

**Diagnostic Study
Of Handloom Silk and Cotton Cluster
Chandur
(Andhra Pradesh)**

Submitted to
Director (Handloom and Textiles)
Dept. of H&T
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Executive Summary

Chandur cluster is famous for its intricate tie & dye design saris. The export market for sari is limited though it is rich in art and tradition.

Chandur has never faced a set back before. But now it is a stagnant handloom cluster. The quality and design of the products is gradually improving. The only drawback is the products are costly and cannot reach low end segment of the market. The product needs to be diversified to suit the domestic as well as export market.

The core cluster actors are small weavers, Master Weavers and the lone cooperative society. This cooperative society was running in losses because of which they are not able to take proper care of its members. As a result, members are forced to take shelter of the master weavers. The Chandur Cooperative Society Limited is one of the biggest primary cooperatives of the state once running in profit. It is the pioneer of all cooperatives in the area and has done a lot of development for the handloom industry.

Analysis of business operation clearly indicates that, the weavers are facing raw material problems not only in terms of availability but also in terms of high price fluctuation. Further, raw material is purchased from the private traders on credit for which they have to bear some extra cost.

Analysis of business operation reveals another fact that, the weavers are in need of dyeing and design improvement to suit the niche market, besides improving their looms, with some technical modification on the old pit looms.

The most important observation is that, though the products are of high quality and rich in design, still it has not reached to export market and have not been able to establish a good position in the national market as well. In this field the products are to be diversified according to the market demand for which market survey has to be conducted.

There are no good, quality dyeing units here. A dyeing unit is a dire need here.

There are number of women SHGs in Chandur, which have been financed by the banks under various Govt. Schemes. But none of them respond to the specific production needs of handloom weavers. They are usually mixed groups, of women belonging to different families, and not necessarily handloom livelihoods.

In the action plan prepared, main emphasis has been given to reduction in cost of raw material, design and dyeing development, technological up gradation, diversification of products to establish a good position in the niche market.

The strategy for direct market linkages will be established by conducting buyer-seller meets, exposure visit to big retail outlets in Metros, participation/ organization in different fairs and exhibitions. In addition to the above, common product brochure catalogue will be published for facilitating the market linkages.

This cluster which is having around 2000 active looms, there is a great scope for further improvement.

By proper intervention in the all above stated areas, the Chandur Handloom cluster can achieve the targeted turnover, with increase in working looms and proper market linkages with proper programme interventions.

CHAPTER 1

BACKGROUND

1.1 Present Exercise: Context and Objectives

Handloom sector in Andhra Pradesh has been looking forward to some developmental interventions, primarily to get out of the present pathetic conditions. Handloom weavers in Nalgonda district are known for their skills in both cotton and silk products. However, even in this district, situation of the handloom weavers was worsening. Government has planned to take up Integrated Handloom Cluster Development Programme in order to benefit the handloom weavers. Chandur is one such identified cluster area in Nalgonda district.

Chetana Society for the past five years has been intensively involved in issues related to handloom sector. It has been a pioneer in producing information and also taking positive initiatives to demonstrate the competitiveness and viability of handloom production.

With the objective of bringing of this experience to address the problems of handloom weavers in Chandur, and also to explore the possibility of convergence with the government-supported Integrated Handloom Cluster Development Programme, Chetana Society has done a diagnostic study of the Chandur cluster, through a primary survey. Based on the survey and other interactions, this report was prepared.

The objective of the study was to understand the present living and workings conditions of handloom weavers, to analyse and isolate factors that have contributed to the present conditions and to develop a slew of measures to correct the situation.

1.2 Methodology

This has consisted of the following ingredients: Desk research, Interaction with stakeholders, interviews with weavers, cooperative officials and traders.

The intensive interaction lasted for 30 days. The information, issues and ideas collected in the course of this interaction were checked out and revisited as the research team proceeded to meet other stakeholders.

The interaction forms the backbone of understanding contained in this report.

1.3 A Historical Perspective

Chandur silk sarees are similar to what is produced in Pochampally. In recent times, the handloom weavers have diversified into Jamdani sarees and Cotton Furnishings.

Weavers, in the past, used to experience periodic downswings. However, they are going through a low patch for nearly a decade now.

CHAPTER 2

Description of the Cluster

2.1 An Overview

As of 2001 India Census, Chandur had a population of 10,762. Males constitute 50% of the population and females 50%. Chandur has an average literacy rate of 62%, higher than the national average of 59.5%; with male literacy of 73% and female literacy of 51%. 14% of the population is under 6 years of age. With such a literacy rate, it was expected that Chandur would achieve a rapid growth.

Agriculture is the major source of income to people living in and around Chandur. Apart from this Chandur has variety of industries through which people make living - Brass works, Handloom (Weaving of Silk/Pochampally Sarees), Tobacco etc. Chandur has several rice mills and paraboiled rice mills. Chandur was once known as Commercial Hub of Nalgonda District. However, other towns took over and developed at a rapid speed.

Chandur could not develop at a rapid speed due to lack of connectivity through rail/road to major cities.

There are about 2000 handloom weavers at Chandur, presently 500 are active. In addition, there are two traders. The annual turnover (at Chandur price) is estimated at around Rs.50 lakhs. While being concentrated in Chandur town, the activity can also be seen in surrounding villages.

2.2 Product Mix

The main product of Chandur Handloom Cluster is saree and its dominance continues. The estimated share of saree in the total value of output varies from 90% to 95%.

The other products are

- Dress material
- Furnishing fabric
- Fashion accessories, eg, stole, scarves

2.3 Saree Streams: Yarn and Look

The saree segment typically consists of two subsequent.

- Ikkat
- Semi-khatan

Most of the output gets sold at Ghattuppal, Pochampally or Hyderabad. The incidence of contractor weavers selling directly to traders/others outside Chandur is very limited.

2.4 Market For Saree

A Chanduri silk saree is not so strongly on the priority list of an Indian consumer. Chanduri saree does not possess brand equity. It has grown quantitatively in this segment as a result of expansion of weaver force and market conditions.

Saree has been facing problems and these problems do not appear temporary; notwithstanding occasional spurts in demand.

2.5 Market for Non-Saree Products

Dress material, furnishing fabric and accessories are selling on the strength of their own aesthetic/economic strength. The

customers, unlike in case of sarees, do not actively seek Chandur weave in respect of these products. In fact, for dress material and furnishing fabric, weavers here have not attempted product development; it merely sells fabric.

The non-saree product line, rather small in relation to total Chandur output, thus, is not showing any signs of noticeable growth.

2.6 Export

There is no authentic information and/or estimation on exports from Chandur.

2.7 Structure

Here, handloom sector consists of a set of handloom weavers and intermediaries. There are distinctive patterns, though the lines among various typologies are not sharp and change.

Here a handloom weaver is a job worker - receiving dyed yarn and design, handing over a woven product and receiving wages. They form 95% of the now active weaver population at Chandur.

There are only two master weavers in this cluster. One of them owns complete chain upto retail. Others are intermediaries. Handloom weavers here often are contracted to Master Weavers from Ghattuppall and Pochampally.

2.8 Representational Agency

There is no agency or association, which represents either handloom weavers or traders.

CHAPTER 3

As detailed earlier there are about 2000 handloom weavers at Chandur, presently about 500 are active. 70% of weaver force is in the town. Almost all the weavers belong to Padmashali community.

3.1 Weaver force And Its Growth

The weavers are located in the town as well as surrounding villages. No authentic source of information was available on the population of handloom weavers. However, given the socio-economic composition of Chandur town, it is believed that weaver population has grown more rapidly than overall town population, due to migration from rural areas. This is crucial factor in relation to a sector whose performance is deteriorating for a decade now.

3.2 Concentration

The weavers are concentrated in specific parts of the town and selected villages.

3.3 Gender

Women play important role in handloom weaving. They help and support men, in various ways. Their labour cost gets masked in wages which a weaver receives.

3.4 Skill Differences

At a fundamental level, the skill differences across weavers are not significant. However, weavers develop an orientation based on the nature of work they do. Thus, a weaver working on a high-end product cultivates an eye for errors and acquires patience and precision. The trade, in its own context, highlights these traits and tends, sometimes, to present these as basic differences in skill.

3.5 Work Models

A weaver works either as a mere wage earner or as a producer or on a mixed pattern. Under wage earning pattern, he/she receives dyed yarn and returns a hand woven product made according to the design provided by Master Weaver.

3.6 Wage Fixation and Relationship

The wage-fixation process, apparently, is governed by practices, ignorance and exploitation. The discontent over weaving charge, inadequacy of work, delayed payment, deduction from committed payment and such other reasons culminate into a change. It is a dynamic, human relationship. The wage-giver often revises downward the committed weaving charge on the ground that the market conditions and hence sale price realization is poor. There are penalties for defective work.

3.7 Weaver: Preference and Aversion

Some people maintain that weavers have a penchant for simple work and aversion to high-end work. This appears to be half-truth. A high-end saree may entail two months of weaving; forcing weaver to haggle about the amount of wage payment receivable against work in progress. Simple work gets finished in a few days and payment becomes due; ensuring quick cash flow. The risk for weavers can be in the following terms:

- Amount involved
- Delayed payment,
- Penalties for defective work
- Non-payment

It is also low in case of simple work. It is the poor economic strength of the weaver, which forces him to prefer an average-

but-frequent-and-low-risk-cash flow to above average-infrequent-high-risk cash flow.

3.8 Weaver Earnings

The weaver earnings vary from Rs.18,000 to Rs.30,000 per annum. The average is likely to be in Rs.20,000 to 24,000 range. It is inappropriate to ascribe this fully to the current slump. If market conditions improve vastly, the worker earnings are likely to improve marginally because the dependent population of weavers is so large.

There has been absolute decline in earnings from at least 30% to 40% over last 10 years. A weaver who was getting Rs.100 per day in mid -1990's gets Rs.60 per day now. If we factor in inflation, the decline is sharper.

A weaver, typically, works on a few designs (single digit) in a year. He/she is required to spend four to five days for readjusting the loom and related tasks for changing over from one design to another. This is not paid for. The receipt of a fresh order itself is considered enough compensation. If the order turns out to be small in quantity and hence change over is frequent, the weaver earnings - other things remaining equal - will be hurt.

3.9 Continuance in Weaving Occupation

Despite this, the weavers continue in this occupation because

- Alternative occupational opportunities are not available
- Alternative occupations - largely unskilled labour - do not seem to promise better income security and income level
- Alternative occupations deprive a worker of the convenience of working from home

- Alternative occupations entail strenuous physical labour under harsh conditions and loss of dignity

In personal discussion, most stakeholders (weavers themselves included) present the negative features of alternative occupations as the advantages of weaving occupation; watering down in the process the key problem of meagre return on weaving work.

3.10 Work Culture

Work culture is satisfactory. Weavers are willing to put in long hours and sacrifice holidays, if work is there and wage are decent.

3.11 Weaver View

Weaver generally is focussed on his/her income and expenditure. They do not tend to question the retail prices and market processes.

CHAPTER 4

SUPPORT ENVIRONMENT

4.1 Support Structure

This consists of the following.

- Handloom specific government agencies
- Handloom co-op society, Chandur
- District administration
- Financial institutions/banks

4.2 The Handloom Specific Government Agencies

These are

- Directorate of Handloom (DOH)
- Weaver Service Center (WSC)

DOH registers and assists co-operative societies and monitors their work. It manages rebate schemes, if any, on handloom sale and organizes handloom exposition; (sale-cum-exhibition). DOH manages schemes of assistance for handloom weavers. These include loom upgradation, work shed-cum-housing, design development, skill upgradation, publicity, market development assistance, support for export, group insurance, health package, etc.

The WSC focuses on field-training as well on-campus training of weavers and dyers. It does some amount of product development work. It develops designs. It issues identity cards to weavers.

4.3 Co-operative Society

There is one handloom cooperative society, started in 1949, with Rs.36,000 as paid capital. Within six years, it reached a

turnover of Rs.16,74,000, indicating robust growth. It has a 1300 membership. However, due to various reasons, including death and migration, the current active strength has come down to about 450. This Society is now trying to come back, through the efforts of the current President, Mr. Prasanna. The society is trying to leverage on developmental and welfare schemes for the handloom sector and the extent of benefits percolating to weavers depends on organiser orientation. Earlier, it was an organisational apparatus to enable a private entrepreneur avail of official incentives rather than to promote co-operation among weavers for collective well-being.

In general, the public sector banks shy away from the societies. The state-government guarantees for assistance to the societies arrive almost at year-end; leaving little time for productive utilisation of assistance. There are some who lament the irregularities plaguing many of these societies and clamour for a probe.

4.4 District Administration

Within district administration, there are District Industries Center and District Rural Development Agency. The first two reported that given existence of DOH, they do not engage in handloom-promotion work.

4.5 Overall Picture

The support mechanism, on the whole, evokes the following.

- It is proceeding in an omnibus, routine-rigid, all-India official format, touching little on the specific needs of Chandur
- The district administration and credit institutions have stayed away from the sector.

4.6 Credit

While the formal or institutional credit has passed by the sector, informal systems thrive.

4.7 Infrastructure

This impacts productivity, output and profitability in a marginal way. The key issues are housing, roads, drains and electricity. The houses, once, used to be decent sized. The families, during last few decades, grew but economic status declined. The houses got divided; became smaller and cramped. In many houses, it is almost impossible to work without electricity. Some houses leak in rainy season; affecting tempo of production in September, around which time peak season begins. There are weavers who are used to listening to tape-recorded music or watch TV while they weave. The power supply at Chandur is erratic. So, many weavers are forced to idle, when power goes off. The cramped housing and congested surroundings cause family squabbles; dissipating productive energy.

CHAPTER 5

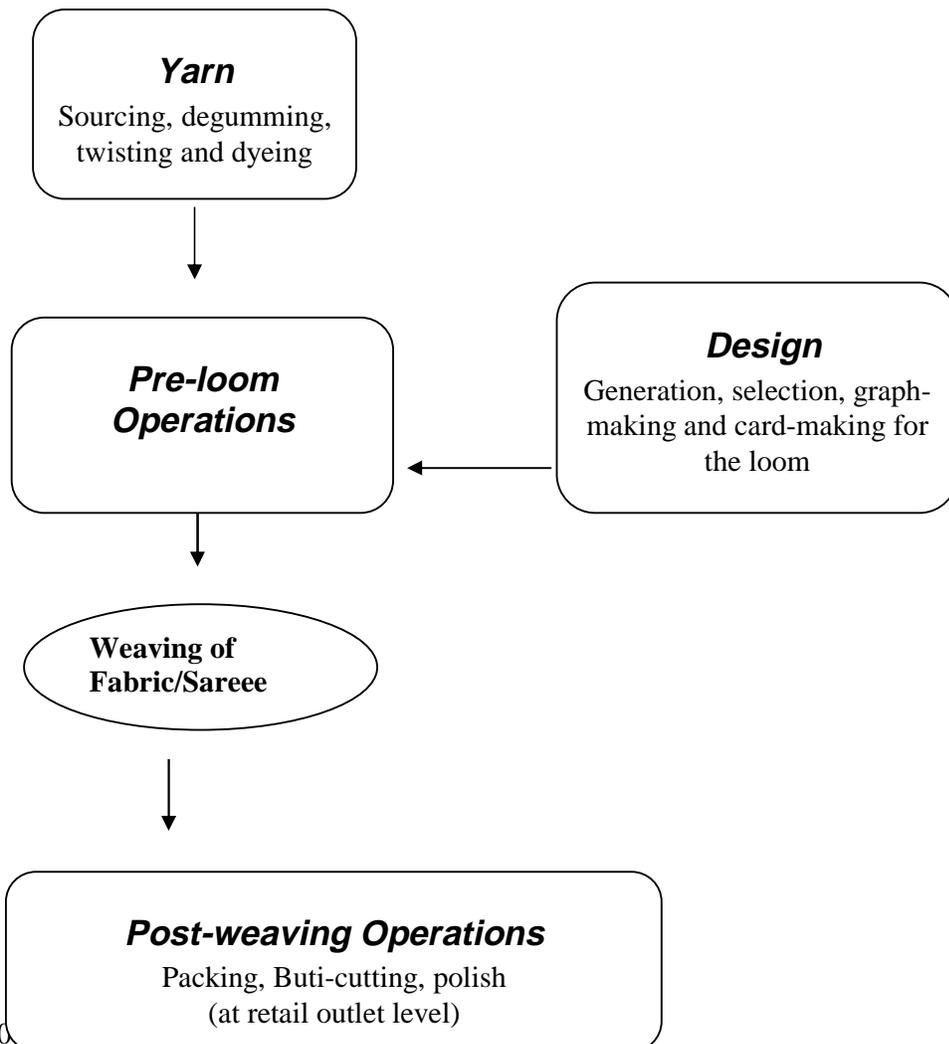
Analysis of Business Operation in the Cluster

5.1 Production Process

This consists of yarn de-gumming (some cases), twisting (some cases), pre-weaving operations such as bobbin-filling and weaving based on a given design and corresponding cards.

The post-weaving operations, save packing, occur largely at the retail outlet level.

Production time varies, depending on the design. However, a Chanduri saree being woven on handloom in less than six days is rare. An expensive saree may take a few months. The accompanying chart amplifies the process.



5.2 Design

There is all round acknowledgement of the importance of design.

We were informed that there are local designers, though we did not come across any. However, since the weaving contracts come from outside, necessity for a local design capacity has become nil.

The Gap

There is no place at which discerning buyers/craft enthusiasts/tourists can watch a collection of Chandur designs in relative ambience. There has not been a single exhibition of design. The interface between the fashion designers and the local weavers with design capacities is not present in Chandur.

There is no mechanism for fashion forecasting and market feedback to guide the design work.

5.3 Dyeing

This means dyeing of yarn. Most of the households are capable of dyeing. Traditional Dying method is in practise for dying the yarn in Chandur. There is no separate dyeing unit.

5.3.1 Working Condition

The dyeing work clearly entails occupational hazard. Smoke in closed premises is harmful for respiratory system. Using caustic soda and other dyes without gloves is also hazardous. The energy waste in open heating is considerable.

5.3.2 Quality and Technology

Poor dyeing is a widely felt concern. There are inferior colours, inadequate time and not enough temperature.

There are two views on the soundness of technology.

One concludes it is intrinsically flawed. Other is that for tiny lots, this is ideal and if operating procedures are followed thoroughly, colours will not run.

In the whole chain of operations, dyeing is the weakest element and responsible for damaging customer-confidence across product line.

5.4 Card Making

Cards are made by the weavers, and the payment for such work is part of the overall wages.

5.5 Weaving

Looms here have undergone some change, owing to the type of product being weaved. However, large areas of technology still remain the same.

5.6 *Raw Material*

Yarn and other raw material are not available locally. They are accessed by the Master Weavers directly, or weavers source them from Pochampally and other places.

CHAPTER 6

SURVEY ANALYSIS

To understand the working, business operations and problems we organized a structured questionnaire based survey among 350 weavers in Chandur town, Theratipalli, Nampally, Regati, Shabalapur, Kondapur and Angadipeta.

A questionnaire was developed for conducting the survey. Copy of the Questionnaire is enclosed as Annexure

It was a sample survey and the findings are as follows.

Chandur Survey

The condition of infrastructural facilities like roads, drainage systems in Chandur and in the villages where the weavers are located are in pathetic condition. Basic amenities like electricity, drinking water, roads and drainage system are in very poor condition in Chandur. In order to improve the productivity of the weavers, there is a need to improve these basic amenities and the living conditions of the weavers.

Due to the lack of infrastructural facilities for handloom production, most of the weavers do not earn enough. As a result, they are suffering from malnutrition and hunger. Joblessness and subsequent poverty is a fact. There have been no aid or rehabilitation measures. An increasing number of them have some or other malnutrition-related diseases. And due to this reason there is decline in the silk industry of Chandur. In Chandur, most of the silk weavers are losing their battle against the poverty, joblessness and

hunger. There are instances where weavers have changed their job to some other lines in order to survive.

Weaving is mainly dominated by men. But women in the weaver's family generally assist men pre-loom processing such as reeling and bobbin-winding work. Such work amounts to be 8% to 10% of the total weaving job.

There is a practice in the weavers' community that the women are not able to do the weaving job. Moreover, male weavers may not be willing to give training to their women. In fact, to improve the overall productivity, there is a possibility of training women to do value addition jobs such as designing and weaving.

Most of the women weavers are illiterate because of the inadequate educational infrastructure facility available. There is an urgent need for providing primary and secondary educational facilities to the children, women and weavers themselves.

Most of the weavers here undertake only job work of weaving from the master weavers/traders. The basic reason for this is that they do not have sufficient market knowledge and information about the relevant trade and they do not have investing capability for the purchase of raw materials, working capital, marketing expenses etc.

In the process of negotiating wages for weavers, usually weavers do not have much of choice as the prices are more or less dictated by the master weavers who in turn are guided by retail traders. In the whole chain of wage negotiation, the weakest link is the weaver.

Hence, the weavers work on the meager wages received from the master weavers.

Primary Survey Results

This survey was done to collect information on 19 categories of information, which should help in understanding the current situation of the handloom weavers in the Chandur cluster. An analysis of the information collected is presented below. Most of the information is provided by the weavers themselves, or their spouses.

While general knowledge of the sector helps in establishing the truthfulness in the information provided, which is as near to the fact as possible, the accuracy of information is entirely dependent on the respondents. There is no prior information source with which this data can be correlated. There might be a standard error of 4 percent, in the data analysis.

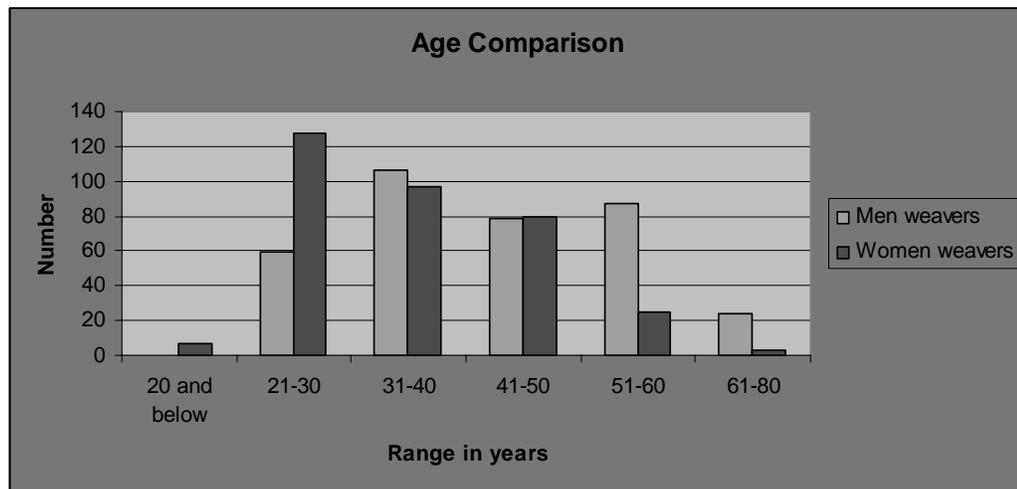
Analysis of the data was done based on the linked factors. No cross relational analysis has been done. It is obvious that cross-relational analysis would provide a better insight on the issues and enable targeted planning of programmes.

i. Age

It can be seen that most of the weavers are in the productive range, between 21-50 years. In fact, most of the spouses, who are necessarily women, are in younger ranges.

Table 1: Age

Range in years	Head of the family	Spouses
	Number	
Below 20 and below	0	7
21-30	59	128
31-40	106	97
41-50	79	80
51-60	87	25
61-80	24	3
Total	355	340



The revelation goes against the general assumption that weavers are old and the present generation has moved out. In Chandur, one can clearly see that both the old and younger generation of both men and women are pursuing handloom livelihoods. This is an opportunity.

ii. Education

Table 2: Education

Standard	Head of the family	Spouses
Degree	12	-
Intermediate	26	4
Tenth Class	57	55
7 th class and above	69	66
Below 7 th class	110	72
Illiterates	81	150
Total	355	347

More than 80 percent of men are literates, even though most of them have tended to stop their education before 7th class. Among women, a little less than 50 percent are illiterates, indicating a negative trend. However, it can be concluded that education levels among these families are good. This might help in undertaking training programmes in the cluster development programmes.

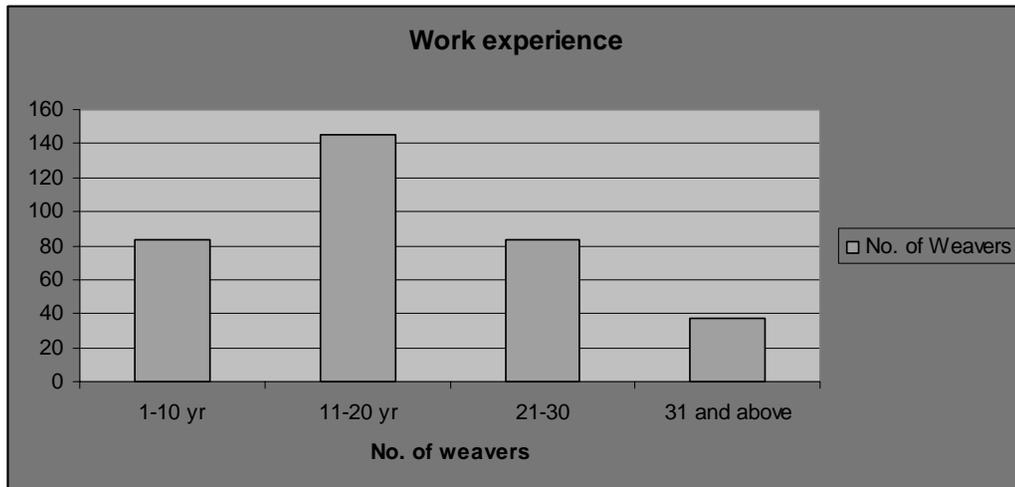
iii. Work Experience

Table 3: Work Experience of Men weavers

No. of years	No. of Weavers
1-10	83
11-20	145
21-30	83
31 and above	37
Total	348

Work experience is an important factor to be considered, when one is building strategies for development. Here in Chandur cluster,

maximum number of people has considerable experience in handloom production. A little under 50 percent weavers have experience from 11 to 20 years. There is also a fine balance between the old and the younger generation in terms of experience.



iv. Family size

Family size is an important factor, while assessing the production capacity of handloom livelihoods. It can be seen that there are 153 nuclear families, with members less than 4. One needs to correlate the family size with the incomes and productivity. However, fragmentation of families into smaller units is also a function of the growing poverty.

With smaller family sizes, there is more stress on individual members to work for sustaining livelihoods. There is also more amenability towards change, which any developmental programme would bring in. A four member family usually includes wife, husband and two children, or four adults.

Table 4: Members in the family

No. of members	No. of Families
2	22
3	63
4	68
5	95
6	66
7	16
8	4
Total	334

v. Assets

There are no worksheds – all of them weave from their own homes. Out of 355 families, 324 are white card holders. Others do not have any cards. Of the surveyed 355 families, 296 are living in their own houses, and 55 are living in rented houses.

While such a situation should be comfortable, living conditions can depend on size and types of the house, and how these two factors would influence incomes and production. Smaller houses with bigger family sizes would have difficult living and working conditions. Type of the house is also an important factor in responding to productivity and production.

Higher percentage of own houses indicates a better past of the handloom families in Chandur.

Table 5: House Ownership of weavers

Ownership of home	No. of Weavers
Own House	296
Rented	55
Total	351

vi. Type of the houses

There are 221 houses with slab and concrete. About 62 families live in mud houses, while 59 live under asbestos sheets. Thus, atleast 121 families do not have proper housing. Condition of the houses is not related to houses. However, it was observed that most of the houses would require some repair or the other, primarily to improve the working and living conditions. Asbestos roofing would be the most horrible, given the environmental conditions. These families require some attention for improvement.

Table 6: Type of Houses

Type	No. of Houses
Mud houses	62
Asbestos sheds	59
Slab	221
Total	342

Most of the weavers are living in the low roof height huts/ with tiled roof or asbestos /tin sheets/terracota tiles. Frame looms cannot be accommodated in these houses. Hence they are using pit looms for weaving silk fabrics. Moreover pit looms are much cheaper when

compared to frame looms. In the long run there is a need of providing suitable houses or providing financial assistance to built pucca houses for the weavers and their families.

vii. Loom Ownership:

Most of the weavers have their own looms. There are a few who work as hired labour. After proper verification, focus needs to be given to these weavers for their upliftment.

Table 7: Loom Ownership

Type	No. of Houses
Own Looms	307
Rented	40
Total	347

Among 355 respondents, there are 364 looms that are working. Among these, 64 are involved in cotton production, 280 are in silk production and 2 are involved in both silk and cotton production.

viii. Earnings

Earnings of these weavers are very low. About 11 families earn less than Rs.1000, and about 309 families earn less than Rs.3000. given the average of 4 member-families, these earnings are very low. They are not sufficient for proper living costs leave alone for developmental costs such as education. However, earnings of 7 families are above average, indicating that there is potential for increasing incomes if proper support is provided.

Table 8: Wages earned

Range in Rupees	No. of Weavers
Rs.400 to 1000	11
Rs.1001-2000	115
Rs.2001-3000	183
Rs.3001-4000	33
Rs.4001 and above	7
Total	349

ix. Working Hours

There is a decline in the availability of work, explained the low earnings and more families working for less number of hours. About 128 weavers are working for only 3-6 hours. This either indicates laziness, sufficiency or lack of work. Coupled with the above mentioned other parameters, it is easy to surmise that many weavers do not get adequate work.

Table 9: Working Hours

No. of hours	No. of Weavers
3-6	128
7-8	182
9-10	35
11-14	5
Total	342

There is a need for more investment on production, which would increase the working hours as well as earnings.

x. Membership

While many of them are members of the local cooperative society, it is obvious that they do not benefit from such membership. Almost 123 families are not members, probably indicating that the reach of the cooperative has not extended beyond Chandur town, and also there could be migrants.

This cooperative was once a vibrant body, and has been a pioneer in providing work to its members and also in marketing its products, overcoming pretty steep odds in yesteryears.

Table 10: Membership in cooperative society

Category	No. of Weavers
Member	226
Not a member	123
No answer	6
Total	355

Many of them said they are also members of SHGs. Understandably, these are women SHGs of general nature, and not particularly of handloom. However, further information is required on this, to understand the type of SHGs and the role played by them in the lives of the handloom weavers. Their influence on production and

earnings has not been acknowledged, formally. So is the case with the cooperative society.

Table 11: Membership in SHGs

Category	No. of Weavers
Member	235
Not a member	114
No answer	6
Total	355

xi. Income and expenditure

Table 12: Monthly Income and Expenditure

Range	No. of Weavers	
	Income	Expenditure
Rs.600 to 1000	7	1
Rs.1001-2000	191	36
Rs.2001-3000	122	126
Rs.3001-4000	19	101
Rs.4001-8000	16	81
Rs.8,000 and above	Nil	9
Total	355	354

While 313 families have income between Rs.1000 to Rs.3000, expenditure of 308 families ranges between Rs.2000 to Rs.8000, indicating a very wide gap.

xii. Loans

It is obvious that they would require loans given the gap between income and expenditure. While more than 150 families have availed the bank loan facilities, an equal number do not have such access. However, despite access to bank loans, many had access to private loans as well. But this has proved to be burdensome for many families. The survey did not go into details such as the purpose for which loans were taken. It will be interesting to see how many of these loans are related to production, and not for other purposes.

Table 13: Bank Loans

Range	No. of Weavers
No loans	64
Rs.1000 to 9000	23
Rs.10000 to 20,000	101
Rs.21000 to 30000	17
Rs.31000 to 250000	9
No answer	137
Total	351

It is obvious that their loan repaying capacity is very low, given the low earnings and higher expenditures. Many did not mention their

debts. Their incomes need to be increased to reduce the gap between income and expenditure.

Table 14: Private Loans

Range of Private loans	No. of Weavers
No loans	10
Rs.1000 to 9000	6
Rs.10000 to 20000	137
Rs.21000 to 30000	55
Rs.31000 to 80000	46
Rs.81000 to 400000	9
No answer	90
Total	353

Insurance is a scheme of the government to benefit the handloom weavers, when in crisis. However, most of them do not have insurance, against any emergencies, making them more vulnerable to debt and poverty cycle.

Table 15: Insurance

Insurance policy	No. of Weavers
Yes	75
No	6
No answer	272
Total	353

x. Opinions of weavers

When asked about the reasons for their present condition, nineteen weavers felt markets are dull and down, as a cause of their problems. Twenty seven weavers felt it is due to less wages. About 131 weavers did not have any idea of what is happening. About 61 weavers said market is available for their production. Three weavers blamed rise in yarn prices as the cause of the problem.

About 111 weavers felt they do not require any training's. On the other hand, 231 weavers opined that they require training. Others did not offer any opinion.

COMMON WEAVER COMMENTS

- Power looms are affecting handlooms
- No option available for shifting to any other work
- Efforts should be done to strengthen the marketing of Chandur handloom products
- Problem is due to slump in market
- No timely payment of wages
- Govt. should make efforts to improve marketing of products and condition of weavers

CHAPTER 7

DIAGNOSIS OF THE CLUSTER AND COMMON PROBLEM

7.1 Problem Analysis

Handloom sector has experienced a decline over last decade and notwithstanding short-lived periodic rallies, it does not show signs of a fundamental recovery. While the decline has impacted, to some extent, the earnings of all stakeholders, it has hurt weaver the most. The weaver earnings for full-time work, and after having made investment in loom and for utilising own residential premises, average Rs.20,000/- to Rs.24,000/- per year. The weavers continue because of absence of gainful alternatives.

7.1.1 Absence of Ownership

There is virtual absence of ownership (stake) of handloom weaving sector at Chandur. Most of those who possess managerial and financial resources do not reside here. Government support touches upon a small fraction of the problem through a sub-optimal delivery system. The real weaver is too divorced from market, too poor and too unorganized to make an impact.

Admittedly, these weavers do not have resources, orientation or collective organization to influence market dynamics decisively.

7.1.2 Market Dynamics

The market conditions and dynamics have undergone a change. There is a general decline in the demand for sarees. Within the expensive saree band, the significance of embroidery and such other valued-added work has grown. This has seriously dented

the appeal of weave in the aesthetic consciousness of Indian customer. This, in turn, has vastly diluted the brand equity of Chandur weave. The traditional Chanduri saree, consequently, has suffered in the market place.

Even otherwise, markets have been changing. Market trends have not been understood by the weavers. Most of them do not know who buys their products, where and at what price. They do not know the profile of the consumer who buys their products.

7.1.2 Other issues

Chandur was a very dynamic cluster, with a robust handloom production. This has changed in the last decade, primarily because of the dynamics in the cost of production, rising transaction costs (transportation, access to resources, reaching the product to market, etc), lack of infrastructure and decline in master weavers/investors in production. Cumulatively, the cost of production and drying up of working capital had affected the prospects for handloom weavers.

7.2 Policy Environment

There are many problems of handloom sector, where sufficient policy attention has not been paid.

7.3 Practical Consequence

On a practical plane, there are issues of

- Brand equity
- Product development
- Product improvement
- Market promotion

CHAPTER 8

SWOT ANALYSIS

8.1 Strength, Weakness, Opportunity, Threat

It will be rather simplistic to select features/developments and describe these as strengths, weaknesses, opportunities and threats (SWOT). The reality is too nuanced to allow such laboured descriptions. Hence, we are presenting a pertinent rather than a cut-and-dried picture in this regard.

The traditional strength of the industry is its brand equity but this has weakened in recent years.

The localization of dyers; designers, card-cutters, loom fabricators and traders - the pool of competencies and resources - was a major strength but this has dissipated. Such competencies are not available and/or utilised here in Chandur.

When market conditions deteriorate, the stakeholders-particularly weavers- exit; correct the supply side and thus prevent terms of trade from worsening below a minimum mark. The legal framework also can provide a bulwark against the terms for weavers deteriorating below a minimum mark. At Chandur, absence of occupational alternatives and legal framework contribute to freefall. This weakness is responsible not merely for worsening of weaver wage levels but also for lack of initiative to shore up the competitive strength of the sector.

There are market and product development opportunities for the cluster. There is scope for growth in overseas market. On the other hand, there are multiple threats-handloom weaving becoming a completely unrewarding occupation, handloom being out-competed by power looms.

On the whole, the cluster is facing an uphill task of recovering lost ground.

For understanding it better we here give the SWOT Analysis of the cluster in bullet form

STRENGTH

- Traditional Value
- Availability of skilled weavers

WEAKNESS

- Dependency on one product
- Highly unorganized cluster
- Poor quality of dying
- Low credit from financial institutions
- Town infrastructure is bad
- Brand Equity of product is declining
- Decline in wages of weavers
- No regular work for weavers

OPPORTUNITY

- Brand Building
- Product diversification
- Exploration of new market
- Export
- Reduction in custom duties on Yarn
- Product/Design patenting

THREAT

- Competition from other clusters
- Decline in demand of Saree
- Increase in demand of value added products
- Increase in demand for low cost power loom products

Conclusions

Handloom weavers are very poor in Chandur cluster. Despite the availability of skill and necessary resources, weavers here are finding problems in getting access to working capital, raw material and markets.

The lone cooperative society was in trouble, and recent revival attempts are at miniscule level. Master Weavers, who are present in good numbers elsewhere, are not to be found here. Only two such persons are investing in production. Infrastructure for production is very basic, old and redundant. Chandur is also not properly connected with any of the major handloom production clusters in Nalgonda district. Raw materials such as yarn and colours can be accessed only in far away places. These conditions have made these weavers to be dependent, and/or migrate to other places or work.

Thus, any programme that aims to work for their upliftment has to consider the following:

1. Collectivisation of the production and marketing processes
2. Increasing the per capita incomes of handloom weaver families
3. Providing infrastructural support through establishment of basic infrastructure and development of sustenance systems
4. Increasing the scope for growth of investors/entrepreneurs, dyers, designers and other supplemental players

5. Increasing the capacity of the handloom weavers to respond to the market needs through development of market database, individual knowledge on market needs and trends and skill development
6. Interaction of handloom weavers with the market players has to increase and their access to market knowledge has to made a continuous and dynamic process through establishment of systems and institutions
7. Increasing opportunities for women weavers to participate actively in all the stages of production and marketing through capacity building and awareness workshops
8. Linking welfare, education, health and developmental needs of the handloom weavers with the existing and potential governmental and non-governmental schemes and programmes

Dr. D. Narasimha Reddy

CHAPTER 10

VISION

TO INCREASE THE INCOMES OF POOR HANDLOOM WEAVERS BY
INCREASING MARKET LINKAGES FOR CHANDUR HANDLOOM
PRODUCTS THROUGH CAPACITY BUILDING AND
COLLECTIVISATION

CHAPTER 11

STRATEGY AND ACTION PLAN

Strategy

The key challenge lies in building vibrant institutional or organizational apparatus. The building of necessary organizational initiatives, their trial run, emergence and stabilization of leadership and management structures within these organizations and acquisition of some amount of autonomy by them in terms of prioritization of tasks and manner of performing them are the preconditions for cluster-revival and growth. The organizational development work will take at least a year.

While some direct cluster-improvement action is needed to trigger interest and to provide a meeting ground, it is important to hold back major investment programmes until organizational development is achieved. This is also essential to avoid the programme getting positioned as “external assistance programme” and the stakeholders vying merely for a slice of individual benefit.

A critical task is dialoguing with weavers, designers, dyers, trades and support institutions to create a platform for market and technology initiatives. It should evolve over a period of one year so that the various constituents develop a consensual agenda and leadership emerges.

A Brand equity For Chandur

The challenge is restoring the appeal/image of Chanduri handloom weave in the mind of contemporary Indian consumer. Subsequently, the brand equity campaign may cover

non-saree products. A promotional campaign is required. The brand equity campaign-ads, publicity, stories, events, contests, etc should be designed with specialized inputs from a market research/ad agency. It is expected to arrest the decline in overall sales volume and iron out seasonal troughs in demand. It will help all stakeholders. This is a major investment and it should be made only after the project takes off and stabilizes and equips itself with a capacity to assess the impact of brand equity campaign to make mid-course corrections in its implementation.

The campaign should aim at both-immediate growth in sales volume and strengthening Chanduri weave image on an enduring basis.

B Dyeing

This is a major gap in the prevailing technology package at Chandur, hurting product quality and hence market prospects. We propose two-fold action.

First, a dyeing technology team in which trade expert is included should undertake work on best practices and marginal improvements within the broad parameters - space, batch-quantity, batch-time, capital expenditure - of existing dyeing practices at Chandur.

The proposals for additional capital expenditure to improve technology are welcome but we should not expect dyer to bear, say, an amount higher than Rs. 25000/-. The additional capital expenditure should not be heavily subsidized. If subsidy is essential, it should not exceed 50% of capacity. Thus, the group should keep in mind a ceiling of Rs. 50,000 in terms of fresh capacity.

It will work not merely on product-quality but also production-economics and working conditions/occupational health in the course of its work.

Its responsibility should not cease at recommendation. It will take up dissemination. It should put value on traditional knowledge of dyers; demonstrate an open mind, work in a two-way learning format; show sensitivity to dyer-level considerations and aim at genuine improvement.

Secondly, there is a need to work out a techno-economic package for 200 to 500 kg/day dyeing unit. This is proposed because it will deliver scale and quality required by some producers, and would provide a basis for gradual transformation of product quality at Chandur.

After considering the technology package, an appropriate ownership/management model as well as number of facilities required can be determined. The model may be common dyeing facility centre or a privately owned facility backed by a package of incentives. We should be open to both models.

C Design

The design is the most dominant feature of Chandur product offering and hence is a determinant of market volume. The objectives of design-focussed work are as follows.

- To orient Chandur design, without undermining its traditional core, to the needs of present market at one level, and at another, to elevate it to the status of shaping aesthetic tastes and fashion trends in the Indian market place
- To create designs, particularly in the lower-end segment, which cannot be easily copied on power loom

- To strengthen the capacity of Chandur-level designers in terms of comprehension of market trends, creative competencies and adapting creative genius to market context.

These objectives warrant the following work.

- Creating and promoting new designs, which are the joint output of market-savvy external designers and local designers
- To set up a fashion forecasting mechanism, relevant to Chandur product, which will feed into design work.
- To organize orientation, training and exposure programmes for local designers
- To organize programmes/events for weavers to enhance their understanding of design
- To set up an ongoing arrangement for display of design-samples, ideas literature and related material of interest to designers.

This four-point action plan will contribute to revitalizing the market for Chandur weave. In addition, it will enhance the relevance of local designers and weavers to the market.

Before launching the programme, it is important to understand occupational and life-processes of local designer fraternity, its relationship with other stakeholders and create a favourable climate for the programme.

D Product Development and Promotion

There are non-saree products in respect of which local competencies, networking and Chandur brand equity are weak. These are

- Dress material in general and ready-to-stitch units of dress material
- Upholstery and furnishing fabric
- Madeups, e.g., cushion covers, purses
- Scarves, stoles, ties and such other accessories

The focal point of action, in this area, should be Master Weavers. Interested Master Weavers should be encouraged to form a network and formulate proposals for receiving specialized assistance and mutual co-operation. The network will require design, product development, market-information, marketing assistance, brand equity promotion, export promotion, weaver capacity building, designer capacity building, and such other assistance.

The network will articulate its own needs, prioritize and schedule these, locate specialist/consultancy sources and award work and devise a way of tracking the impact of its initiatives.

We came across a few practical tips which would enable an average customer to make out the difference between handloom from power loom products and a campaign in this behalf need not be limited to Chandur silk saree alone.

Policy Research And Advocacy

The duties, taxes, entry/exit of power loom entities, handloom product reservation order, Chandur infrastructural development, wages and working conditions for weavers, contract-work and such other issues belong to policy domain and are clearly shaping the market. Presently, there are adhoc

demands and these do not recognize diversity of interests and competing claims.

A information resource centre at Chandur would help in developing and disseminating information to weavers and also various other bodies related to handloom sector, including the government.

Revamping of Support Structure

Resource centre should extend assistance mainly for loom up-gradation, work shed, market assistance, export promotion, design development and training, besides health and insurance. It works in the context of strengthening occupational competencies.

The relevant issues are:

- Education, health
- Social security
- Relief for artisans in distress-natural or manmade
- Women and children
- Saving and micro-credit
- Working conditions
- Wage related models and practices
- Artisan rights and duties
- Some elements of quality of life related work, e.g., recreation, sport, library, personality growth.

The support structure should lead the process and leverage upon the programmes of social welfare department or those of other agencies in operation at Chandur.

Presently, the competencies of support structure are mainly administrative and technical. It will have to build mainly facilitative and social work orientation.

Weaver Organization and Capacity Building

The weaver is now far removed from the market in terms of access and knowledge. It will be premature to ask him/her to organize credit, raw material, production and marketing. She/He needs to acquire and sharpen competencies, confidence and collective strength. The weaver is getting a raw deal and is being taught to hold market-an abstraction-responsible for his condition.

There is a need to organize weavers and to enhance their capacities. This is a desirable task. This would be an autonomous initiative and its direction cannot be anticipated.

Action Plan

YEAR 1

Sr. No.	Activity
1	Understanding the cluster and interaction with cluster actors
2	Awareness Workshops – formation of SHGs of weavers
4	Technology Upgradation Workshop on Dyeing
5	Dialogues with NABARD and other institution such as DRDA
6	Workshops on Marketing
7	Establishment of Information and Resource Center
8	Participation/Organising of Exhibition
9	Workshop for Local designers for providing them knowledge about the latest trends and demands
10	Publicity campaign for Brand Equity of Chandur
11	Review of progress of SHG formation
12	Growth program for new and existing entrepreneurs
13	Upgradation and addition of Looms
14	Publicity campaign for Brand Equity of Chandur
15	Participation/Organising in Buyer Seller Meet
16	Review of progress of SHG formation
17	Review of Information and Resource Center

YEAR 2

Sr. No.	Activity
1	Capacity Building/Skill upgradation program for weavers
2	Publication of common catalogue of cluster
3	Workshops on Marketing
4	Participation/Organising of Exhibition
5	Capacity Building Workshop for Local designers
6	Publicity campaign for Brand Equity of Chandur
7	Product/Design Development Workshop
8	Participation/Organising of Exhibition
9	Publicity campaign for Brand Equity of Chandur
10	Upgradation and addition of Looms
11	Participation in Trade Fairs
12	Launching of common web portal
13	Review of progress of SHG formation
14	Review of working of Information and Resource Centre
15	Participation/Organising of Exhibition
16	Publicity campaign for Brand Equity of Chandur
17	Review of progress of SHG formation

YEAR 3

Sr. No.	Activity
1	Review of working of Information and Resource Centre
2	Capacity Building/Skill upgradation program for weavers
3	Workshops on Marketing
4	Participation/Organising of Exhibition
5	Capacity Building Workshop for Local designers
6	Publicity campaign for Brand Equity of Chandur
7	Participation/Organising of Exhibition
8	Publicity campaign for Brand Equity of Chandur
9	Upgradation and addition of Looms
10	Participation in Trade Fairs
11	Review of progress of SHG formation
12	Review of working of Information and Resource Centre
13	Participation/Organising of Exhibition
14	Publicity campaign for Brand Equity of Chandur
15	Upgradation and addition of Looms