### Problems and Prospects of Power Loom Weavers: A study of Belagavi City

Ajay Jamnani\*, Prajakta Samant\*\* and Sujay Nayak\*\*\*

### ABSTRACT

The present study is designed to examine the major problems faced by power loom owners. Field survey method has been used to understand the various difficulties related to labour, finance, production and marketing by power loom unit owners. Structured Questionnaire and informal interview was used to collect primary information from small scale power loom unit owners in Belagavi City, Karnataka. The survey reveals that major problems faced by the power loom owners are lack of skilled labour and unemployment due to demand of high wages. It is also found that the power loom owners are unaware of the schemes provided by the government for the development of power loom industry. Therefore it is suggested that there is a need for creating awareness about the schemes provided by the government. The government should also take a note of serious problems related to finance and labour in the power loom industry.

#### Keywords: Power loom; Problems; Labour; Unemployment.

#### **1.0 Introduction**

Textile industry has contributed to the world economy in a large way. In olden day's twigs, leaves and branches were used for weaving but consequently other natural forms of fibres were interwoven to form cloth, fabrics and other utilities. Sourcing of wool was found abundant in the form of sheep and wool from sheep was the first to be spurned into yarn and then weaved into a fabric. The word 'textile' comes from the Latin term "taxere" which means to weave. Textile is also synonymously called fabric and is a very important part of our life, be it the clothes we wear, bed and furnishings that we use, or used as utility in our daily life.

<sup>\*</sup>Corresponding Author; Assistant Professor, Dept. of Management Studies, KLS Institute of Management Education and Research, Belagavi, Karnataka, India (E-mail: ajay@klsimer.edu) \*\*Student, Dept. of Management Studies KLS Institute of Management Education and Research, Belagavi, Karnataka, India (E-mail: prajakta@klsimer.edu)

<sup>\*\*\*</sup>Student, Dept. of Management Studies KLS Institute of Management Education and Research, Belagavi, Karnataka, India (E-mail: sujaynayak@klsimer.edu)

# 1.1 Indian textile industry over the years

Table 1 presents an overview of the textile industry over the years.

Years	Indian Textile Industry				
Pre 1990s	• 1854 - 1 <sup>st</sup> cotton textile mill was established in Mumbai				
	• 1861 - 1 <sup>st</sup> cotton mill was established in Ahmedabad				
1901-2000	• From 1901 to 1945 (45 years), total number of mills accounted to 423 of which India received 409 and the remaining went to Pakistan after				
	partition.				
	• 1999 - Technology Upgradation Fund Scheme was established to				
	provide easy access to funds building technological infrastructure.				
	• Technology Mission on Cotton was launched to address issues related				
	to low productivity and infrastructure.				
	National Textile Policy was taken further to provide overall				
	development of textile and apparel industry in the year 2000.				
2000-2015	• Free Trade Agreement (FTA) with ASEAN (Association of Southeas				
	Asian Nations) countries took place and recommended the same with				
	EU				
	• Technology Upgradation Fund Scheme (restructured) was introduced				
	enticing a subsidy cap of US \$ 0.42065 Billion				
2016 Onwards	• 'Make in India' campaign was launched to attract and get more				
	business from manufacturers and FDI (Foreign Direct Investment) in				
	the Textile Industry				
	• Fund allocation for the textile industry in Union Budget 2018-19 was				
	increased by 14.7% to Rs 7,148 Cr				

Table 1: In	dian Textile	Industry	over	the	Years
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Source: IBEF Report on Indian Textiles and Apparel Industry Analysis, January 2019

## 1.2 Textile industry

Textile industry in India has seen a robust production base of wide range of yarns from natural fibres like cotton, jute, silk and wool to synthetic and man-made fibres like acrylic, polyester, viscose, nylon, etc. In 2017-18 Indian textile industry contributed 2% cent to the GDP and has generated employment for more than 45 million people.

The steps involved in making a cloth includes harvesting and cleaning of fibres like wool and cotton and then spinning of these fibres to convert them into threads or yarns. Later weaving or knitting of thread and yarns into fabric or cloth takes place and finally dyeing and stitching the cloth leading to make the final product i.e, garment. Even though since there is existence of the industrial revolution and development in spinning and weaving of machines and technology, the handicraft (something made by hand) and handloom sector has created a niche segment as unique fabrics and clothes serving the global markets. The key segments of the textile industry are presented in Figure 1.



Figure 1: Key Segments of the Textile Industry

Source: IBEF Report on Indian Textiles and Apparel Industry Analysis, January 2019

# 1.3 Handloom and textile in Karnataka

In 1991 the Department of Handlooms and Textiles was set up in Karnataka with the main objective to promote investments in MSME sector to facilitate traditional handloom and power loom weavers. Karnataka is the largest producer of mulbary silk in the country with a share of about 65%. At present there are about 40000 handloom weavers and 120000 power looms (Department of Handloom & Textiles, Govt. Of

Karnataka). Power loom industry has been evident since several decades in India. It contributes nearly seventy percent of the total jobs in the textile industry (Table 2).

S. No.	Indian Power loom Industry	Contribution
1	Job Contribution to Textile Industry in India	70%
2	Registered Power looms in the country	2.701 million (as on Oct, 2017)`
3	Annual Production	54.000 square meter

**Table 2: Contribution of Indian Power Loom Industry** 

Source: Power loom Development & Export Promotion Council (PDEXCIL) Table extracted fromhttps://www.ibef.org/exports/power loom-industry-in-india.aspx

### 2.0 Literature Review

Manivannan (2007) in his paper has written on future prospects of the power loom entrepreneurs and have analysed the problems faced by the power loom entrepreneurs in the Namakkal District of Tamil Nadu and subsequently mentoring the entrepreneurs in formulation of a strategic business insight. For this purpose, the Interview schedule was administered on the entrepreneurs. The data, collected through interviews, were analysed, and the interpretations, plotted. Through this survey the researcher found out need to start this business and various problems involved in this industry. By analysing the results, the ways and means to overcome the problems are suggested. This is an ongoing study, which may be extended to the entrepreneurs of other sectors

Santhosh (2014) has studied the problem of electricity being a major problem in Coimbatore district with most of power loom units being largely affected. Total 150 power loom unit owners were exposed to collect data with the help of questionnaire. Study revealed concerns over cost, weaving, and improper Government support. Shortage of power supply lead to loss of income and business. Frequent power cuts have lead to increase tin production cost due to usage of power generators. Study also suggested for reasonable power tariff for small power loom operators.

Vasan (2011) wrote a paper to understand the performance of power loom sectors in erode district in Tamil Nadu. Primary data was collected from the power loom unit owners in erode district with the help of a well-structured questionnaire. Major finding from the survey revealed that the erratic power supply, lack of skilled workforce, and hike in raw material price affected productivity. The study proposed Govt. intervention and provide basic exemption from taxes, provide subsidies to power loomunit owners in procuring better quality raw materials at economical rates and workforce training.

Shaikh and Dalunge (2013) in their paper have studied various factors affecting productivity of (textile) power loom industries via interview technique using a questionnaire. Literary work in the paper identifies several factors affecting productivity namely, technical training of labours, capita investment, manufacturing flexibility, attitudinal factors, market demand fluctuations, technology upgradation, TQM, lean sigma framework etc. Findings revealed that cost of yarn affects productivity. Though being an external factor would require Government. intervention. Other factors such as infrastructure, plant and equipment too have much greater impact on productivity. Human and technological factors were the most important factors that affected productivity. Paper also suggests making use entrepreneurs aware about schemes such TUFS (Technology Upgradation Fund Scheme) for technology upgradation and subsidies.

Rahman et al. (2014) A study on power loom business in some selected areas of Sirajganj district on its current scenario and future prospects was done. Thirty power loom unit business owners with different amount of investments and machinery capacity were interviewed and relevant information was collected. The authors expressed that shortage of working capital, high cost of raw materials, inadequate supply of electricity and lack of policy support were found to be most crucial factors affecting the power loom industry

Thakur (1995) applied Michael Porters Competitive Strategy framework for analysing the handloom industry. Findings reveal that weaver does not benefit if he is under the master weaver due to financial muscle, handloom substitute products have weakened the market share and poaching in handloom territory has deteriorated the handloom industry

## 3.0 Significance of the Study

With advancement and globalization numerous progressions have occurred in the power loom industry. Inspite of various Government aid, schemes and others to uplift the industry, Belagavi which is one of the largest hubs in Karnataka is loomed with many uncertainties in doing business. The power loom industry of Belagavi needs to overhaul their work techniques, work standards, specialized and administrative aptitudes and propel their work to beat the hindrances. Danger of contenders having most recent innovation, worldwide exchanging rules, work issues, budgetary issues and so on., are a portion of the hindrances and difficulties presented because of progression

and globalization. Hence it becomes essential to study the problems and prospects of powerlooms of Belagavi city.

## 4.0 Objectives

- To create awareness about the schemes provided by Government.
- To know difficulties faced in Power loom business.
- To study various problems related to labour and production in power loom industry.
- To find out expectations of power loom owners from government.

#### **5.0 Research Methodology**

Survey was conducted to gather essential data from small scale power loom unit proprietors of Vadgaon, Belgaum to comprehend the issues identified with work, monetary, creation and promoting being looked by power loom unit proprietors, and to comprehend their sentiments about the primary explanations behind horrible economic situations. Direct informal interviewing from power loom proprietors was also done. In all out 100 power loom unit proprietors were chosen from the different regions of Vadgaon area in Belagavi city.

### 5.1 Sampling procedure and sample size

The pilot study was conducted in Vadgaon area by using convenient sampling technique with the help of unstructured questionnaire. The questionnaire was reframed based on the information collected from the sample and well-structured questionnaire was developed for conducting the main survey. Responses from 100 power loom owners were captured during the survey

#### 5.2 Analysis and interpretation

From Table 3, it is understood that:

- Most of the power loom units (69%) nature of business orientation is 'Family Business'.
- Over half of the respondents (56%) have taken loan from various financial institutions with low rate of interest and one-third of the respondents are self-financed.

- Most of the owners (76%) procure raw materials locally and very few those who have more than 10 power looms procure materials from different places like Surat, Bhiwandi, etc.
- Most of the owners work as middlemen (63%) that is they sell their products to the wholesaler or other intermediaries. Some of them directly buy finished products and sell it to the customers.
- Most of the owners sell locally (57%) to either middleman or intermediary. Distribution to states mainly includes Karnataka, Maharashtra, Andhra Pradesh and others. None of the business owners export or involve in related activity.

No	Parameter	Options	Frequency	Percentage	
1		Own	27	27%	
	Nature of Dusiness	Family Business	69	69%	
	Nature of Business	Friends & Relatives	4	4%	
		Others	0	0%	
2		Own	32	32%	
		Friends & Relatives	16	16%	
	Source of Capital	Bank/Financial Institution	56	56%	
		Others	1	1%	
3	Procurement of Raw	Surat	20	20%	
		Bhiwandi	3	3%	
	Materials	Tamilnadu	1	1%	
		Others	76	76%	
4	Mode of Operation	Independent weaver	41	41%	
		Working as	63	63%	
		Middlemen	1	10/	
		Co-operative weavers	1	1%	
5	Geographic Distribution	Local	91	57%	
	of Output (Semi	District	28	17 %	
	Finished/Finished	State	31	20%	
	Product)	National	9	6%	
	i ioduct)	Foreign	0	0%	

# Table 3: Essential Information on Power loom Owners

Source: Field Survey

From Figure2, it can be said that there is a low productivity due to unskilled labour (51%) as it is difficult for power loom owners to run their business smoothly.Due to constant demand of wages from labourers (27%), most of the power loom owners work on their own along with their family which again results in unemployment. Major concerns is also with the attitude of labour approach (31%) which is arrogant and hasty and hence HR could do something for the same.



Figure 2: Problems Related to Labour

From Figure 3, it is clear that power cuts is the major problem faced by the owners (54%) followed by frequent machine breakdown which stops the production until the technician is made available. Problems with irregular supply of raw material (15%) has hampered the production flow and small portion of the power loom unit have not upgraded their machinery due to which the machines become obsolete and unfit for use.

From Figure 4, there are very few people who need technological support as the technology is already up to date and government is also providing various subsides and schemes like Electronic Jobcard which will reduce their physical work to some extent. Government is also providing financial support but those are for some special classes and to those who have more number of looms. Hence, those who have less than 8 looms do not get any support from the government.

Source: Field Survey

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**Figure 3: Problems related to Production Process** 

Source: Field Survey



Figure 4: Expectation of Power loom Owners from Government

Source: Field Survey

From Figure 5, it is understood that owners face major problem in having skilled labour. Reasons for unskilled labours are they demand wages in advance and demand for beverages. The government provide free ration to the people that ultimately result in no motivation to work. Due to various subsidies on machines provided by the government people/employees themselves start buying one or two machinery and start their own business on their own.



Figure 5: Problems Faced in Power loom Business

From Figure 6, we can interpret that most of the owners are unaware of the schemes provided by the government. Hence the awareness should be created as to how the scheme will benefit the power loom owners and the procedure involved in applying for the scheme.





Source: Field Survey

Source: Field Survey

## **6.0 Major Findings**

- Most of the power loom owners are continuing their 'Family Business' as power loom owners
- Most of the owners work as middlemen, sell their products to the wholesaler or other intermediaries locally. Some of them directly buy finished products and sell it to the customers and none of the business owners export or involve in related activity.
- Due to constant demand of wages from labourers, most of the power loom owners work on their own along with their family which results in unemployment. Shortage of labour and unskilled labourers have been one of the major hindrance to power loom owners to run their business smoothly
- Due to various subsidies on machines provided by the government, power loom working employees themselves start buying one or two machinery and start their own business on their own which promotes entrepreneurship however affecting the business owners in a big way.

#### 7.0 Concluding Remarks

It is quite evident that textile industry does contributes at large but also brings many challenges to look over. From the survey and informal interview it was found that Government is providing all the facilities to foster the power loom unit owners and the labours. Most of the owners procure raw materials locally but subsidies are restricted to certain classes only.

Apart from the schemes mentioned above there are various schemes that they know like One time settlement repayment of loans, Low interest at 3% and Yashwini Scheme for labours & owners through societies. Power loom unit owners expect financial support from the government and face various challenges in getting licence from the government. Finally major problems expressed were getting a skilled labour, frequent power cuts in Vadagaon region, technology upgradation, and strong awareness of schemes

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