Abid Hussain Committee Report on Handloom Industry

The Government of India appointed The Abid Hussain Committee in the year 1988. The main aim of the appointment of the Committee was to analysis the problems arisen in the industry after the announcement of 1985, Textile policy, which was announced in May 1988. The Committee submitted its report in January, 1990.

Finally, the Committee arrived at a basic conclusion that in that the 1985 Textile policy was anchored on the right principles and that many problems facing the Textile Industry. The Committee felt that the 1985 Textile policy did not address itself adequately to the institutional, financial and other requirements to achieve the objectives it had set for itself. The Committee recognized that the labour employed in industry is handloom workers, power loom workers or factory workers would face serious dislocation as a result of any restructuring or modernization process.

The Committee suggested opening new institutions like Apex Cotton Development and Technology, area-based Textile Restructuring Assets Trust (TRATS), Apex Textile Restructuring Agency (ATRA) area-based Handloom Promotion Agencies., National Handloom Development Authority, Power loom Area Development Corporations. Labour Enforcement and Welfare Agency as a subsidiary of the Power loom Area Development Corporation etc.

### Eighth Five Year Plan (1992-97)

In the Seventh Five Year Plan, there was a shortage of handloom cloth production. The Five-Year Plan was mainly favourable to large scale sector and power looms. At the same time, the exports of the handloom cloth production declined. As a result of this more number of the weavers lost their employment at the same time there was decline in the number of commercial handlooms by 9 lakhs from 38.9 lakhs in the Seventh Five Year Plan period. The Janata Cloth subsidy had been raised from Rs. 2.75 per sq. metre to Rs. 3.40 per sq. metre. From July, 1990 there had been a shortfall of production of Janatha cloth which was meant for distribution to weaker sections of the society. In the year, 1991 two new schemes were taken up i.e., one relating to the procurement of handloom products from North East and the other relating to handloom export development.

### Ninth Five Year Plan (1997-2002)

During Ninth Five Year Plan period the Government of India adopted a good number of development schemes to develop the handloom industry in India. During the Ninth Five Year Plan the handloom industry assigned an increasingly important role. An outlay of rupees.2768.19 core was envisaged during the plan. The major thrust of the plan was setting up of additional spinning capacity to bring 80 per cent or more of handlooms under effective co-operative coverage, increasing productivity through modernization and innovation of looms, strengthening the technical extension system for improving the quality and design of handloom products.



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

### Tenth Five Year Plan (2002-2007)

The handlooms sector was facing a number of problems like obsolete technology and traditional production techniques, raise in price of hank yarn, scarce availability of inputs like standardized dyes and chemicals in small packs, lack of new designs, inadequate training for up-gradation of skills etc., and inadequate marketing intelligence and feedback. Besides, it had suffered weak financial base of the weavers and politicization of cooperatives. In these circumstances the government of India launched Tenth Five Year Plan with the following initiatives.

- To ensure better access to inputs like yarn, dyes, and chemicals, design and credit.
- Creation of a brand identity and positioning in international market.

As part of marketing support, financial support is provided to handloom organizations to participate in exhibition.

A Group Insurance Scheme, Health Package Scheme, Thrift Fund Scheme and Work shed-cum-Housing scheme etc., are being implemented as welfare measures and provide better working conditions to handloom weavers.

Under the Zero-based-budgeting exercise, the number of schemes under handloom subsection has been reduced from 19 in the Ninth Plan to eight in the Tenth Plan. This exercise has made the schemes more focused.

During Tenth Five Year Plan the total outlay for handloom industry was Rs. 140.00 crore for 2002-03 and for Terminal year 2002-07, it was set to Rs. 625.00 crore.

### Eleventh Five Year Plan (2007 – 2012)

The vision statement of the Eleventh Five Year Plan is to develop a strong, competitive and vibrant Handloom Sector to provide sustainable employment for the economic development of the nation, particularly of rural areas.

The geographical indication of goods (Reservation and Protection) act 1999 has been taken up by office of development commissioner for handlooms. In the year 2010 photo identity cards were issued to the handloom weavers to provide assistance directly to them.

Five Schemes of 11<sup>th</sup> Five Year Plan were;

Integrated Handlooms Development Scheme (IHDS); Mill Gate Price Scheme; Handloom Weaver's Welfare Scheme; Marketing and Export Promotion Scheme; Diversified Handloom Development Scheme.

### Twelfth five-year plan (2012- 17)

The twelfth five-year plan emphasised on consolidation of past gains and strengthening of existing systems and infrastructure, in addition to creation of supplementary facilities on the need basis. It concentrates on recognising ineffective policies, identification of weakness and undertaking corrective measures to attain greater efficiency in programme implementation. Cloth production of handloom sector during the twelfth plan is projected to 12491 million sq. meters. In earlier planning processes at the national level, development of handloom sector was seen as a stimulation for rural development, being based on local resources, local craftsmanship and catering primarily for local markets. In the first decades following India's independence, all national policies emphasised this. However, current thinking at the apex policy level is that the handloom sector is a redundant profession and is a burden on the government exchequer. Political leadership, in general, has been avoiding taking up cudgels on behalf of the weaver community.

### Conclusion

Handloom sector has a rich heritage and great economic importance. Apart from providing employment to a large percent of the rural poor, contributes towards export earnings. It spreads across the country and is a source of livelihood to many villages. Handloom industry is facing hard problems in view of production, marketing and other fields. In context of production, there are adversities like poor output, long working hours, outdated looms and working methods, increased raw material prices etc., which can have an impact on earning capability of the weaver. Despite the several adversities, the handloom sector has held up against the power loom and mills due to there has been continuous funding from the government to protect the handloom industry through many supportive and welfare systems. Unfortunately, the government is not able to reach expected results and all the benefits designed to assist wavers are not been extended to them, as the mechanism used is ineffective.



Cover Page



DOI: <http://ijmer.in.doi./2022/11.03.24>

The role and performance of government institutions which are established to enhance handloom industry has to be increased and look into these and need to take some measures to protect the cultural heritage and to uplift the lives of handloom weavers and also implement some relief measures include providing financial assistance for revitalising the industry, providing raw material at subsidized price to all eligible weavers' through government agencies within the reach, continuous technical assistance, effective implementation of welfare schemes, providing automated looms and more important is increasing marketing infrastructure for promoting handloom products.

## References

- Annual report of Confederation of Indian Textile Industry 2013- 2014.
- Annual Report of Ministry of Textiles, Government of India 2014- 15.
- Cluster in Mizoram”, the IUP journal of entrepreneurship development, Vol. IX, No. 1, 2012.
- Government of India, Publications Division, the First Five Year Plan, 1952, pp. 146 – 147.
- Government of India, Planning Commission. The Sixth Five Year Plan, 1979, p. 197.
- Government of India, Planning Commission, Mid-Term Appraisal Sixth Five Year Plan 1980 – 85, August 1984.
- G Nagaraju, “Socio Economic conditions of Handloom weavers”, thesis 2012.
- Government of India, Planning Commission PEO, Publication no. 55, Study of Handloom Development Programmes, p. 63.
- Government of India, Planning Commission, The Fifth Five Year Plan, 67 – 68, 1974.
- Ghosh Alak, Indian Economy, The World Press Pvt. Ltd. Bombay, 1976, p. 64.
- Government of India, Publications Division, the Second Five Year Plan, 1956, p. 47.
- Government of India, Planning Commission. The Third Five Year Plan, 1961, p. 113-114.
- Handloom Co-operatives in India Consumption Credit Anjaneyulu, G. Dakshina Murthy, D. The Co-operator Vol. XXI, No. 12, Dec. 15, 1983, p. 608.
- N.P. Seshadri, “Handloom in the Tiny Sector”, Journal of Industry and Trade, Vol. XXVIII, 1978, p.17.
- Planning and Co-operation Department, Government of Andhra Pradesh, Hyderabad, 1982, p. 191.
- Rama Ramswamy, “Financial Management Practices of Micro Handloom Enterprises: A Case Study of Thenzawl
- Ram Mohan Rao, K. Development of Handloom Industry. A Study of Socio-Economic, Production and Marketing Characteristics of Handloom Sector in Karimnagar District, Andhra Pradesh, Ph.D., Thesis, Andhra University, Waltair, 1984, p. 20.