

Annual Report

2009 – 2010

C H E T A N A S O C I E T Y
A N D H R A P R A D E S H

From the President

The year that has gone by has been very hectic and intense for various reasons. Not that it was different from the previous one. Staff has done commendable efforts in responding to challenges. Oxfam India as usual was very supportive.

It is heartening to see that European Commission's Monitoring Visit has commended the work done for handloom weavers. In a election year, which was later marred by the uneventful death of Dr. Y. S. Rajashekhara Reddy and the Telangana agitation, keeping up with the schedule and direction has been immensely challenging. Inflationary trends and rising prices brought a completely new dimension for the staff and people with whom we are working.

Responding to unprecedented floods in unexpected places had strained the voluntary work in the State. We did our little efforts in mitigating the misery of people affected. Handloom weaver community continues to face problems despite enormous advocacy efforts by this organisation. One significant achievement has been getting HS classification of handloom products. Without such classification, handloom exports were not quantified or identified.

This organisation continues to help the growth of institutions established to help handloom weavers. It has also taken active interest in responding to the problems faced by small and marginal farmers. It has been our endeavour to capacitate people and organizations working on handloom and agricultural sectors through information, awareness raising and capacity building programmes.

We should be continuing with the same in the coming year and in future as well.

With best regards.

M. Srinivas Reddy

About Chetana Society

Chetana was established in 1996 by eminent writers and journalists who are sensitive to social problems and needs. The mission is to increase the awareness levels of the people in order to respond to the problems arising out of environmental degradation. Informed people would respond appropriately towards an environmental movement, action, policy intervention and governmental initiatives. *Chetana* has been trying to fulfill the existing gap of information in Telugu which is not available for the people on local issues.

Main objective of *Chetana* Society is to build awareness, consciousness, knowledge, skills and capacities of poor people, especially targeting women, children and youth. It believes that the success of this objective depends on the understanding of the aspirations of the poor. This requires the involvement and participation of the local people, and their representatives.

The basic approach of *Chetana* has been to spread awareness, and promote discussions and dialogue. *Chetana* believes environment and development problems can be approached in a stage-by-stage process, wherein the emphasis would be on taking care of the interests of each of the sections of the society.

Main Activity: Enhancing Power in the Market of the poor engaged in Cotton Textile Supply Chain, supported by European Commission and Oxfam India

1.0 Background

Handloom weavers in Nalgonda district are part of this project taken by Chetana Society. From May, 2008, Chethana society has been trying to improve the pace of project implementation as well as increase project deliveries.

Handloom production in the project area is in crisis, wherein weavers are finding it difficult to get incomes from their livelihoods, primarily because of low wages and lack of work. Further, this project has been promising on increasing production and marketing, in order to increase the benefits through provision of working capital, market expertise and fair wages.

2.0 External Environment

A new government has come in May, 2009, both at the State and Central levels. These governments are led by the same parties as before. Thus, there is no perceptible disruption of the state of affairs as obtained before May, 2009. However, there were expectations of more focus on handloom sector. An interim budget was presented in February, 2009, prior to the elections. In July, 2009, another full budget was presented by both the governments. The allocations for handloom sector remained the same as before – belying expectations of an increase. Besides this, government did try to respond the

impact of economic recession on textile sector in the budget through higher allocations. Ofcourse, the non-handloom textile sector has called for more concessions, terming the present stimulus package as inadequate. However, no such package was announced for handloom sector.

Handloom weavers continue to hedge their limited options through low wages and higher production, across the country. While the rate of suicides is not at noticeable levels, the misery among the families is palpable. Migration to other areas and other employment is happening in many handloom clusters. Growth is also seen in quite a few handloom brands in anticipation of seasonal demand largely due to marriages and festivals. Meanwhile, the living costs have continued their rise due to increase in prices of food grains and vegetables. With no hopes of higher wages, due to price pressure created by unregulated textile markets, handloom weaver are being pushed deeper into the spiral of debt, poverty and misery. Efforts to break this spiral are facing new challenges, in addition to the conventional challenges.

In this period, four significant developments can be seen. Government of Andhra Pradesh has announced a loan waiver programme for handloom cooperatives and for individuals (for institutional loans) with a allocation of Rs.312 crores in 2010-11 budget, in February, 2010. Eventhough, this was announced in the previous vote-on-account and 2009-10 budgets, it was not implemented. At the central level, national government has allocated Rs.369 crores for handloom sector at the national level. There is only a marginal increase in this allocation from the previous year.

In the same period, for various reasons, costs of food grains and other food have increased. Inflation levels have also increased, increasing stress on the income and expenditure of handloom weaver families. Any gains in income they could make was wiped out by the rise in living costs. In addition, prices of yarn and colours have also increased which depressed the income further. Prices of cotton yarn and silk yarn have jumped to more than 30 percent in the last six months. In many places, investment on production has dried up with costs of production increasing and no commensurate rise in market prices of handloom products.

In some places, suicides by handloom weavers in debts have sharply increased. With rising costs of production, there is now dearth of work for handloom weavers. Migration to other places and other professions has become imminent for many families.

3.0 Approach

Stress in this period has been given on consolidation and strengthening of HPGs through awareness and capacity building programmes.

In the circumstances, it was decided to adopt a strategy of “Production first”. The aim is to enable as many production cycles as possible with as many weavers. With continuous production cycles, weavers would be able to access wages. The project has already provided working capital. More working capital can also be mobilized. Wages presently

are market competitive. However, it is hoped that with more production the deficit could be compensated in the short term. In the long run, the project is promising fair wages.

Production value has reached Rs.18,00,000 by the end of September, 2009. Valuable experience has been gained from the execution of these production orders.

This experience has brought forward the following issues:

Costing of production: Weavers are gaining knowledge of production costing as they are involved in discussions with the CCW production team. Principally, the CCW team has also learned that wages become a crucial factor in ensuring quality and production schedule.

There is now a better understanding of the market demand in relation to the skills of the weavers. A reassessment is being done so to enable a process wherein weavers benefit by responding to the market needs.

Quality monitoring is likely to be a challenge as production volumes increase. A complete strategy is required to continue doing production and enabling the cycling of working capital without leakages.

Handloom Production group strengthening process is on. Members of the groups are being continuously integrated into the group processes, through production, training and awareness.

3.1 Planned input

Capacity building on Micro-Credit plans and business development plans was taken up in this period. Women-oriented group production process was initiated in this period, based on the response from women weavers, who were part of the market exposure visits. Tailoring and dyeing units are being used more to build capacities, and their role in production is under development. In Tailoring unit, investment on sewing machines was reduced. It was utilized to develop a complete production chain from yarn to apparel making.

Earlier it was thought to establish a central dyeing unit. However, the integration of this unit into the production cycle is dependent on such factors as scale of production, market demand, inclination of weavers, availability of skills and low costs. Presently, these factors have not yet involved. Also, the transaction costs of a central dyeing facility needs to be integrated into the production costs. For these reasons, central dyeing is being considered only for training purposes.

3.2 Impact of changes on Project Progress

With attitudinal change and building capacities and collective production, impacts as described in the proposal can still be achieved. However, the larger market and policy

scenario is a cause of concern, especially the content of the proposed National Fibre Policy. This Policy can change the cost of production, against the small producers, especially handloom weavers. However, if HPGs can integrate themselves into a value addition positions, diversify their product based, bring flexibility in production planning and increase market knowledge, some of the negative impacts from National Fibre Policy can be obviated. Overcoming negative atmosphere can be possible with continuous engagement of the project with the established membership, and institutions, for another two years.

Weavers involved in CCW will be able to reduce their operating costs by an estimated 30-50% through collective dyeing and purchasing of raw materials.

"We can definitely achieve reduction in operating costs through collective dyeing and purchasing of raw materials. In one production cycle, involving five families, through collective dyeing, there would be reduction in no. of person days to 6 from 11 in individual dyeing. This would give them additional time to increase their productivity over a period of more than one year. In raw material purchases, so far, we were able to transfer Rs.600 to each family in the production involving 5 and less families in two groups - Om Mahila, Narayanpur and Adarsha, Pochampally. Our estimations show that, per production cycle (or one warp, as they say), each family would straightaway reduce their costs by Rs.1200. The realisation of this amount would not come from the cost of production. By saving on time and money, each family would be able to add another production cycle (or warp) in a year's time. the wages of this, or these, additional cycle would become higher income for the families. Overall, our calculations show that a HPG can save upto Rs.65,000 in operating costs over a one year period for ten production cycles, with ten families.

Since the group production, collective dyeing and purchase of raw materials has started in recent months, and have not reached a measurable scale, say one year, we would not be able to provide quantifiable impacts. However, weavers involved have been confident of this process."

3.3 Principal Strategies

1. Production First

Over the past two years, there has been definite lack of progress on production. As a result, presently, there is lot of mistrust among the project stakeholders and blame game. Unravelling strands of each aspect related to miscommunication, firmament of mistrust and underdeveloped perspectives would be a difficult, which may not be worth it, atleast in terms of moving forward.

Hence, to surpass this scenario, it is envisaged to focus on production. "Production first" would be reigning motto for all project stakeholders.

2. Consolidation of existing groups

Presently, there are 40 groups. However, each group is not complete and cohesive. Members of some groups have migrated in search of jobs to Hyderabad. In some groups, there is no longer the objectivity to work together. Most of the members have not yet imbibed the concept of the project.

Hence, it was thought important to focus more on consolidation. This would mean formation of new groups would be taken up as the year progresses and results start trickling in from the “Production first”. Positive results would ensure a favourable atmosphere, which eases the efforts that may need to be spent on formation of new groups. It is expected that positive results would ensure more interest among the non-participating handloom weavers of the same village in the project.

3. HPG first

In the institutional structure, as designed in this project, growth of HPG as a critical primary unit of the production model has become important. Hence, a strategy to put HPG as a primary unit for development and growth was decided upon.

4. Establishing and strengthening bank linkages

With continuous requirement of working capital for handloom production, it is important to develop linkages with the banks. Scheduled and rural banks can be a potential and sustainable source for mobilizing resource for the production. However, most of the members of HPGs do not have capacities to deal with such linkages. Among many, there is negative attitude, primarily due to past experiences and also assumptions. Behaviour of bank staff in rural areas is also a challenge.

Increasing the banking operations of HPGs for better visibility would help in building confidence of the FIs to extend loans and other financial benefits. It would also create a framework of operations towards an institutionalization process

5. Other Strategies

- Enabling the HPG members to become knowledgeable about costing and market mechanisms
- Training of HPG members and bookkeepers
- Conflict resolution within groups
- Providing Market linkages to the HPGs
- Taking up social initiatives related to old and young people in HPG families
- Capacity building on Bookkeeping and Internal audits
- Increasing linkages with banks and other external institutions

4.0 Activities progress

Integration of HPGs, with MACs and CCW is apace. CCW as the apex institution in the model is now involved more actively at the field level.

Integration of HPGs, with MACs and CCW is apace. CCW as the apex institution in the model is now involved more actively at the field level. Both the MACs are also being prepared for their intermediary role.

Result from Exposure visit: Joint Production by Women only

After market exposure visits to handloom cooperatives in East Godavari district, 46 women who were part of these visits, decided to meet on 15th February, 2010, and discuss possible joint programme. They deliberated on their learnings and finally resolved to do joint production of a particular variety of sarees (using 60` single count yarn). These women noticed that there is less work involved in producing these sarees, faster production can be done and income can be increased. Moreover, this is related to ikkat, or tie and dye, design.

They requested Chetana Society support in undertaking this initiative. Given their enthusiasm, Chetana Society encouraged them to take up one warp of joint production. Accordingly, 18 women in total volunteered to participate in joint production. Among them, 6 in dyeing, 7 women took responsibility of pre-loom work (processing the yarn), while 9 other women took the responsibility of weaving. Ms.Chindam Uma and Sayini Padma have already weaved one saree, each. Ms. M. Anjamma, M. Lalitha, Kandagatla Lakshamma, Vanam Vajamma and M. Veeramani took part in dyeing process.

A total budget of Rs.16,000 was developed for producing 40 sarees (to be done in 8 warps, each warp 5 sarees). Production has run into some difficulties, as some women found the technology of weaving and processing is not easily done.

4.1 Capacity Building Programmes

Chetana Society has been organizing capacity building programmes for handloom weavers, who are part of the project, through Handloom Production Groups (HPGs) and Mutually Aided Cooperative Societies (MACS). These institutions help in collectivization, mobilization and bring efficiency in handloom production and also programme delivery.

4.1.1 Micro-credit Plans

Members of HPGs have been trained on developing micro-credit plans. This training was essentially to develop their capacities to manage internal loans, savings and other financial

inflows. At the end of this training, Micro-Credit Plans have been developed by each of the participating group. These credit plans would be consolidated at the MACS level. Possibly, this should help banks to come up with loan programme for these groups.

4.1.2 Business Development Plans

Given that members of HPGs are involved in production and sale of their products, building their capacities in business planning has become crucial. Trainings were given to them on how to develop Business Development Plans. As part of these trainings, they learned assessing their resources, revenues, inflows and outflows, time, ratios between revenues and expenditure, etc. Based on this, each group has developed their Business Development Plans. These exercises need to be continued and formalized. They can be integrated with the MACS level Business Plans. Hopefully, capacities in developing

business plans would help in developing confidence, market-oriented thinking and efficiency in resource usage.

4.1.3 Book Keeping

All the HPGs do operate with a bank account and various other books of record including Minutes Book, Ledger, Cash Book, Bank passbook, Lending and Loan register, etc. They have been trained on why there is need to maintain these books and how to do it. Leaders of the groups and other members of HPGs were trained repeatedly on book keeping.

4.1.4 Group Norms

An important aspect in sustainability of HPGs is maintenance of group norms. Group norms, including discipline, diligence, etc., as inculcated among individual members of HPGs would increase coherence and coordination among members of HPGs, in the process strengthening them as basic institutions of development. Being production and business oriented, group norms have to be followed after a thorough understanding of the same. Numerous training sessions were conducted for all the HPGs on this.

Training on Group Norms was given to the following groups:

- Sri Balaji, Sai Baba, Laxminarasimha Swamy, Ramannapet
- Amaravati, Thumalagudden
- Bhavanarushi, Velvarthy

With this training, members have been adopting practices and the transactions of the group in their respective group meetings. Members have started showing interest in following the norms strictly.

4.1.5 Market Exposure Visits

Majority of the handloom weavers, previously, never had an opportunity to learn about the markets and the kind of production and marketing practices around them in various handloom clusters. In this period of reporting, two market exposure visits were organized exclusively involving 46 women. They visited East Godavari district and visited a few cooperatives in different villages, including Angara, wherein local cooperatives have been collectivizing the production and marketing efforts of handloom weavers. These visits, as per the participants, have provided them a learning opportunity and increased their confidence in handloom sector as a livelihood.

4.1.6 Market Awareness Visits

Two market awareness visits were conducted for two groups of handloom weavers, drawn from different HPGs. They were taken around to various production and marketing places in Nalgonda district and Hyderabad city. One of the groups had detailed

interaction with the management of Koyyalagudem Cooperative Society, which had diversified into furnishings from sarees alone. Widening the product profile is a necessity of the sustainability of livelihoods, the visitors were told. These visits would be continued, as awareness building has to be continuous and ongoing.

4.1.7 MCF Management Training

As part of the project, working capital is being provided to newly formed HPGs. This capital helps in initiating a process of making themselves free from debts and initiating a independent production process away from dependency on master weavers. While providing this financial support, two awareness programmes were conducted to relevant HPGs on the context of the support and strategies that can be used by them in utilizing the same.

4.1.8 MACS Leadership Training

In continuation of the strengthening process of MACS to take up the role of production and marketing in the scheme of the project, training is being continuously provided to members of Executive committee of MACS. In recent times, response has been noticeable and substantial. These members have come forward to form three committees with a mandate to look after production supervision, quality control and financial flows. The role of these committees is to act as an interface between m/s. Chenetha Colour Weaves (HTC) and members of HPGs. Operationalisation of these committees is still under process. However, gradually, MACS are being included in the training programmes as well.

To highlight, some of the Executive Committee members have taken active participation in organizing the third Annual Convention of Handloom weavers, on 5th March, 2010. Their participation included in planning the events, organizing them, mobilizing participation and facilitating external participation. Visiting officials from the Department of Handloom and Textiles and NABARD were quite impressed by the method of organisation and also at the participation levels in the programme. Mr. Ethirajulu, Additional Director, has openly admitted that this was revelation for him.

4.1.9 Technical Trainings

Training programmes on new dyeing and design technology are being held continuously to members of HPGs as per a plan, taking into consideration their availability and interest.

Training on Dyeing was given to unskilled weavers, who otherwise depend on Master Weaver to get them dyed yarn, of Balaji Group, Mandra. Following this training, 5 weavers have learnt the skill, and were involved in CCW sample production. With these two activities, their confidence has increased to start dyeing and weaving activity on their own.

As part of the capacity building process, CS has been encouraging weavers to become trainers as well. The following HPG members have become trainers on Graph Designing:

- K. Balanarasimha, Adarsha Group, Pochampally
- K. Krishnaiah, Amaravati Group, Thumalagudem

The above members have learnt the skill on Graph Designing and are now capable of providing training to other group members as Resource Persons. They are being paid for their services in training.

The following women members have taken training on Graph Designing, apart from many others.

- Chindam Uma, Bhavanarushi Group, Velvarthy
- Gardasu Sujatha, Amaravati Group, Thumalagudem
- Saritha, Malikarjuna Group, Choutuppal
- Ramalakshamma, Malikarjuna Group, Choutuppal

The above women members are feeling happy of having obtained the skill of Graph designing and have started utilizing their skills in production already.

4.2 Third Annual Convention of Handloom Weavers Families

Handloom sector, being a traditional industry, has numerous problems which impact on the sector's abilities and capacities. The strands of each of the impinging factors are intertwined, and deep. Separating each strand (chain of causes and consequences) may be difficult. At times, it may not be necessary even. But, definitely the behavioural pattern of handloom weavers is linked to these strands. Any programme on attitudinal change has to incorporate this understanding in order to achieve the objectives set out for.

In recent years, weavers have been facing crisis – they are not getting work and proper compensation. While many analysts blame the government policies for this situation, there is no denial that there are other factors even. Fundamental among them is the improper response of the handloom sector to the modern, dynamic markets.

The issue of appropriate institutional models for promoting sustainable livelihoods among the poor and the marginalized is being continuously discussed. However, there are not many such initiatives among the handloom weavers.

The Cotton Textile supply Chain programme, supported by Oxfam and implemented by Chetana Society, has provided a range of inputs to weavers in Nalgonda by organizing them and training them on improving designs and consistent weave along with dyeing for fast colours. Efforts to market are going on. Meanwhile, weavers have been involved in market-linked production.

The institutional mechanisms set up are groups for production and the Handlooms Trading Company (HTC) – Chenetha Colour Weaves Private Limited for marketing, with a middle level institution (MACS) which could provide necessary services to the weavers. The family is addressed as a unit here. About 44 handloom production groups (HPGs) in 15 villages with 400 households are organized. A challenge facing the programme is how to create effective cooperatives different from the existing failed cooperatives set up by the government of AP.

Apart from capacity building programmes, Chetana Society has been trying to build the confidence of handloom weaver's families and production groups and MACS level leaders. A long term objective of these confidence building processes is to create a sustainable institutional model. With this, a third Annual convention was organised for the Handloom weavers' families on 5th March, 2010.

The objectives of this Convention were:

- To infuse solidarity among the members of Handloom Production Group members
- To review the progress and future plan of the Handloom production groups
- To enhance and establish credibility, confidence and convergence with Government departments
- To promote a Handloom weavers forum to advocate for the weavers rights and to highlight the issues of Weavers
- To promote a healthy competition among the HPG's

4.2.1 Expected Results

It is hoped that this Convention would enable sharing of experiences and insights on activities and appropriate institutional designs, enable other weavers to make similar decisions in an informed manner and validate and build the conceptual framework further till it captures as much of the complexity of real life as possible:

- Confidence building among weavers
- Increase healthy competition among HPGs
- Build the Convergence with Officials
- Improve faith on the Project

4.2.2 Participants

Most of the participants included handloom weavers, women and men. It will also include staff members of Chetana Society and m/s. Chenetha Colour Weaves Pvt. Ltd. Other invitees, possibly, depending on their availability, include staff of Oxfam India, officials from NABARD, other banks and Dept. of Handloom and Textiles (State and district level). There were more than 525 participants, which was an overwhelming response from the weavers, and a significant growth in participation from the previous year. There was good participation from women too, almost in equal numbers to men, if not more.

4.2.3 Events

The following events were planned during the Convention:

- Competitions among weavers – 5 different events – related to their skills in design, speed and productivity
- Reporting on the past activities, in the HPGs, MACs and project
- Discussions on issues and challenges

At this Convention, mementoes were given to best of HPGs in various categories including production, financial management, participation in capacity building programmes and MACs activities. It was intended to increase competitive spirit, which should goad them to achieve better and efficient results.

This convention was organized at MRR Garden Function Hall, Lakkaram, in Choutuppal, Nalgonda district, for a whole day.

4.2.4 Response and Achievements

Presence of officials from Department of Handlooms and Textiles, and NABARD enthused the participants, and vice versa. In fact, officials had declared at the Convention that they have seen before such a disciplined gathering of weavers and participation of so many women and discussion of issues before handloom industry.

Participants expressed satisfaction over the proceedings and were confident that they should be able to achieve results through coordination and collectivization.

4.3 Gender Equity

A Gender awareness meeting, held on 18th August, 2009, was very helpful to the women members and subsequently their presence in the meetings is increasing satisfactory. Women members are of the opinion that a platform has been created for them to express their problems and leadership formation among them is encouraging. A series of Gender awareness meetings have enabled three women members, namely, Shyamala of Padmarushi Group, Jayalakshmi of Om Mahila Group and Saraswathi of Sri Chaitanya Group to take up leadership of their respective groups and are maintaining the groups since more than 2 years and their leadership has been accepted by all the members.

Important aspect of this meeting is that out of the expected participation of 200 women members, 190 women members did participate in the meeting.

4.3.1 Workshop on “Contribution of Women in Handloom Sector”

There are number of factors that have contributed to the resilience of handloom sector. Principal among them is that the weaving is household profession, passed on through generations. In these households, women play an important role. Women weavers have

been the principal stabilisation force through years of crises and problems for the handloom sector. Handloom sector is only the manufacturing sector wherein one finds large number of women producing products which are worn by large number of women. Women producing for women is the unique feature of handloom sector.

Despite such features, which are outwardly unique, women weavers were never given the primacy they require. Their role in production was never acknowledged beyond the confines of the home. Their work most often went unpaid. Governments never recognised formally as a target group. Even the private initiatives of NGOs, or fashion boutiques, tend to ignore their contribution and role. The most radical to rightist political mobilization structures in handloom sector are devoid of any issues and participation of women. Women participation in political mobilization is completely nil.

Women weavers have been subject to domestic violence and victims of violence in many places. They have also been at the receiving end of discrimination of all types. Whenever handloom sector is in crisis, the burden of carrying through the crisis is the most on women weavers, through increase in physical, psychological and social pressures. Their health condition is a major concern, as also their role in relations of production and also the future of girl children. While performing critical functions in production, their role in decision-making is rather poor.

In the past ten years, with changes brought in by globalization, liberalization and economic reforms, handloom sector has been facing adverse government policies and discriminatory competition. As a result, the family economy has been in turmoil. The resultant burden is the most on the women weavers. In these circumstances, it became important to address the problems and needs of this 'vulnerable section' of handloom sector.

Chetana Society has been making efforts to develop information and cater to the information and advocacy needs of the handloom sector, handloom weavers and their representative institutions.

Chetana Society has focused on problems of handloom weavers working in sheds, wherein the focus was on women weavers. It has been highlighting the problems of single women, widows and women headed households. Chetana Society in 2003 for the first time devoted an entire session on problems of women in handloom sector in a national workshop, organized in Hyderabad. A representation was also given to the Parliamentary Standing Committee on Empowerment of Women in 2004. Chetana Society has been focusing on developing a political and social agenda on women problems. Chetana Society focused on women issues in the surveys done on handloom sector in different districts of Andhra Pradesh. Chetana Society has done a survey of women weavers in Andhra Pradesh.

Chetana Society organized a workshop on World Women's Day, on 8th March, 2010, primarily to bring visibility to the above mentioned problems of women.

Existing studies did provide information on the circumstances and characteristics with regard to discrimination against women. Acknowledging that information gathering has only limited value as such, this workshop endorsed the launch of a firmly grounded public debate, in the media, in academia and in the political sphere about the causes, consequences, and the aftercare of discrimination against women weavers in the society.

It was hoped that this work would fill a gap in finding national remedies to discrimination against women.

Participants in this workshop included women and men weavers, socially concerned individuals and activists, media persons, etc.

4.4 Production Support

The following Groups have come forward for the Group Production. Chethana Society (CS) has played an important facilitating role in enabling this process

| Sl. No. | Group Name | Village Name | No. of members |
|---------|------------------|--------------|----------------|
| 1 | Adarsha | Pochampally | Five |
| 2 | Om Mahila | Narayanpuram | Five |
| 3 | Sri Rama | Narayanpuram | Three |
| 4 | Archana | Vellanki | Four |
| 5 | Sri Lakshmi | Siripuram | Four |
| 6 | Lakshmi Prasanna | S. Lingottam | Four |
| 7 | Markandeya | Mandra | Three |
| 8 | Vigneswara | Koyalagudem | Three |

Staff of CS and CCW is regularly liaisoning with Bank Managers in issues of cheque realizations and other delayed transactions have been beneficial. As result, transaction delays at the bank have been reduced. Having made to understand the activities of the handloom weavers with the help of the CS/CCW, Bank Managers have started cooperating with the CS/CCW and the HPG Group Leaders. These Banks are APGVB, Narayanpuram, APGVB & Pochampally Co-op Urban Bank, Pochampally, DCCB, Valigonda, APGVB & DCCB, Choutuppal and APGVB, Koyalagudem.

4.4.1 Purchase of raw materials

The original idea was to pool resources for centralized purchase of raw materials to reduce costs and also to negotiate for wholesale pricing. Presently, Chetana Society has stocks of raw material purchased in February, 2009, in anticipation of rise in prices and expected shortage of raw materials. These raw materials are under use. However, utilization of these stocks has been slower for different reasons. First, members of the HPGs have shown intensive and continuous interest in silk products, than cotton products. As a result, cotton yarn utilization was very slow. Second, some of the market orders included supply of yarn by the buyer himself, which meant the raw material from the stock was not used in certain production cycles.

However, the rationale for centralized buying continues to hold. Presently, CS is providing grants to weavers for their working capital, in productions that are linked with CCW. Handloom weavers are also doing production by taking orders from master weavers as well. Plans are afoot to develop a system of central purchase of raw material for productions done by each HPG, irrespective of who has given the order. This would require capacity building of members of HPG to do group production and group production management.

In the existing system, CS has already established a revolving fund grounded in each HPG. This revolving fund is utilized by the members of the HPG for their raw material and other needs. They would pay back to the fund based on the arrangement arrived at the HPG meeting. Presently, three methods of raw material are under operation: raw material bought by the weavers from the revolving fund (MCF) given by CS, raw material procured by CS and given to weavers as grants under MSF, and a central revolving fund for members to purchase raw materials. The last method is incumbent on the progress of the first two methods and also the growth of HPG as an institution.

4.4.2 Centralised dyeing unit to ensure quality and save on costs

Present practice of handloom weavers, to procure their own yarn and dyeing, is being pushed for change. Group production as it picks up would require centralized dyeing (to save costs). Centralised dyeing would come into practice, as group production or collective production evolves in each HPG. This would take time. Further, centralized dyeing has to be integrated into the current production processes. Because of the relativity with the progress of such collective production, centralized dyeing as an activity is getting delayed.

4.4.3 Research on market opportunities

This is a continuous activity, in order to understand the markets. However, market opportunities would also increase as we increase the capacity of HPGs and CCW to respond to quantity and quality requirements, which become higher at national and international levels. Hence, the current focus is on inculcating a culture of quality among members of HPGs through specific steps and also through continuous practice.

4.5 Apparel Training

As part of the value addition process and integration of handloom weavers in this value addition process, members of HPGs are being provided with training on tailoring, embroidery and developing 'utilitarian' products. More than 50 women have been trained. They have also started production of apparels such as dresses, kurtas, bags, bedsheets, curtains, etc. This provides the women to earn additional income. This programme has given them training, travel support and wages for the products made. Two orders were secured and executed by them, to the satisfaction of the buyers.

Hand painting and embroidery are areas where increased capacities can lead to positioning of their products in niche markets and higher margins. Gradually, this capacity will be integrated into the current handloom production process at the HPG level. It would enable HPG to benefit from the value addition process, which yields higher margins.

4.6 National Workshop

The Indian Textiles and Garments (T&G) sector has envisioned a long-term growth plan to attain a market size of US\$ 115 bn, an export target of US\$ 60 billion so that it can achieve a global market share of 9% (from the present share of 4 %) in 2011-12 by attaining an annual growth rate of 16%. But, the average annual growth rate recorded for Textiles sector as per the IIP (total textiles) data during the period 2004-05 to 2007-08 is only 8.35%. However, the growth rates for import and export of yarns during 2006-07 have recorded 15.2% and 55.7% respectively as compared to the previous year, while the average growth rates in imports and exports of yarn for the period 2003-04 to 2006-07 were 10.8% and 29.13% respectively, indicating heterogeneous trends in the fibre scenario of the country. But, as per estimates, the projected additional requirement of fibre during 2011-12 is about 4,194 Million Kg. as compared to 2006-07. Thus, it is evident that there are intrinsic issues to be resolved in the fibre front for augmenting the production performance of the value added segments of the textiles value chain.

Natural fibre sector of India requires special attention, especially cotton, silk, jute, wool and other non-conventional fibres including banana. Concerted interventions may be required both from the industry in terms of augmenting investment and from the Government side in terms of support mechanisms both fiscal and non-fiscal to attain growth. This would result in increasing fibre availability so that the ambitious growth target for the T&G sector can be achieved. Hence, it is imperative to have a long-term vision and a structured approach to the fibre sector so that the envisioned production of textile items across the textiles value chain can be attained.

Government is taking steps to formulate a Comprehensive Fibre Policy (natural and man-made) with an objective to provide a sustained growth of both the fibre producing as well as the fibre consuming segments of the T&G sector. It has already constituted a Working Group and has also initiated a study for the purpose.

Given this, there is a need to examine the issues involved in devising the policy by looking into the various issues of inter-play in the textile sector including the fibre situation in the competing countries. A National Workshop on “**National Fibre Policy: Small Producers in Fibre Supply Chains**” was organized on 30th March, 2010, in Hyderabad.

4.6.1 Objective

The objective of the workshop was primarily to come up with the necessary ingredients, which would facilitate the evolution of a Comprehensive Fibre Policy so that the natural

fibre supply chains would become strong and growth-oriented without hindrances and delay.

4.6.2 Approach & Methodology

The approach of the workshop was broad based to have detailed interaction with key players in the industry and the decision makers to gather the necessary information by interacting with all the stakeholders concerned with the natural fibre production and consumption which would help to evolve a Comprehensive Fibre Policy (CFP) and also formulate a roadmap for facilitating the growth of the natural fibre sector, an potential segment of the Indian textile sector. To meet this objective it was envisaged to examine the inter-play between the demand and supply mechanisms in terms of industry parameters like imports, domestic production, price, tariff and incentive issues, and factors determining the flow of investments for production of adequate fibre in the natural based as well as from the man-made segments, both in the immediate future and also with a long-term view.

4.6.3 Output

This workshop came up with a set of recommendations, and a Workshop Declaration. This Declaration was forwarded to Mr. Dayanidhi March, Union Minister of Textiles, through Members of Parliament. It was also widely disseminated through internet and other means of communication.

4.6.4 Participants

Participants included handloom weavers and individuals representing NGOs, academics, networks, producer companies, government officials and others who are related to the natural fibre supply chains.

This workshop was organized with the support of European Commission and Oxfam India. Other collaborations included M/s Chenetha Colour Weaves Pvt. Ltd., Traidcraft and Cotton Forum.

4.7 NABARD-supported Trainings

NABARD has given support for 6 dyeing and 6 design training programmes. These were organized in this reporting period. These programmes were organized, in addition to the training programmes done by this project. Such a continuation has helped the members of HPGs in deepening their skills and learnings on dyeing and designing.

5.0 Staff Capacity Building

5.1 Process documentation

During the period, staff did attend a Process documentation training programme organized in Warangal by Oxfam India. This training has helped them in understanding the need for and methods of process documentation.

5.2 Internal Trainings

Two sessions were held for staff members, especially targeted at new staff, to make them aware of the project objectives, strategies and experiences. This has helped them in bringing themselves on par to the work being done at the field level.

6.0 Expected Impact

About 150 weaver families are likely to benefit directly through this programme. With the establishment of the system and increase in capacities, this would enable them to access production on a continuous basis for at least 10 to 15 production cycles over a period of 18 months. The momentum of such benefit would be able to help these families to increase their incomes and sustain the same for a considerable period, subject to external factors such as market demand and inflation.

This programme would also become a model to be copied, which can benefit more than 5,000 weavers indirectly.

7.0 Summary

- Changes in staff
- New Field office established in Choutuppall
- One all-women meeting was conducted to enthuse women weavers
- Trainings for staff and weavers were organized
- Every month, CS staff organize a monthly planning and a review meeting

7.1 Outcomes & Impact

- Identified groups and have convinced them to participate in group production, through various approaches
- Attendance in group meetings has increased
- Increased the participation levels of weavers in all activities
- Relations with other organizations has improved
- Weavers are coming forward to form themselves into groups, voluntarily and willingly, in certain places, indicating a growing confidence in the project

8.0 Feedback

8.1 Badugu Sarita, Mallikarjuna Group, Choutuppall

Badugu Sarita has been doing the weaving activity since 18 years. After coming into the Group, she has taken the training twice on Graph Designing. After the training she

started assisting her husband Badugu Prabhakar with the help of Design training. Due to this she is feeling excited and has found improvement in her skill and productivity.

The following members of the family have found improvement in their weaving activity.

Badugu Sarita 31 years Wife

Climbing the Value Addition Chain

Handloom weavers, for decades, and in various places, have been producing textile products that are suited to traditional lifestyles of Indians and others. Sarees have been the mainstay of these products, even though there is wide range. With skill in their hands, different designs have been introduced. However, all designing changes were reflected only through weaving. This made the products expensive. There were also limitations in bringing new designs. Indian women, as consumers, have developed a growing and fast changing taste for new designs on their sarees and dress material. Presently, markets are full of 'externally ornamented' sarees and dress material (almost 99 percent women wear).

Handloom weavers remained outside this market trend, as their skill was on the handloom and not in other ways.

Chetana Society, with the support of Oxfam India, started training women, who are members of HPGs, in improving and/or developing their skills in 'external ornamentation' and also tailoring. Started in January, 2010, these trainings have been continuing. Different products are being produced, and women are learning various methods of increasing value to the handloom cloth woven by them.

About 83 women, from 9 villages have been part of this programme by the end of March, 2010. They have been trained and gained skills in 12 different products (ranging from hand painted sarees to mobile phone cloth pouches) and in the process produced 239 items.

Among them 25 have become very skilled. From these, 7 women are already doing job orders to shops and other traders. Ms. Miriyala Mangamma, a single woman with girl child, from Siripuram village has expressed confidence in the programme. She has increased opportunities to increase her income. Likewise, Ms. Surepalli Krishnaveni from Narayanpur, Ms. Sushma from S. Lingotam, Ms. Gaddam Padma, S. Lingotam, Ms. Chikka Latha, Ms. Karnati Janaki and Ms. Badugu Saritha from Choutuppall have also gained skills and are using their skills. Some of them are doing hand painting on sarees, earning Rs.200 for 3 to 4 days. As their skill increases, number of days is likely to decrease, increasing their income prospects.

Many of these women have used their external ornamentation skills and tailoring on their sarees and children clothes. They said this enabled them to avoid buying clothes from outside.

Badugu Prabhakar 36 years Husband
With Three Children.

8.2 Yella Rameshwari, Mallikrjuna Group, Choutuppall

Yella Rameshwari has been doing weaving activity since 35 years. She has taken the training twice on Graph Designing. After the training, she started assisting her husband Yella Maheshwaram with the help of Design training. Due to this she is feeling excited and has found improvement in her skill and also in income generation.

The following members of the family have found improvement in their weaving activity.

Partnership in Organising Events: Moving Towards Independence

The third annual convention was a big success for the most obvious reason; participation of handloom weavers in planning, coordination and execution of actions.

Following a promise in the Second Annual Convention, Chetana Society set in motion discussions on the third annual Convention in the joint meeting of members of the Executive Committee of Ratnam and Chitiki MACS on 19th January, 2010. Members warmed up to the idea of taking part in organizing this event. Eventually, an Organising Committee was formed. Nine members from the respective Executive Committees volunteered themselves to be part of the Organising Committee. A Convenor was also identified, Mr. Narasimham. Chetana Society made it clear that the staff of the organisation would do the logistical work, put in funds for the activities and guide the process. This assurance was given after members expressed apprehension that they might lose their work, wages and income.

Accordingly, given their limitations, it was agreed that there would be limited sittings of the Committee to plan the event, allocate responsibilities and then, participate in the event on the day. Members were invited to do more, as per their availability. Meetings were held on 28th January, 12 and 25th February, 1st and 4th March, 2010. These meetings helped in exchanging of views, opinions and experience sharing. Most of the schedule and logistics were finalized, with the guidance of senior Chetana Society personnel. Communications over phone ensured that the members stayed in the loop.

While all members did not give their time and could not be part of the efforts, on 5th March, 2010, four members did give their maximum, Mr. Narasimham, Mr. Murali, Ms. Shyamala and Ms. Manjula. So much so, these people coordinated the competitive events. They also anchored the formal meeting, held as part of the Convention. This included welcoming the guests, announcements and presentation of reports.

Their efforts were lauded by everyone. Chetana Society gave them mementoes in recognition for their services and voluntary work.

Result of such involvement from the weavers could be immediately seen in terms of mobilization (more than 500 participants), discipline (there were no hiccups, or opposition) and huge satisfaction among the participants. Most felt it is their event, gained confidence and also felt bonhomie towards each other. For some of them, it was also fun as they participated and watched competitions on five different categories.

Yella Rameshwari 41
years Wife

Yella Maheshwaram 55
years Husband
With Three Children.

8.3 Gardasu Sujata, Amaravathi Group, Thummalagudem

Gardasu Sujata has been doing the weaving activity since 15 years. After coming into the Group, she has taken the training twice on Graph Designing. After the training she started assisting her husband Gardasu Satyanarayana with the help of Design training. Due to this she is feeling excited and has found improvement in her skill and also in income generation.

Gardasu Sujata
30 years Wife
Gardasu Satyanarayanar
36 years
Husband
With Three Children.

8.4 Pillalamarri Murali, Vigneswara Group, Koyalagudem

Pillalamarri Murali has been doing the weaving activity since 15 years. He knows only weaving activity. He was not ready and was not showing interest in learning.

Reluctantly, he participated in the training on dyeing. Subsequently, he developed interest in the dyeing activity and took training seriously and is now doing the dyeing activity along with weaving. Now he is doing production for CCW.

8.5 Itipamula Jayamma, Vijayalakshmi Group, Valigonda

Itipamula Jayamma, aged 48 years, has been doing the weaving activity since 35 years. After joining in the Group, she has taken training on Leadership. After the Leadership training, she has developed the skills of managing the Group and controlling the group activities. She is happy and excited about the new skill that she has developed.

National Workshop on “National Fibre Policy: Small Producers in Fibre Supply Chains”, Hyderabad, 30th March, 2010

Workshop Declaration

The global textile and clothing industry is estimated to be worth about US\$ 4,395 billion and currently global trade in textiles and clothing stands at around US\$ 360 billion. The US market is the largest, estimated to be growing at 5% per year, and in combination with the EU nations, accounts for 64% of clothing consumption.

The Indian textile industry is valued at US\$ 36 bn with exports totalling US\$ 17 bn in 2005-2006. At the global level, India’s textile exports account for just 4.72% of global textile and clothing exports. The export basket includes a wide range of items including cotton yarn and fabrics, man-made yarn and fabrics, wool and silk fabrics, made-ups and a variety of garments.

Indian textile industry has an advantage in terms of raw material availability. India is the largest producer of jute, the second-largest producer of silk, the third-largest producer of cotton and cellulosic fibre/yarn and fifth-largest producer of synthetic fibres/yarn.

Indian textile industry structure is fully vertically integrated across the value chain, extending from fibre to fabric to garments. It includes large mills, small-scale, non-integrated spinning, weaving, finishing, and apparel-making enterprises. The decentralised sector forms the bulk of the industry, comprising handlooms, powerlooms, hosiery and knitting, and also readymade garments, khadi and carpet manufacturing units.

National Fibre Policy is a necessity for India, given the growing competition in global textile, trade, concomitant changes in the Indian textile sector and growth objectives of Indian economy. Indian textile sector is known for its versatility, diversity and horizontal and vertical linkages. No other country has such complete supply chains across so many different fibres. With potential markets, at the domestic and international level, for each of the fibre products, it is indeed a tough context to decide upon the right mix of fibres.

It is widely agreed that there are intrinsic issues to be resolved in the fibre front for augmenting the production performance of the value added segments of the textiles value

This Workshop was organised with the principal support of **European Union** and **Oxfam India**. Organisations like Traidcraft and Cotton Forum have also extended their support. Other support organizations include:

M/s. Chenetha Colour Weaves Pvt. Ltd
AP Kisan Congress
Chitiki Mutually Aided
Cooperative Society
Raatnam Mutually Aided
Cooperative Society

chain. It is increasingly evident that the inherent issues with respect to natural fibre producers such as rising costs of production, stagnation in yields, exploitative credit, inadequate price support etc need to be resolved in the production front for enhancing the performance of the value added segments in respective textile value chains of each fibre. These may require concerted interventions both from the Government and the industry.

Natural fibre sector of India requires special attention, especially cotton, silk, jute, wool and other non-conventional fibres including banana. Hence, it is imperative to have a long-term vision and a structured approach to the fibre sector so that the envisioned production of textile items across the textiles value chain can be attained.

In response to the above, Chetana Society along with its partners has taken the initiative of organizing this National Workshop to provide a platform to stakeholders to address these issues and find solutions.

This Workshop suggests the need to delve at a much more micro level, and to survey small producers and firms to understand the rich differential relationship between Indian textile growth and national fibre policy.

Important challenge in this process is to find an equitable balance between growth of different fibres, and an assessment of how such a growth would impact on the user industry. Given the long term implications of the public investment on the prescriptions of such a policy, it would be imperative that an arena for discussions is opened, wherein all stakeholders would have the facility to bring in their perspectives, opinions and arguments.

As a substantial segment of Indian textile sector, and a major user of natural fibres, handloom industry has the necessity to bring its concerns to the fore. Cotton, Silk, wool, jute and other natural fibres are important raw materials on which the handloom industry production is dependent. Organic cotton and organic fibre production supply chains are also eagerly looking forward to linkages with handloom industry in order to respond to environmental standards.

Given the above, objectives of National Fibre Policy need to be the following:

1. Reduce cost of production, across all the fibre supply chains, especially related to cotton, silk, wool and jute.
2. Promote the growth of natural fibres in order to sustain employment, textile growth and environment.
3. Support measures that address the kinks in the fibre supply chains, especially related to cotton, silk, wool and jute.
4. Increase the share in global textile markets, for Indian natural fibre products.
5. Bring out a Textile Fiber Products Identification Act; its purpose is to protect consumers from mislabeling of fiber content on textile products and from misleading advertising.

6. Establish a Natural Fibre Fund, to support lakhs of livelihoods, using Carbon Development Mechanisms.
7. Establish fibre /yarn price stability mechanisms
8. Increase the targets for natural fibre production and consumption through environment friendly methods.
9. Improvement in the levels of natural fibre production, and earnings, particularly of the small producers (farmers, handloom weavers and garment makers), through measures like upgradation of skills and technologies and producer-oriented marketing, etc.
10. Creation of additional employment opportunities on a dispersed and decentralised basis.
11. Significant contribution to growth in the natural fibre-based yarn manufacturing sector through, inter alia, fuller utilisation of existing installed capacities.
12. Establishment of a wider entrepreneurial base through appropriate training and package of incentives.
13. Creation of a viable structure of natural fibre based textile sector so as to progressively reduce the role of subsidies, and
14. Expanded efforts in export promotion.

Further, a wider consultative process has to be delineated for the draft policy document developed by the Working Group. This would help in collecting various viewpoints and strengthening the acceptability of the National Fibre Policy. Through such a process, various stakeholders of the fibre policy would be able to strengthen the policy, which would help in achieving the objective of the policy to enable the growth of Indian textile sector.

In this regard, following suggestions are given to the government:

- Enabling the representation of handloom sector in the working groups on natural fibres, as part of the Working Group on National Fibre Policy
- Active solicitation of opinions and perspectives from different areas of India, where handloom production is substantial
- Provision of information on the progress and meetings of the sub-group to us and/or any other representative of handloom industry
- Organising discussions with representatives of handloom industry

| Activities & Trainings Conducted by CHETANA Society (April, 2009 - March, 2010) | | | |
|--|--------------------------------|-------------------------|--------------|
| Sl. No. | Name of the Activity | Number of Events | Total |
| 1 | Dyeing Training | 16 | 221 |
| 2 | Graph Training | 26 | 554 |
| 3 | Booking Keeping Training | 4 | 80 |
| 4 | BDP Training | 10 | 123 |
| 5 | MCP Training | 31 | 444 |
| 6 | Training on Production Costing | 11 | 155 |
| 7 | MACS IB Training | 17 | 174 |
| 8 | New Group motivation | 12 | 180 |
| 9 | MCF Loan Motivation | 4 | 59 |
| 10 | Awareness on Group Norms | 8 | 205 |
| 11 | Village Awareness Program | 12 | 527 |
| 12 | Women Awareness Program | 1 | 208 |
| 13 | Market Awareness | 2 | 43 |
| 14 | Market Exposure Visits | 2 | 49 |
| 15 | EC Monitoring Visit | 2 | 39 |
| 16 | NABARD Manager Visit | 2 | 39 |
| 17 | Annual Conference | 1 | 530 |
| 18 | Gender awareness | 1 | 40 |
| 19 | Group formation | 10 | 192 |
| 20 | National Workshop | 1 | 6 |
| 21 | Tailoring for Women | 6 | 99 |
| | Total | 179 | 3967 |