

# Handloom Industry In West Bengal: A Study

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**Abstract-** *Handloom Industry provides employment to the seasonal unemployment or under employment work force in the agricultural sector. It uses the ideal working capacity of rural household women workforce without hampering their household chores. It still plays a very important role in the national economy of India in generation of employment, income and foreign exchange earnings. The industry is providing direct and indirect employment to 12.5 million persons in Indian decentralized sector. (Annual Report 2002-03 Ministry of Textiles, Govt. of India). This sector also earns a good amount of foreign currency through exporting the handloom goods. Exporting of handloom goods increases year after year that create a good balance of payment. This paper tries to examine labour process, pattern of growth and the economics of handloom industry in West Bengal. Number of workers, number of hired workers, man-days, fixed capital, total capital, value of output, value added and earnings from labour significantly vary across the types of production organization. Independent units possess higher amounts of these variables than cooperative or tied units. Coefficients of variation of these variables per independent unit are generally higher than that those per other unit.*

**Keywords:** cooperative, earning, employment, handloom, productivity.

## I. INTRODUCTION

Indian handloom industry as a rural industry has a definite place of pride in the world. It is the largest unorganized economic activity in the country after agriculture. India has the largest number of looms in the world, engaged in the production of both natural fabrics like cotton, silk and woolen, and man-made fabrics. About 12.5 million people depend either fully or partially on the handloom industry for their livelihood. The fact that the handloom industry in India survived onslaught of competition from modernized and technology-based industrial production indicates its resilience as well as its unique strengths and weakness. The strengths are in its artistic skills, varieties, small investments as capital, small scale of production, low cost of production and simple technology. On the other hand, the weakness is lack of alternative income earning opportunities for a vast number of weavers forcing them to continue in the occupation in spite of several unfavourable conditions.

The importance of the industry in India is gauged by production of clothes and number of people employed in the Indian handloom sector. Handloom industry has decentralized nature with limited capital investment from the government and has a significant place in its contribution to the Gross National Product. The contribution from this decentralized sector is of very much significance.

The handloom industry exhibits extreme diversity in terms of products, modes of production, as well as in relations within the production structure. This diversity is not reflected in aggregate data on the industry, but it is aggregate data that become the basis for forming impressions and policies pertaining to it. Aggregate data do not tell us what is happening to the industry at the grassroots level; nor do they reflect diversities in organization and products according to state, region, or even district. What is needed is a realistic appraisal of the industry, facilitated by direct inputs from the field.

## II. OBJECTIVES OF THE STUDY

Keeping the problems of study on handloom industry in mind the objectives of the study are as follows:

- i) To examine the pattern of growth of handloom industry in West Bengal,
- ii) To examine the labour process under different production organizations of the industry,
- iii) To examine the economics of handloom industry under different production organizations of the industry.

## III. DATABASE AND METHODOLOGICAL ISSUES

Our study is based on two types of data, viz., primary data and secondary data. Data from secondary sources have been collected from records available with the Directorate of Textiles, Govt. of West Bengal, West Bengal State Handloom Weavers' Co-operative Society Ltd., Handloom Census, Compendium of Textile Statistics, Govt. of India, and office of the Handloom Development Officer.

Since secondary data available at present are not adequate to serve our purpose, we resort to primary data.

Multi-stage stratified random sampling has been used to collect primary data on characteristics of the artisans' households, labour process and production organization of handloom industries, economics of the industries, and problems. Stages here comprise District, Block, Village and Artisan Households while strata include relatively developed and relatively backward districts. Two districts each from among the relatively developed and the relatively backward districts have been randomly selected. Two blocks from each sample district and two villages from each sample block and thirty (30) artisan households from each sample village have been randomly selected. Thus our sample comprises 4(four) districts, 8(eight) blocks, 16(sixteen) villages and 480 households for our in-depth study on Handloom Industry.

Simple statistical tools like mean, dispersion, correlation and regression have been used to analyze the data. Mean Test and F-Test are used to facilitate comparison across different production organizations. Graphical presentation of data relating to production, employment, etc, have been made by line, pie and bar diagrams to show their trends in different districts of West Bengal.

#### IV. FINDINGS OF THE STUDY

The five major handloom producing states in 1978-79 were Andhra Pradesh, Assam, Tamil Nadu, Uttar Pradesh and West Bengal. West Bengal was in fifth position in number of handlooms, but in 1987-88 the state's position was upgraded to third.

The Census of Handloom, 1987-88 and the Joint Census of Handlooms & Powerlooms, 1995-96 reveal that handloom weaving activity in India has a declining trend. Only two states, namely Himachal Pradesh and Manipur registered increases in number of handloom units.

During the period from 1987-88 to 1995-96 the number of looms in Manipur and West Bengal showed an increase. But the number of workers in three states, namely Uttar Pradesh, Tamil Nadu and West Bengal showed decline in absolute numbers. Monthly production in West Bengal was highest among the states of India but it showed a declining trend.

Compound annual growth rates of total number of looms, number of looms under cooperative fold, production of handloom clothes, number of handloom weavers' cooperative societies and sales under organized sector in West Bengal during the pre-reforms period from 1976-77 to 1990-91 were significant at 1 percent level of significance while employment grew significantly at 5 percent level of significance. During

the reforms period from 1991-92 to 2006-07 number of looms decreased significantly and number of looms under cooperative fold and production of handloom clothes and number of handloom weavers' cooperative societies grew significantly at 1 percent level of significance, but employment and sales under organized sector decreased and that insignificantly.

The handloom industry of West Bengal generates largest employment in the district of Nadia followed by Murshidabad, Burdwan, Purba Medinipur, Hooghly and Bankura. The simple annual growth rate during the period from 1985-86 to 2005-06 was highest in Dinajpur followed by Nadia and Darjeeling. The growth rate was negative in the districts of Burdwan, Cooch Bihar, Hooghly, Malda, Murshidabad and undivided Midnapore district.

During the period from 1997-98 to 2005-06 number of handloom weavers cooperative societies increased significantly in four districts at 1 percent level of significance. In the districts of Nadia, Purulia, Malda and Cooch Bihar number of handloom weavers' cooperative societies increased significantly at 1 percent level of significance.

During the period from 1983-84 to 1990-91 number of active handloom weavers' cooperative societies increased significantly in the districts at 1 percent level of significance. CAGRs in respect of number of active handloom weavers' cooperative societies during the reforms period from 2000-01 to 2005-06 was negative in the districts. During the period from 1982-83 to 1988-89 Cooch Bihar district showed highest annual growth rate of number of looms under active handloom weavers' cooperative societies followed by Murshidabad, Dinajpur, undivided Midnapur, Nadia and Burdwan. Bankura showed negative annual growth rate. During the period from 2004-05 to 2005-06 annual growth rates of the same of four districts, namely Howrah, North 24 Parganas, Purba Medinipur and Jalpaiguri were positive while eight districts, namely Hooghly, Burdwan, Bankura, Purulia, Birbhum, Dinajpur, Cooch Bihar and Darjeeling annual growth rates were negative.

The usury capital has a powerful presence in the handloom industry. Known as the mahajan, the owner of the merchant capital and the usury capital controls a section of the small weavers by exercising control over both the input and output markets of the handloom industry. The presence of the mahajan in the economy of small weavers has an effect on the labour process of their economy. In case of the weavers working for mahajan, the latter is the master who plans the production, and the weaver, like wage labour, is to perform the work accordingly. There is thus a separation between planning and execution, and consequently there appears a deskilling

tendency in the labour process. This deskilling is associated with the tied or bondage relation between the direct producer and the mahajan, and not with the detailed division of labour and scientific management, as it happens in case of capitalism proper. This is a peculiar feature of the transitional situation where the market forces help mahajans consolidate by developing a tied or bonded relation with the direct producers, and the tied relation, which goes against the spirit of capitalism, gives rise to a capitalist feature, namely, the feature of deskilling. A tiny section of one-loom weavers remains outside the hegemony of the mahajan. Such weavers maintain the precapitalist labour process in which there exists unity of conception and execution to a large extent. However, as a social force this section of weavers is less powerful.

A few relatively large units employ hired labour on the piece rate basis. At household level of production both male and female are involved in the production, and household labourers are unpaid. These units, seemingly independent, are really dependent on the merchant capitalists for survival, and as such are designated as tied units.

The cooperative artisans are akin to the tied units, but they benefit from the society in terms of loan, bonus, training, coverage of damages, etc. and enjoy some democratic rights in the production process. In the tied units, whatever surplus is generated is shared by merchant capitalist and the proprietor artisans. In the cooperative society, certain amount of surplus is used to meet administrative and managerial cost, interest on loan taken for supply of raw materials to the artisans and for marketing purposes because the society takes the responsibility of marketing the products produced by the artisans under the society.

Handloom industry has socio-economic constraints having some informal characteristics, e.g. lack of maintenance of account, low level of education or formal training, dependence on household premises, male and caste dominance over entrepreneurship and also small area of land holdings.

Different forms of production organization, namely independent, cooperatives and tied to mahajans prevail in handloom industry. Generally larger independent units adopt division of labour while cooperative and tied units are assigned a part or the whole work by the master weaver or mahajans on contractual basis. Few relatively large independent units show a tendency to regularly employ hired labourers on contractual basis as well as on daily rate basis, while cooperative and tied units are seen to have employed hired labour occasionally on contractual basis. Both male and female and sometimes child are involved in production of handloom clothes at household

level. Some form of putting out system still exists in handloom industry in the sample districts of West Bengal. Subcontracting exists where weavers obviously possess the ownership over the means of the production and bear any responsibilities of loss, damage of means of production or raw materials. Almost 80 percent of sample units are operated with household labourers. The industry depends on the labour skill and on traditional art and culture, which helps to produce use value as well as aesthetic value.

Production organization and market structure are favourable for development of limited number of proprietor artisans. However, most of the handloom units (i.e., cooperative and tied units) lack conditions for growth. These units rarely provide their owner/artisans with prospect of capital accumulation and expansion. Technological development in the tied units is generally very slow. The tied units and even cooperative units have limited freedom over the production process. They are bound to produce exactly the commodities, which the traders have ordered them to produce. Thus, it is obvious that the existing organizational system of handloom industry is a powerful barrier to the technological change and development. Some independent units, of course, have produced some diversified demand based products. Some independent units have also developed cost-efficient technology. However, such independent units constitute a small percentage of total units.

Number of workers, number of hired workers, man-days, fixed capital, total capital, value of output, value added and earnings from labour significantly vary across the types of production organization. Independent units possess higher amounts of these variables than cooperative or tied units. Coefficients of variation of these variables per independent unit are generally higher than that those per other unit.

Capital intensity, labour productivity, profit rate and saving ratio also vary significantly across production organizations. Independent units show higher values on the above mentioned indicators than the cooperative and tied units. Productivity of independent units is higher than that of cooperative and tied units both on account of their efficiency. Productivity of cooperative units is not necessarily higher than that of tied units for all the districts. Labourers who are hired on piece rate basis to avoid supervision cost are more productive than household labourers.

Type of production organization has much to do with the growth and stagnation of the industry. While independent units present large potentials for growth, the tied and cooperative units suffer from major structural and social

constraints and their development is often precluded from the perspectives of both owner and labour.

## V. CONCLUSION

The handloom industry of West Bengal generates largest employment in the district of Nadia followed by Murshidabad, Burdwan, Purba Medinipur, Hooghly and Bankura. Larger independent units adopt division of labour while cooperative and tied units are assigned a part or the whole work by the master weaver or mahajans on contractual basis. About 80 percent of sample units are operated with household labourers. The industry depends on the labour skill and on traditional art and culture, which helps to produce use value as well as aesthetic value. Number of workers, number of hired workers, man-days, fixed capital, total capital, value of output, value added and earnings from labour significantly vary across the types of production organization. Independent units possess higher amounts of these variables than cooperative or tied units. Coefficients of variation of these variables per independent unit are generally higher than that those per other unit. Capital intensity, labour productivity, profit rate and saving ratio also vary significantly across production organizations. Independent units show higher values on the above mentioned indicators than the cooperative and tied units. Productivity of independent units is higher than that of cooperative and tied units both on account of their efficiency. Productivity of cooperative units is not necessarily higher than that of tied units for all the districts. Labourers who are hired on piece rate basis to avoid supervision cost are more productive than household labourers.

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