

Problems and Prospects of Powerloom Industry- An Empirical Study of Belagavi Powerloom Sector

Ramesh R. Kulkarni and Praveen B. Patil

Abstract

The Indian textile industry has an overwhelming existence in the Indian economy. It is second largest employer after Agriculture sector in India. It is one of the largest in the world with a massive raw material and textiles manufacturing base. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP and 17 percent to the country's export earnings. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade; and handling could be stated to be around another 60 million. The India Textile Industry has three main segments mill sector, handloom sector and decentralised powerloom sector. In textile power loom sector plays a major role in the country. The quantum of production of fabrics in the power loom sector works out 60 per cent of the overall textile production. Healthy competitions have not yet been made and the concerned power loom units have been suffering without new technologies owing to lack of marketing tactics/strategies and new production techniques these are adverse affect on powerloom's performance. This study is based on primary and secondary data, primary data collected through questionnaire method, respondents were selected randomly, and sample size is 100. The study identified those prominent factors that are moving the entrepreneurs slowly of this sector, among these are lack of marketing strategies, production problems , high cost of raw materials, inadequate supply of electricity, lack skilled labour are main barriers of performance in study area. In this study, attempt has been made to evaluate the marketing and production challenges of powerloom units which are manufacturing sarees (unbranded) in Belagavi.

Keywords: Power Loom, Saree, Marketing, Production.

Introduction

The Indian textiles industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country.

Dr Ramesh R. Kulkarni, Research Guide, Kousali Institute of Management Studies, Karnatak University, Dharwad, Karnataka, India

Praveen B. Patil, Research Scholar, Kousali Institute of Management Studies, Karnatak University, Dharwad, Karnataka, India

The Indian textile industry consists of three distinct sectors representing broadly three levels of technology and organization, namely, Textile mills, Power looms and Handloom. The handloom sector is the oldest among them with a long tradition of excellence and unrivalled craftsmanship. The mill sector is over one hundred and fifty years old with about 1834 textile mills, installed capacity of 37.07 million spindles and 4,89,718 rotors.. The last to appear on the scene is the power loom sector which over the last three decades has come to occupy a prominent position with a 22.05 lakh power looms in the country.

The decentralised power loom sector is one of the most important segments of the Textile Industry in terms of fabric production and employment generation. It provides employment to 61.72 lakhs persons and contributes 62 percent to total cloth production in the Country. 60% of the fabrics produced in the power loom sector are of man-made. More than 60% of fabric meant for export is also sourced from power loom sector. The readymade garments and home textile sectors are heavily dependent on the power loom sector to meet their fabric requirement.

There are approximately 5.24 Lakh Power loom Units with 24.69 Lakh Power looms as on December, 2015. The technology level of this sector varies from obsolete plain loom to high tech shuttle-less looms. There are approximately 1, 05,000 shuttle less looms in this sector. It is estimated that more than 75% of the shuttle looms are obsolete and outdated with a vintage of more than 15 years and have virtually no process or quality control devices / attachments. India has only 2% shuttle-less looms as against the world average of 16%. Our competitors China, Pakistan and Indonesia have 15%, 9% and 9% respectively of shuttle-less looms.

About 27 percent of the foreign exchange earnings are on account of export of textiles and clothing alone. The textiles and clothing sector contributes about 14 percent to the industrial production and 5 percent to the Gross Domestic Product (GDP) of the country. Around 8 percent of the total excise revenue collection is contributed by the textile industry. So much so, the textile industry accounts for as large as 21 percent of the total employment generated in the economy

Despite its enormous growth potential and many gateways open, this sector is still at the embryonic stage. This is because of the many unresolved issues and challenges which this sector confronts. These issues and challenges act as hurdles to the growth and development of this sector. Hence, it is thought worthwhile to analyze the performance of this sector, keeping in view these issues and challenges. The findings of this study will bring to light the various complex issues and challenges, provide long-lasting solutions and act as a catalyst to the Government of India. It also helps the various stakeholders to deliberate upon and devise a suitable policy framework for growth and development of power loom sector.

Powerloom Sector in India

Evolution of Weaving Looms

History of weaving looms can be traced back to 17th century. The first power loom was invented by Edmund Cartwright in 1785. Originally Power looms were with shuttle, and they were very slow. But as the industrial demands for faster production accelerate, faster looms without shuttle came in use in early part of 20th century. As developments and innovations take place, various types of looms were developed for faster production. Today,

Air-jet, Water-jet, Rapier and other computer operated looms are used to maximize production of special materials.

Indian Scenario of Weaving Looms

Though weaving is one of the important sector for Indian textile industry, it has not been given due attention like spinning sector. Moreover structure of the industry plays a major role in making it competitive. Nature of this sector is mainly unorganized. The sector consists of fragmented, small and often, unregistered units that invest low amount in technology and practices especially in the power loom, processing, handloom and knits.

Power Loom

The power loom sector produces more than 60% of cloth in India and textile ministry's estimation says that more than 60% of the country's cloth exports originated from that sector. With its employment of 4.86mn workers, the power looms sector comprised approximately 60% of total textile industry employment.

As per textile ministry of India up till March 31, 2006, the power looms sector which produces various cloth products, including Greige and processed fabrics consisted of 430,000 units with 1.94mn power looms. The ministry projected the number of power looms to rise to 1.95mn in 2006-07.

But modernization in looms is less and Indian industry still lags significantly behind US, China, Europe, Taiwan etc. (Texmin, 2005). Most of the looms we have currently in country are shuttle-less. There are less than 15,000 modern looms, whereas traditional looms are in large numbers. Value addition and the manufacturing of fabrics according to customer's compliances, is not possible due to obsolete technology of looms.

Growth of the Powerloom Sector

The estimated number of powerlooms in the decentralized sector in the country till December, 2015 were 24, 69,638. The year-wise growth in the number of looms installed is given at table number No. 1

TABLE # 1

Year	No. of Powerlooms	Growth Percentage
2006-07	19,90,308	—
2007-08	21,06,370	5.8%
2008-09	22,05,352	4.7%
2009-10	22,46,474	1.9%
2010-11	22,82,744	1.61%
2011-12	22,98,377	0.68%
2012-13	23,47,249	2.12%
2013-14	23,67,594	0.86%
2014-15	24,47,837	3.83%
2015-16 (til Dec, 15)	24,69,638	0.89%

Source: Annual Report 2015-2016, Ministry of Textiles, Government of India

Need for the Study

In spite of the magnificent role played by the power loom industry in the economic and social spheres, the power loom unit owners are suffering from inherent operational problems in recent years, like obsolete and discarded power looms, lack of marketing and branding strategies, production problems etc. This affects both the productivity and quality of product. Marketing is one area where the power loom units are found very weak in India. The power loom sector is faced with many challenges in the post liberalization and globalization period. Hence a need was felt by the researcher to undertake a study of the various production and marketing challenges influencing the entrepreneurship development in power loom units in the study area.

Definition of Research Problem (Research Gap):

The power loom sector plays a vital role in India's economy. It is one of the largest economic activities providing direct employment to over 6.5 million persons engaged in weaving and allied activities. In spite of Government intervention through financial assistance and implementation of various developmental and welfare schemes, this sector has not been able to withstand competition from the Branded power loom and mill sectors. This sector contributes nearly 62 percent of the total cloth produced in the country and adds substantially to export earnings.

So, in spite of its glorious past, there is a huge potential for employment generation and contributing to the GDP, it is striving hard for survival. Today this industry faces a large number of problems including those relating to production and marketing of sarees. Of the many problems faced by this industry marketing is a crucial one. Effective marketing is of utmost significance for the survival of this sector and so there is vital significance for this aspect. One of the biggest challenges that these power loom businesses in the country are facing is the competition from Branded and Medium/Large scale industries, in terms of economy, investment, working capital, tax structure and mainly marketing. Hence this study attempts to study the challenges faced by the power loom businesses of Belagavi city who manufacture the unbranded sarees in terms of production and as well as marketing problems and aims to offers strategies for effective marketing of sarees.

Review of Litration:

Arif Anjum, D.V Thakor (2011), they analyze the functioning of the power loom industry and problem faced by the industry workers in Malegaon Maharashtra & their socio economic development. They recommend the appropriate measure for the industry, weavers and traders, consumers & their modernization in respect to technology up gradation and marketing. They used primary as well as secondary data for the study.

Uttam Paul (2013), this study is concerned with the socio economic development of workers engaged in small scale power loom sector of West Bengal. They discussed the nature of employment of power loom industries. They selected randomly 500 workers for surveyed and to know their condition. They used primary data as well as secondary data analyzed with some statistical tools. They found that most of the workers who are engaged in power loom work are illiterate and they don't have any idea to know about the various schemes of the government. That is the reason of poor condition.

Airi rahman, et.al (2014), they remarked the social status of the weavers and their economic development. They used random sampling method.

Sandhya Rani Das (2015), the objective of this study is to analyze the socio economic condition of the weavers and given the possible suggestion to solved their problems. The study is based on primary data through interviewed 100 weavers of Bargarh district of Odessa. They found the conclusion of the weavers are facing number of problems like social, financial, that's why they in able to purchase up to data machineries. They don't have any support through government.

Mamta Chaudhary, Anjali Saini, Rakhi Solanki (2015), the objective of the study is to analyzed the hand loom & power loom industry of Uttar Pradesh of socio economic development. This may be help to enlighten the path ways to action & give broad indication for different policy options.

Dr. B. Sadanandam (2016), stated that socio economic condition of the hand loom weavers in order to identify the reason, and find out their economic condition and status in society. Their area was Warangal district of Telangna state and study is based on Primary data and they used Qualitative and Quantitative technique.

Objectives of the Study

1. To understand the production & marketing system of powerloom units which are manufactured in Belagavi.
2. To identify the production & marketing problems faced by the powerloom units/owners who manufacture Sarees.
3. To analyse the problems & issues of powerloom units in selected area.
4. To find the challenges or constraints of doing business in the current competitive market scenario.

Methodology

Secondary Data

Secondary data has been collected from Government publication reports, text books, Articles, Papers, Journals, and Magazines etc.

Primary Data

The primary data is obtained from Power loom units of selected study area. The primary data have been collected through well structured questionnaire, personal interviews, discussions and observations.

Selection of the Study Area and Sample Size:

The selected study area is Belagavi City of Karanataka State in India. Randomly 100 respondents were selected in Vadagavi, Shahapur, Sulebhavi areas of Belagavi city, on the basis of maximum number of Power loom entrepreneurs who manufacture the sarees and some old power loom entrepreneurs famous to produce to Saree.

Techniques of Data Analysis

The data obtained from the field survey have been processed and compiled in suitable tables so as to derive appropriate inferences and conclusions. SPSS statistical tool has been used in data analysis to interpret data on basis of percentages and frequency.

Limitations of the Study

The study is limited only to Belagavi City. The conclusions must be drawn in due care when attempt is made to generalize the results. Further survey method was adopted for collecting data for this study, which has its own limitations. The respondents do not maintain any records and so they had to recall and furnish the information for the query put forth by the researcher. Hence, the present research study is suffering from the following limitations.

1. The area covered for the present study is restricted only to the range of Belagavi city.
2. The study confines to the power-loom sector only, leaving the handloom sector untouched.
3. The study is restricts to the power-loom units which manufacture sarees only.

Data Analysis and Interpretation

Table # 1: Age Wise Classification of Respondents

<i>Sl.No</i>	<i>Age Groups</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Up to 20yrs	07	7.00
2	21 to 30yrs	13	13.00
3	31 to 40yrs	10	10.00
4	41 to 50yrs	18	18.00
5	51 yrs and above	52	52.00
6	Total	100	100.00

Source: Primary Data field survey

In the above Table # 1 it clear that, almost mixed age group respondents were engaged in the manufacturing of sarees. Majority of 52.00 per cent of respondent were in the age group more than 51 years, 18.00 per cent respondent were between 41 to 50years age group, 10.00 per cent of respondent were coming under 31 to 40 years age groups, 13.00 per cent of respondent were between 21 to 30 years age group, finally only 7.00 per cent of respondent were coming under up to 20 years age group.

Table # 2: Educational Qualifications

<i>SI.No</i>	<i>Qualification</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Up to 7th	9	9.00
2	Up to 10th	12	12.00
3	Above PUC	42	42.00
4	Above Degree	10	10.00
5	Illiterate	27	27.00
	Total	100	100.00

Source: Primary Data from field survey

Table # 2 Level of education of the head of the house hold member of the family also determines the performance of power loom units. In above chart shows that 42.00% of respondents were having education qualification above PUC, 12 respondents were qualified Up to 10th, 10% respondents were qualified degree, 9 respondents have up to 7th level education, and 27% respondents found illiterate.

Table # 3: Assets Held by Respondents

<i>SI.No</i>	<i>Details of Assets</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Land	10	10.00
2	House	35	35.00
3	Looms	30	30.00
4	Equipments	25	25.00
	Total	100	100.00

Source: Primary Data from field survey

Above Table # 3 depicts that, different types of assets held by respondents. Majority 35% of respondents were held assets in form house, 30% of respondents held looms which are run by electricity, 25% of respondents held machinery equipments and only 10% of respondents held land.

Table #4 Number of Power Looms Owned

<i>SI.No</i>	<i>Number of looms owned</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Up to 15	60	60.00
2	15 to 20	25	25.00
3	21 and above	15	15.00
	Total	100	100.00

Source: Primary Data field survey

In the Table # 4 shown the number of power looms maintained by respondents. 6% of respondents were owned up to 15 power looms, 25% of respondents were owned 15 to 20 power looms, and 15% of respondent were owned only more than 21 power looms.

Table #5: Monthly Income

<i>Sl.No</i>	<i>Monthly Income</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Up to 10,000Rs	65	65.00
2	10,001 to 20,000Rs	12	12.00
3	20,001 to 30,000Rs	10	10.00
4	30,001 to 40,000Rs	7	7.00
5	40,001Rs and above	6	6.00
	Total	100	100.00

Source: Primary Data from field survey

Table # 5 indicates the various level monthly incomes earned by respondents. 65% of respondent were monthly income up to Rs. 10,000 only, 12% of respondents were having income Rs. 10,001 to 20,000 rupees, 10% of respondents earn Rs, 20,001 to 30,000 rupees, 7% of respondents have monthly income Rs.30, 001 to 40,000 rupees, and only 6.00 per cent of respondent were earn monthly income more than 40,001 rupees.

Table # 6: Problems Facing by Saree Weavers in Production

<i>Sl.No</i>	<i>Type of Problems</i>	<i>Number of Respondents</i>	<i>Percentage</i>
1	Scarcity of raw materials	9	9.00
2	High cost of production	13	13.00
3	Absence of modernization	10	10.00
4	Vast variation in quality of yarns	7	7.00
5	Shortage of power	11	11.00
6	Transport problem	8	8.00
7	Tough competition	5	5.00
8	Labour absenteeism and higher wages	4	4.00
9	Lack of skilled labours	17	17.00
10	Lack of governments supports	16	16.00
	Total	100	100.00

Source: Primary Data from field survey

In above Table # 6 prevails the problems facing by respondents in production which are adverse affect to entrepreneur performance in production. 17.00 per cent of respondent were faced the problem of lack of skilled labour is main problem in production, 16.00 per cent of respondent were mentioned their problems lack of governments supports, 13.00 per cent of

respondent were faced high cost of production, 11.00 per cent of respondent were faced shortage of power supply, 10.00 per cent of respondent were faced absence of modernization technology, per cent of respondent were mentioned their problem scarcity of raw materials, 8.00 per cent of respondent were faced problem of transportation, 7.00 per cent of respondent were faced problem of vast variation in quality of yarns which is very important input in weaving, 5.00 per cent of respondents were faced tough competition in foreign clothes, only 4.00 per cent of respondent were cleared that they faced labour absenteeism and disputes between entrepreneur because higher wages.

Findings of the Study

- The study found that 52% of respondents were age group coming under more than 51 years.
- Majority 42% of respondents were educational qualification only above PUC and 27% of respondents were illiterate.
- 60% of respondents were owned up to 15 power looms.
- Major problem is lack of skilled labour 17% of respondents were facing the problem of unskilled labours.

Suggestions

- Provide training to labour and entrepreneurs how to manage power looms and more skilled necessary in power looms in this helps to made new design, qualities varieties in production.
- Finally, Government provide more financial provisions to entrepreneurs and conduct awareness programmes, advertised Government schemes its help to entrepreneurs will get benefit.

Conclusion

The study about performance of power loom entrepreneurs who manufacture sarees provides a valuable source of information about performance and also other valuable facts. As mentioned the power loom industry occupies an important place in the economy of the country because of its contribution to the industrial output and generation of employment. A proper rejuvenating measure should initiated to safeguard the power looms industry which is second largest business sector in India. So initiate smart cities policies will helps improvements performance of powerloom units. Finally Government must take step to awareness of entrepreneurs take benefit which are Governments schemes benefit them.

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