

C H A P T E R : V I

OBSERVATIONS, CONCLUSIONS AND SUGGESTIONS.

6.1 OBSERVATIONS.

6.2 CONCLUSIONS.

6.3 SUGGESTIONS.

CHAPTER No. VIOBSERVATIONS, CONCLUSIONS AND SUGGESTIONS

6.1

OBSERVATIONSGENERAL

- 1) India is the home of cotton textiles, Powerloom industry is the major sector producing cotton textiles. Maharashtra ranks first in India in the production of textiles and in the number of powerlooms. Ichalkaranji is one of the biggest textile producing centres in India and consequently in Maharashtra Ichalkaranji has rightly been described as the "Manchester of Maharashtra" for its cheap and best clothes.
- 2) First of all in India powerlooms in the decentralised sector have been installed in Ichalkaranji in the year 1904.
- 3) There are about 60,000 powerlooms in Ichalkaranji and employs about 40,000 workers. About 90% of total population depends upon this industry directly and indirectly for its livelihood. Thus it is the main Industry of Ichalkaranji. A-part from this there are 4 spinning Mills, 16 processing units, 170 sizing units and large number of dyeing and winding units. There is also a well developed yarn and cloth markets.
- 4) In spite of many problems and unfavourabilities ^{the powerloom industry in Ichalkaranji has developed and prospered} the ~~prospered~~ to the present status.
- 5) Ichalkaranji " Sarees and Dhoties" are very famous and are described as the cheap and best cloths. Thus it is the main producer of sarees, dhoties and cambrics. It also produces other qualities of cloth but on a small scale.
- 6) At present the powerloom industry in Ichalkaranji is facing innumerable, varied and complex problems- all requiring urgent solutions.

..2..

- 7) Powerloom industry operates in three shifts a day, Six days in a week, 25 days in a month thus totalling about 300 days in a year. ~~Friday~~ is the weekly holiday. This will help us to know the requirement of yarn, electricity, Mill stores, finance, production of cloth and other such aspects.
- 8) At present the industry is passing through a great depression. As a result about 60% of looms are stopped operating.

Y A R N

- 9) Powerloom industry produces an average of 26 metres of cloth on a loom in one shift, 78 metres in three shifts. Thus all 60,000 powerlooms produce on an average 1,40,40,00,000 metres of cloth in a year of 300 days.
- 10) The yarn requirement for the above production is 5 ~~days~~ Kgs. per loom per day. Thus the total requirement of yarn for all 60,000 powerlooms for a year is 9,00,00,000 kgs.
- 11) Since the number of powerlooms are increasing continuously and rapidly the requirement of yarn is too increasing accordingly.
- 12) The three local spinning mills supply yarn only to the extent of 12.17% of total requirement and the remaining 87.83% of yarn is however procured from outside spinning mills in Maharashtra and other states.
- 13) The excessive dependence upon outside mills has led to many problems in the procurement of yarn. It is so because the outside spinning mills sell their quota to the local private yarn traders.
- 14) Yarn traders have developed into monopolistic power and utterly exploit the yarn purchasing weavers in various ways. In order to get more profit they always tends to create artificial shortages in the supply of yarn.

..3

..3..

- 15) Some-times the shortage of yarn is also felt due to strikes lockouts, natural calamities and transport difficulties.
- 16) The weavers always experience the shortage of yarn, wide fluctuations in the rates of yarn, high prices of yarn and improper quality of yarn and counts.

ACCOMODATION OF LOOMS

- 17) Accomodation of looms is one of the most disturbing problems in Ichalkaranji. Two industrial estates have been constructed for the purpose. But the growth of powerlooms is so fast that it become rather impossible to provide accomodation to all the looms under the industrial estate scheme.
- 18) A-bout 50% of loom holders do not have their own loom shed but have installed their looms in rented loom shed. These 50% loom holders face many difficulties in accomodating their looms.
- 19) The loom. holders enter into a contract for 11 months with shed owners agreeing to pay a fixed amount of deposits and monthly rent.
- 20) Loom holders have to pay a deposit of Rs. 2,000/- and monthly rent of Rs.550/- for two looms. Which are very high and unjust.
- 21) The real crux of the problem is that ~~eventhough~~^h heavy deposits and high rents are paid weavers do not get the suitable loom shed.
- 22) Shed-owners tends to ~~exploit~~ the loom holders in many ways. In busy seasons shed owners ask for more deposits and tends to increase the rents eventhough the contract does not provide for such things. If the loom holders reject to pay more deposits and rents they will be asked to vacate the shed or give unnecessary disturbances.
- 23) Generally after the completion of contract period the weavers are required to vacate the shed and shift their looms to other sheds. In doing so they have to incur

..5..

heavy losses in the form of cartage charges installation cost, additional mill stores etc apart from the loss of production of 8 to 10 working days.

OLD LOOMS

- 24) In the beginning the looms discarded by Bombay and Ahmedabad Mills have been installed in Ichalkaranji. Those good old looms are still operating. It is estimated that about 30,000^{old} powerlooms exist in the industry.
- 25) The existence of old and antiquated looms is the responsible factor for low production and low productivity due to their frequent break-downs.
- 26) Due to frequent break-downs workers fire soon and gets bored workers efficiency is marred resulting into low production and low wages to workers and low income to owners.
- 27) The rate of defective cloth is also more in case of old looms leading to net loss to the owners.
- 28) In times of Major break downs, they require heavy repairing cost.

ELECTRICITY

- 29) Electricity charges are continuously increasing year after year.
- 30) Weavers showed their strong agitation against the increasing electricity charges but their efforts to reduce the rates were not successful.
- 31) Weavers always experience irregular supply of electricity and frequent power cuts.
- 32) Irregular power supply and frequent power-cuts affected the quantity and quality of production to a great extent.
- 33) Due to increase in electricity charges the amount payable becomes high. Therefore weavers find it difficult to make the payment in time. As a result of late payment not only they lose rebates provided for early payment but also they have to pay additional interest charges.

..5..

- 34) Weavers also experience too much delays in getting electricity connections even after completing all the paper requirements.

MILL STORES

- 35) A powerloom consumes Mill stores worth Rs.600/- a year apart from the cost of mill stores in the form of accessories of Rs. 1500/- in the first installation of looms.
- 36) The prices of mill stores are continuously increasing since last few years.
- 37) The real crux of the problem is that due to frequent changes in the quality of cloth certain Mill stores viz reeds. Healds are required to be changed. Frequently leading to unnecessary investment in idle stock of these materials.

LABOUR

- 38) There are about 40,000 direct workers and about 5000 badali (side)workers in Ichalkaranji.
- 39) The number of very expert workers is small. Majority of workers are semi expert and un expert and are unable to repair the looms in cases of break-downs.
- 40) The efficiency of semi expert and unexpert workers is not much pleasing. Majority of workers show far away from standard production. Only a few workers just reach the standards and rarely exceeds the standards. Moreover the percentage of defective cloth is more with semi expert and unexpert workers.
- 41) In practice standard production system is not operated and workers are not encouraged to produce more and earn more.
- 42) The reasons for low efficiency, low out put and more defective cloth are attributed to the inefficiency, carelessness and negligence of workers.
- 43) As the industry provides ready job opportunities labour turnover is also very high. However labour absentism is normal.
- 44) The possible causes for labour turnover are low earnings, poor working conditions and the workers personal problems.
- 45) Under the circumstances of labour turnover and labour absent-

tism the workers who have worked in one shift are asked to continue the work in second shift also. No specific arrangements are made normally owners themselves operate the looms for the time being.

- 46) In these days workers are developing an indifferent attitude towards the owners. They feel that owners tends to exploit them.

EXPLOITATION BY MASTER WEAVERS.

- 47) Exploitation of kharchiwalla Weavers by the master weavers is the most burning problem of the industry.
- 48) About 70% of loom-holders are kharchiwalla weavers and depends entirely upon master weavers. Master weavers have developed into monopolistic power and utterly exploit the the helpless weavers.
- 49) An agreement was made in 1982-83 between powerloom weavers association and Master weavers association in which certain rates were agreed. But at present even those old rates are not paid.
- 50) Master weavers pay a very low rates of weaving charges, treat a large portion of cloth as second grade at every time and makes huge cuts in payment on account of defective cloth, particularly in case of cambric cloth they actually receive 81 or 82 metres of tage but bill is made for 80 metres. Thus master weavers indulge in all sorts of Mal practices and tends to make undue profits definitely at the cost of poor weavers. Without any alternative these poor weavers have to dance at the tune of master weavers.
- 51) Master weavers pay very small amounts weekly. Therefore the weavers finds it very difficult to adjust the income for various expenses, and many times there remains no balance to the weavers. Under these circumstances weavers feels it difficult to maintain their family adequately. Similarly monthly expenses are also not paid promptly and regularly.

..7..

- 52) In actual practice it is observed that Kharchiwalla weavers purchase sized beams and weft yarn at price from master weavers and sell the woven cloth to the same. ~~Some~~ master weavers at price.
- 53) Master-weavers sell the sized beams and weft yarn to the weavers at higher prices but purchase the cloth at lower prices resulting into a small income to the weavers. It happens so because master weavers have the monopolistic power.
- 54) Master weavers do not treat the Kharchiwala Weavers well. The real grievances of Kharchiwalla weavers is that they have been treated as if they are the mere slaves.

MARKETING

- 55) Setwalla weavers sell their gray cloth to the adatiwallas (Cloth merchants) in the local and outside markets.
- 56) For every transaction the assistance of dalals is sought by paying $\frac{1}{2}\%$ as commission on the total sales effected.
- 57) Setwalla sell their cloth both on cash and credit.
- 58) For cash sales adatiwallas deduct a discount @ 2% from the total amount payable to the setwallas. ~~AS CASH DISCOUNT~~
- 59) Adatiwallas indulge in all sorts of malpractices and tends to make huge profits by exploiting the weavers. They ~~create~~ create a large portion of cloth as second grade and makes huge cut in payment similarly in case of cambric cloth sometimes the quantity of cloth sold is shown as less than what actually sold. All this is done on ground of process report, which is not reliable.
- 60) Process reports are not reliable because processing units are owned and managed by private individuals. As such it is possible that the adatiwallas makes collusion with the processmen and receive the report favourable to them in regard to quantity and quality.

...8

..8..

- 61) Weavers experience too much delays in receiving the credit sale proceeds. The delay occurs even after the expiry of credit period. Similarly even in case of cash sales, cash is not received on the spot but delayed by 4 to 6 days and some times more than this.
- 62) Due to wide fluctuations in the prices of yarn and cloth generally weavers do not enter into forward contracts. It is also because many a time weavers experience that adatiwallas breaks the contracts made during busy seasons when the prices of cloth falls considerably in future on the plea that quality is not good-thus weavers are put into heavy losses as they have manufactured the cloth for contract by using high priced yarn.
- 63) Since weavers sell the cloth on their own risk they do not have any security of recovery. As such in many cases they incur heavy losses for non recovery of sale proceeds.
- 64) It is complained that generally dalals works in favour of adatiwallas though they receive commission from weavers. Moreover dalals do not give guarantee of payment.

MINIMUM WAGES ACT.

- 65) Government of Maharashtra in presence of the provisions of Minimum wages Act 1948 revised the rates payable to powerloom workers with effect from 1-8-1984.
- 66) Weavers in Ichalkaranji have greatly feared of this Act and expressed their view that if the same is not taken back they will shift their looms to neighbouring Karnataka State.
- 67) As a result weavers refused to implement the Act. The workers declared the strikes and lock-outs followed accordingly. In fact the stay was brought by weavers from Bombay High Court.
- ~~68)~~ The court ordered the weavers to pay 75% of minimum wages.
- 68) The weavers complain that under the present conditions it is not possible to them to pay minimum wages. Moreover they are of the opinion that if Minimum wages Act is implemented government will pass subsequent Acts regarding bonus, funds etc.

..9..

- 69) The real crux of the problem is that about 70% of weavers in Ichalkaranji are kharchiwallas. who are in fact the workers of master-weavers in the truest sense of the term. These kharchiwalla weavers receive very low rates of weaving charges and their income is very low. As such they are really unable to pay the minimum wages as prescribed by the Act.
- 70) Master weavers are not ready to increase the weaving rates payable to Kharchiwallas according to the Minimum wages Act.
- 71) Setwalla weavers however are in a position to pay the minimum wages as per the Act but they are not ready to do so.
- 72) All the weavers expressed their view that the payment to workers should be production oriented as it provides incentive to work more and earn more.

NEW TEXTILE POLICY.

- 73) The government of India announced its New Textile Policy as on 6-6-1985.
- 74) The policy treated the powerlooms in the Mill sector and powerlooms in the decentralised sector at par without considering the handicaps, difficulties and problems of the later.
- 75) Weavers are expressing the shortage of yarn and its increasing prices but no demand for the cloth. As a result about 50% and 60% of looms in Ichalkaranji are stopped operating during the last two respective years. Therefore about 32000 workers have left the place and the owners of closed down looms have become unemployed.
- 76) Being the main industry of Ichalkaranji closing down of looms affected the other ancilliary industries and other businrss badly.
- 77) As present the industry is in a state of great confusion and uncertainly weavers are in a great fear of dark future. The loom owners, workers and many others who depend upon

this industry directly and indirectly are all found in a disappointed mood- the problem that always lingers in their mind is what next ?

FINANCE

- 78) Finance is required for purchase of looms pirn-winding machine, accessories, payment of deposit for loom shed/ construction of loom shed, making beam set and for making payment for current expenses.
- 79) The requirement of finance for making beamset is very high followed by construction of loom, Shed, purchase of looms and payment for current expenses.
- 80) Due to lack of finance weavers in the beginning do not go for construction of a loom shed and making beam set Weavers just purchase two or four looms install them in a rented loom shed and operate on majõri basis under master weavers.
- 81) Weavers working under master weavers depends entirely upon master weavers for working capital requirement.
- 82) The need for working capital requirements and ready cash balance depends upon the type of weaver. It is very high in case of setwalla weavers as compared to kharchiwalla weavers.
- 83) The cost of construction of a loom shed is very high and it depends upon the location, size, and price per sq.ft of plot. It also depends upon the nature of construction simple or R.C.C. type. Usually a loom shed is constructed for 8,10, or 12 looms or so.
- 84) Erection of Motor-shafting is also one of the Major element requiring finance. It is in the nature of fixed assets fixed in the loom shed.
- 85) permanent working capital for making beam set involves huge amount of investment. It depends upon the number of looms, free beams required, quality of cloth, to be manufactured quality and counts of yarn-warp and weft, price of yarn, sizing and warping expenses, market conditions and rate of turn over.

..11..

- 86) Usually a beam set is made for 12 or more looms. Minimum three sets are required to ensure the even flow of production and smooth functioning of the organisation. The need for ready cash balance is very high in case of setwalla weavers. They are required to keep ready cash-balance to the extent of at least two-sets-money.
- 87) Since the number of powerlooms in Ichalkaranji is continuously increasing, the requirement of finance for various purposes is also increasing accordingly.
- 88) Co-operative banks have been established to meet the financial requirements of ~~members~~ Majority of those members are loom holders. When powerloom industry took rapid strides a large number of commercial banks have opened their branches for making banking business.
- 89) Co-operative banks, co-commercial banks, Maharashtra State financial corporation, Master-weavers, Bhishi Mandals, friends and relatives are the main sources of finance, financing by money lenders is however negligible.
- 90) Equity is the most important source of finance. It is supported by industrialists own savings, Bhishi Mandals, friends and relatives, Master. Weavers, co-operative Banks, commercial banks and Maharashtra State financial Corporation come in the ranks respectively.
- 91) Of the total requirement of finance co-operative banks, Commercial banks and Maharashtra State financial Corporation have financed only an average of 0.31%, 0.06% and 0.008%, respectively, thus aggregating to 9.378%. The purpose-wise financing by these banks is also not much pleasing.
- 92) The share of master weavers in total financing is about 38.84. The financing by equity is about 60.78%. Equity is supported by loom holders own savings, Bhishi Mandals, friends and relatives.
- 93) Co-operative and commercial banks finance for all the purposes. However, the Major financing is for making beam

..12

..12..

- set, followed by purchase of looms, construction of loom shed and redemption of old debts.
- 94) Maharashtra State financial corporation finance only for purchase of looms.
- 95) All banks and Maharashtra State financial corporation finance for purchase of looms only for replacing the existing old looms.
- 96) As things stands today the financial institutions are not in a positions to meet the ⁱⁿcreasing requirement of the industry. As such the loom holders have to depend greatly upon their own savings, Bhishi Mandals, Master Weavers, friends and relatives.
- 97) No un^uniform rates of interest are prevailing different agencies charge different rates of interest.
- 98) At all phases and at all times weavers experience shortage of finance and experience many difficulties in obtaining the required finance.
- 99) Institutional finance is not readily available to them. From the very beginning weavers have to depend upon their own savings and assistance of Bhishi Mandals, friends and relatives. Because financial institutions do not finance for purchase of looms.
- 100) The sources upon which loom-holders depends are too much unreliable and inadequate. As such many a time weavers have been compelled to post-pone their capital committments, due to un^uavailable ^{of} sufficient finance.
- 101) Weavers experience considerable amount of delay in obtaining the required finance from varous sources.
- 102) Due to their inadequate incomes and savings they finds it very dif.icult to repay the loans. Many times loans are taken to redeem the loans leading to wastage of time and energy.
- 103) The rate of interest charged by various agencies is very high.
- 104) Weavers experience procedural problems in getting the institutional finance. As they are low educated they always feel it ackward to execute paper requirements.

- 106) There are ample prospects and wide scope for the powerloom industry in future also. It is so because clothing is the first basic need of the modern dress oriented people.
- 107) At present Ichalkaranji dhoties, saris and blouse pieces are in great demand particularly in the states of Karnataka, Maharashtra, Gujrat, Rajasthan, Madya Pradesh, Uttar Pradesh, Bihar etc. In future also the demand will exist Therefore these varieties can be continued in future also.
- 108) There is a wide scope for diversification of production both in cotton and non-cotton fabrics. As a result to earn more profit weavers will change their production lines and will improve their production methods and techniques.
- 109) Silk, wool, polyster and other non-cotton fabrics will be manufactured on the existing looms by installing warp stoppets and weft fillers.
- 110) Similarly by effecting certain necessary changes to the existing looms viz installation of warp stoppers, weft fillers etc. it is possible that weavers will easily manufacture the export-quality cotton textiles to capture the international market.
- 111) The government or the weavers will establish " Export Houses" to boost up the textile exports.
- 112) When ever necessary, feasible and practicable weavers may upgrade the weaying technology.
- 113) As a result of diversifocation of producton. Reserch and Development centres will be established by the Weavers themselves or by the government so as to help the weavers in improving and deVéloping the methods and techniques of weaving.
- 114) In future weavers will find it more beneficial to form their co-operative societies.
- 115) As a result of rapid growth and increasing importance the government and other financial and non financial institutions will come forward to help the weavers in many ways.

- 116) When the industry takes rapid strides towards prosperity we may find about 1,00,000/- or even more looms by 2,000 or 2008 A.D.

6.2 :

..CONCLUSIONS..

GENERAL

- 1) In Ichalkaranji the growth of powerlooms has been extremely haphazard and lopsided.
- 2) The industry at present is passing through a period of great depression and also facing innumerable, varied and complex problems- all requiring urgent solutions.
- 3) Being the monopolistic power the yarn traders, Master weavers, cloth merchants and shed owners tends to exploit the weavers by all possible means to make undue profits at the cost of poor weavers even neglecting the minimum social and moral obligations
- 4) Powerloom holders therefore, are in need of urgent relief from exploitation by yarn traders, Master-weavers, cloth merchants and shed owners.

YARN

- 5) Yarn traders indulge in all sorts of malpractices in regard to the supply of yarn, hoarding of yarn
- 6) There is a need of establishing many more spinning mills to attain self-reliance in yarn requirement.
- 7) The yarn distribution channel is unnecessarily lengthened by yarn dealers to make unreasonable profits.
- 8) The yarn market is controlled by handful of traders. In fact it has become yarn trader oriented.
- 9) There is no government's control over the distribution of yarn and yarn prices.

ACCOMODATION

- 10) Shedless loom holders are required to pay heavy deposits and high rents even for unsuitable loom sheds.
- 11) While shifting looms from one shed to another loom holders incur heavy losses in the form of loss of production, cost of Mill Stores, and installation cost.

- 12) Shed owners tends to take undue advantage of of helpless weavers by asking more deposits, more rents etc.
- 13) There is no governments control over the shed rents.
- 14) Common sheds are not built. Only a few weavers constructed loom sheds in partnership.
- 15) There are only two industrial estates. But they can not provide accomodation to all looms. However some industrial estates have been established but they have not developed beyond a documentary stage due to lack of finance.

OLD LOOMS

- 16) Existence of old looms affected the quantity and quality of production leading to low wages to workers and low income to weavers.
- 17) Therefore there is an urgent need to replace the old looms.

ELECTRICITY.

- 18) Electricity charges have shown a continuous increase over the years. As a result cost of production has increased. As the amount of electricity bill is very high weavers find it very difficult to make the payment in time and many a time loose the amount of rebate provided for early payments.
- 19) Irreguler supply and frequent powercuts. resulted into low production, low wages to workers and low income to weavers.
- 20) weavers experience a considerable amount of delay in getting electric connections leading to wastage of time and energy.
- 21) Though powerloom industry is a small scale industry government has provided no specific proviledges in rates and supply. of electricity

MILL STORES

- 22) Increase in the prices of Mill Stores resulted into increase in the cost of production.
- 23) Due to frequent change in quality of cloth weavers ~~exp~~ experience unnecessary investment in idle stock of some Mill Stores.
- 24) No rate boards are exhibited in the Mill Stores shops.
- 25) There is no government's control over the distribution of Mill Stores and their prices.

LABOUR

- 26) The existence of unskilled and unexpert workers resulted into low production leading to low wages to workers and low earnings to weavers.
- 27) Weavers do not operate the programme of standard production. ~~For~~ workers. Therefore no special efforts have been made to improve the efficiency and productivity of workers.
- 28) Under the circumstances of labour turnover and unavailability of side workers looms are required to be kept unoperated thus production is marred.
- 29) Indifferent attitudes of workers towards the weavers will spoil the industrial atmosphere and it is not good in the ~~interest~~ ^{interest} ~~interest~~ of the industry as a whole in the long run.

30)

EXPLOITATION BY MASTER-WEAVERS.

- 30) Exploitation of Kharchiwala weavers by Master weavers has been the most burning problem of the industry.
- 31) Master weavers tend to exploit the weavers by all possible means and tend to make immoderate profits at the cost of poor weavers, even neglecting the minimum social and moral obligations. In fact they treat the weavers as if they are the mere slaves.
- 32) Master weavers pay very low rate of weaving charges, supply the sized beams and weft yarn of lower quality but ask the weavers fresh cloth and treat ~~at~~ every time a large portion of cloth as second grade on account of which they make

huge deductions in payment. Moreover, they treat the quantity of cloth as less by 1 or 2 metres per taga.

- 33) Due to inadequate and irregular payments not only weavers face difficulties but also they suffer by Monetary losses viz loss of rebate in electricity charges, etc. Sometimes purposefully sized beams and weft yarn are not supplied leading to loss of productions, unnecessary rent charges etc.
- 34) There is no governments control over the activities of Master weavers.

MARKETING

- 35) Adatiwalla cloth Merchants plays all sorts of Malpractices and tends to make undue profits at the cost of setwalla weavers. At every time they treat a large portion of cloth as second grade and cuts huge amounts on this account. Sometimes cloth is shown as less by some metres than what actually given on the ground of process report. Process report is however not reliable as there is no governments control over it.
- 36) Dalals are paid commission by weavers. But generally they work in favour of adatiwallas. Moreover they do not give guarantee of payment. As such weavers experience huge losses due to non recovery of sale proceeds.
- 37) Weavers also experience too much delays in receiving the sale proceeds. This naturally leads to many inconveniences.
- 38) Though contracts are made for short periods and for a fixed quantity the dishonest adatiwallas break it purposefully leading to great losses to weavers because contracts are generally made by words of month.
- 39) Yarn traders and cloth Merchants generally have the collusion cloth merchants learn from yarn traders likely increase or decrease in yarn prices. When they come to know that yarn prices are going to increase rapidly in near future, cloth merchants go on purchasing more and more cloth but stop it during rising prices. Weavers lacking knowledge of future trends have to suffer unnecessarily.

MINIMUM WAGES ACT.

- 40) Minimum wages Act for powerloom workers has not been successfully implemented. It is so because 70% of weavers are kharchiwallas who are in fact the workers of Master-weavers. Their income is very low and are subject to exploitation. Hence they are really unable to implement the Act. as Master weavers are not ready to increase the rates of weaving charges according to the minimum wages Act.
- 41) Setwalla weavers are in a better position to pay the Minimum wages as per the Act but they are not ready to do so even 75% of wages as ordered by the Bombay High Court.
- 42) There is a fear in the minds of weavers that if the Act is implemented the workers will not work properly and that they will take undue advantage of the Act. Moreover it is also felt that if this Act is implemented, the government may pass and force to implement other Acts for workers viz, funds bonus etc.

NEW TEXTILE POLICY AND OTHER FACTORS.

- 43) Since the announcement of New Textile Policy yarn prices are fluctuating and increasing rapidly. But the cloth has no demand. There are also other factors responsible for lack of demand for cloth viz a continuous famine in Maharashtra ^{and} in other states during the last 3 years, cloth coming from outside countries by way of smuggling.
- 44) As a result about 60% of looms at present are closed down. The workers and owners of these looms become unemployed. There is a general cry that government provides no protection to the industry but puts many restrictions on it. Weavers are coming to a sad conclusion to dispose off their looms and stop their industries permanently. In fact all the weavers are in a state of great confusion, uncertainty and disappointed mood.

FINANCE

- 45) There is a great shortage of finance weavers always experience the difficulties of inadequacy of finance.
- 46) Right from purchase of looms till the making of beam set the weavers are required to finance their requirements out of their own resources to a great extent.
- 47) External finance is not readily and easily available to the weavers. Therefore they always prefer to plough back a major portion of their profits. This is in fact one of the most important reason as to why the industry has greatly prospered to its highest.
- 48) As compared to the requirements of the industry the financing by financial institutions is very small. Industries requirements are in crores but institutional financing is in lakhs.
- 48) As compared to the requirements of the industry the financing by financial institutions is very small. Industries requirements are in crores but institutional financing is in lakhs.
- 49) Due to lack of adequate finance weavers are always compelled to postpone their capital commitments at certain future dates though by losing some immediate benefits.
- 50) Normally it takes 12 to 15 years of time to become a weaver self reliant in all respects from the date of entering the industries provided that the weavers are more ambitious and hard working nature.
- 51) As the major financing is done by Master weavers it is suggestive why the loom-holders are exploited by Master Weavers.
- 52) Weavers always prefer to contribute weekly a fixed amount to the Bhishi Mandals with an idea that they will get immediate finance as and when needed. In fact these mandals have been proved the most useful channels of Mobilising the resources and utilising the same for the some contributors.

- 53) The financing policies of Bhishi Mandals are simple and easy requiring minimum paper requirements. They meet immediately the financial requirements though with small amounts. That is why they are gaining much importance in these days.
- 54) The assistance from friends and relatives is often sought as they do not have any hard and fast rules.
- 55) Weavers generally do not approach the financial institutions. Mainly due to the following reasons.
- i) Too many documents are required to be executed.
 - ii) It takes considerable amount of time.
 - iii) lack of adequate property to give for security
- 56) The sources upon which weavers depend are too inadequate and unreliable.
- 57) Weavers always experience difficulties in making the repayment of loans due to their improper repayment schedule.
- 58) The Kharchiwalla weavers incomes and savings are too inadequate to provide for future expansion of the industry.
- 59) Weavers are not getting the finance from financial institutions under Reserve Bank of India(2) bb Scheme.
- 60) National small Industries Corporation(N.S.I.C.), State small Industries Development Corporation(S.S.I.D.C.). The Credit guarantee scheme for small Industries of government of India, small, Tiny and village Industries wing of I.D.B.I, etc.have not contributed their mite for the development of this industry.
- 61) So far government has not made any special provisions for meeting the requirements of weavers under " State Aids to Industries Acts".
- 62) So far weavers have not established their special banks for meeting exclusively their industry's financial requirements.

PROSPECTS.

- 63) The weavers can continue the production of tradirional cloth in future also Because the demand for these clothes will also exist in future.
- 64) There is a necessity of diversifying the production. Therefore with a view to earn more profit it is necessary to the weaver to go for other products cotton and non-cotton.

- 65) Establishment of Reserch and Development Centres will pave a long way in the process of diversification.
- 66) There is a need to establish " Weavers Guidance Centres" to provide immediate information about market conditions.
- 67) Creation of production zones, export houses and establishment of weavers co-operative societies will be of immense value to the industry as a whole.
- 68) The government, National small Industries Corporation(NSIC), State Small Industries Development,Orporation (S.S.I.D.C.), State financial Corporation(S.F.C.), Industrial Development Bank of India(I.D.B.C.), Banks and other financial and non-financial institutions will have to pāay an increasing role so as to help the weavers to accept the new challanges most successfully.

6.3 : SUGGESTIONS

YARN

- 1) Yarn market must be made weavers oriented.
- 2) Unnecessary lengthy process of yarn distribution should be checked by compelling the yarn traders to obtain a licence from the government and sell the yarn only to weavers.
- 3) To ensure fair distribution of yarn to weavers opensale of yarn must be banned and a ration card system should be introduced.
- 4) In order to curb the wide fluctuations and increasing prices of yarn the government must fix-up the yarn prices and compell the yarn traders to sell the same at these prices. Whenever necessary strong actions must be taken against dishonest yarn traders.
- 5) In order to check the stock-hoarding in in yarn government must give directions to ^{the} banks as to not to finance to such stock hoarders and see that all banks shall follow the same strictly.
- 6) Government should control the yarn market similarly yarn coming from outside Mills should also be brought under government's control.
- 7) weavers should establish their spinning mills on co-operative basis with the main motto of distributing the yarn to members only. All members should purchase yarn from their Mills.
- 8) The small spinning weels of 32 or so spindles capacity should be installed by the weavers to attain self sufficiency in respect of yarn at individual levels as manufactured by Shirodkar Education society, Malven.

A C C O M O D A T I O N .

- 9) Government or powerloom Association should construct the loom sheds and provide them to weavers on hire-purchase system.

..26..

- 10) Low cost sheds should be constructed with the help of General Insurance Corporation of India.
- 11) Government should construct the common loom. Sheds with an accomodating capacity of 100 LOOMS each and allot the same to shedless loom-holders by charging minimum rents.
- 12) Weavers should also construct the loom sheds in partnership.
- 13) Weavers^{ve} should establish small industrial estates on Co-operative basis. Government should substantially finance these estates.
- 14) Government should exercise necessary control over the rents of loom shed and also specify that the loom sheds must possess the minimum essential facilities.

OLD LOOMS

- 15) Old and antiquated looms should be replaced by new looms for this purpose government should ask the financial institutions to provide adequate finance to weavers on easy terms and at cheaper rates.
- 16) Loom manufacturers should chalk out a scheme for conversion of old looms into new looms with minimum cost.
- 17) Adequate repairs and renewals should be provided^{to} improve the efficiency of looms.
- 18) Periodical inspection of looms should be made to prevent likely break-downs.
- 19) Expert jobbers should be employed to keep the old looms in good condition.

ELECTRICITY.

- 20) Government should give particular instructions to the electricity Board to supply electricity regularly to the industry. Frequent power-cuts must be avoided.
- 21) The Government must reduce the present rates of electricity charges. In fact electricity should be supplied at cheaper and concessional rates.
- 22) Charging of late fees must be stopped urgently.
- 23) The Electricity Board must avoid unnecessary delays in giving ~~unnecessary~~^{electricity} connections. Soon after the completion

..27..

of paper requirements the Board must see that the connections are provided at the earliest date.

MILL STORES

- 24) Government should exercise necessary control over the prices of mill stores.
- 25) The owners of the mill stores must be compelled to display the " Rate Boards ".
- 26) As far as possible weavers should prefer bulk-buying of Mill stores. For bulk purchases mill stores owners should give appropriate discounts.
- 27) Purchasing of Mill Stores should be done by 5 or 6 Weavers by pooling their annual requirements. When this is followed Mill Stores must be purchased in bulk from wholesale dealers. By doing this not only they get mill Stores at Wholesale prices but will also get more discount.
- 28) The Powerloom weavers Association should activate its Mill Stores section and supply the Mill Stores at Minimum prices.
- 29) Weavers should run co-operative Mill Stores.
- 30) As far as possible major and frequent change in quality of cloth should be avoided.

31) LABOUR

- 31) Workers should be given adequate training on the looms on which they are working. They should be made known fully the mechanism of looms and weaving.
- 32) Expert jobbers should be appointed so that they can maintain the looms in proper condition and also helps in training the workers.
- 33) A Programme of standard production must be adopted and implemented effectively. This will help ~~to measure the efficiency of workers correctly~~ to measure the efficiency of workers correctly.
- 34) Workers should be provided adequate incentives in the form of cash prizes, higher piece rate for output above standards, bonus etc.
- 35) Appropoiate remedial measures must be taken to see that workers reach the standards.
- 36) In orders to prevent defective cloth caused by workers

..28..

negligence, carelessness etc. the matters must be immediately brought to the notice of concerned workers.

- 37) In order to prevent the high rate of labour turnover the following measures must be taken.
- i) Workers must be fairly remunerated.
 - ii) Unnecessary deductions from wages should be avoided.
 - iii) Proper working conditions should be provided.
 - iv) Work-security should also be provided.
 - v) Workers personal problems should be understood and appreciated. Whenever they are in need of financial difficulties, it is necessary to see that the difficulties are solved.
- 38) Workers must be honestly and fairly remunerated and well treated and see that they will not develop any indifferent attitude.

EXPLOITATION BY MASTER WEAVERS.

- 39) Powerloom Association should publish and distribute the "Book-Lets" containing the information regarding requirement of yarn per metre of cloth taking into account the various qualities of cloth and various counts of yarn. This will enable the weavers to know exactly the requirement of yarn of a particular count for a particular quality of cloth.
- 40) Government should fix-up the weaving charges payable to Kharchiwala weavers. While ~~fixing~~ fixing the rates care must be taken to see that the weaving charges should enable the weavers to meet adequately all the expenses and that there remains fair margin of profit to the weavers.
- 41) When weaving rates are fixed there is no necessity of pricing the sized beams and weft yarn. Only gate passes for the receipt of sized beams and weft yarn is sufficient. Therefore government must abolish the system of pricing by master weavers because master weavers ^{indulge} in a lot of Malpractices in pricing sized beams, weft yarn and woven cloth.
- 42) Weavers must carefully see that the pricing of sized beams and weft yarn should bear a similar relation with the pricing of cloth returned to the master weavers.
- 43) Since master weavers unnecessarily treat a large portion

..29..

of cloth as second grade and makes huge cuts in payment. To prevent such malpractices government should appoint honest personnel to deal with such matters.

- 44) Government must compell the master weavers to keep the proper records of kharchiwalla weavers in regard to the sized beams and weft yarn supplied, cloth received, second report, and the amounts deducted on this account. It is so because master weavers keep no records for deductions made on account of defective cloth.
- 45) Powerloom weavers Association should compell the master weavers to pay weekly and monthly chages promptly and regularly.
- 46) In order to curb the mal practices of master weavers government must bring them under its control. For this purpose government should pass a legislation to that ~~effect~~ effect under the title "Control of Master-weavers Act"
- 47) Kharchiwalla weavers should make beam sets like setwalla weavers. For this purpose banks should provide required finance on easy terms and at cheaper rates.
- 48) To get rid off completely and permanently from the exploitation the best way is that the Kharchiwalla weavers must establish their co-operative societies. For the supply of Sized beams and weft yarn and to return the woven cloth to such societies.

MARKETING.

- 49) Cloth market must be made weavers oriented.
- 50) Cloth must be standardised and sales organisations must be established.
- 51) Like yarn prices government should also fix-up cloth prices and compell the cloth Merchants to purchase the cloth at these prices. Whenever necessary strict actions must be taken against dishonest cloth merchants.
- 52) Government should purchase cloth directly from weavers for its various departments.

..30..

- 53) To check the malpractices in process reports government should exercise due control over the issuance of process reports.
- 54) Dalals must be made responsible for the recovery of sale proceeds.
- 55) The rates of selling prices of cloth for cash and credit sales must be the same. It means that the system of 2% cash discount must be abolished.
- 56) Weavers should compell the cloth merchants to make the payment in time. For this purpose if possible further sale of cloth should be stopped to those who are not prompt in payment.
- 57) Only 30 days credit should be given.
- 58) Weavers should form their association and unitedly fight against the malpractices of cloth merchants.
- 59) Weavers should sell directly to retailers and avoid the cloth merchants and dalals. For this purpose they must appoint sales agents on salary or commission basis to book the orders from different regions.
- 60) Weavers should also open retail sales depots.
- 61) National small Industries Corporation(N.S.I.C.) should open its office in Ichalkaranji to help the weavers in marketing their cloth.

MINIMUM WAGES ACT.

- 62) The minimum wages Act must be made production oriented. So that workers will get automatic incentive to work more and earn more.
- 63) While calculating the piece rate for minimum wages the limit of two looms should be increased to four looms.
- 64) The piece rate should be rationalised and fixed in such a way that the workers working on 4 looms in 8 hours must get the minimum wages as prescribed by the Act.
- 65) For the successful implementation of the Act the government must also fix-up the weaving rates payable to Kharchiwalla weavers by Master weavers. In fact master weavers must be compelled to increase the rates of weaving

charges in proportion to the minimum wages. If this is done there will not be any difficulty in implementing the Act.

NEW TEXTILE POLICY AND PRESENT DEPRESSION.

- 66) The government should bring down drastically the yarn prices.
- 67) Government should purchase the cloth from weavers for its various departments as done in case of handlooms.
- 68) Government should undertake the marketing of cloth through its "Powerloom Corporation" and make it more active.
- 69) Government should make reservation of some fabrics like handlooms as against mill sector.
- 70) Government must also revise the textile policy in favour of powerlooms because it is the major contributor to total cloth production in our country.
- 71) Government should not treat the powerlooms in the decentralised sector and powerlooms in the Mill Sector at par but provide special prevailedges, duty concessions etc to the powerloom sector.
- 72) Like Mill Sector government should also provide financial assistance to the powerlooms for replacement, modernisation, construction of loom shed, making beam set etc on easy terms and at concessional rates.

73)

FINANCE

- 73) Government of India should give the intending weavers new permits to purchase the looms. Because on the basis of this permit weavers can get finance from the financial institutions for purchasing additional looms for expansion. This will also curb the growth of unauthorised looms.
- 74) The Reserve Bank of India must direct the local banks and Maharashtra State Financial corporation to finance the weavers under the scheme of (2) b.b. of Reserve Bank of India.
- 75) All banks and financial institutions apart from financing under (2) bb scheme should also continue to finance ^{the} industry as a small scale industry on easy terms and at cheaper rates.
- 76) Banks should liberally finance the weavers with maximum

..32..

Amount for construction of loom shed. On easy terms and at concessional rates.

- 77) Banks should provide 100% finance to the weavers for making beam set.
- 78) Government should ask the Maharashtra State financial corporation to finance for construction of loom shed with maximum amounts on individual level.
- 79) Government should instruct the banks to provide 100% finance to Kharchiwalla weavers for making beam sets without asking them to provide adequate security because they do not possess adequate property to provide for security ~~However~~ ~~never~~, weavers experience, honesty, hard working nature must be taken into account.
- 80) For sanctioning the loans to weavers banks and State financial corporation should observe the following suggestions.
 - i) Productive capacity must be considered and not the assets value of weavers.
 - ii) More than this a due consideration must be given to the weavers honesty, loyalty, sincerity and hard working nature. It is so because these qualities are essential for very success of weavers in the industry.
 - iii) Loan application forms should be made simple and easily understandable to the weavers. For this purpose too much and unnecessary details must be avoided.
 - iv) Loan applications must be printed in both languages- kannada and Marathi because about 50% weavers are come from karnataka.
 - v) Soon after the receipt of application and the completion of paper requirements loans should be sanctioned and disbursed immediately.
 - vi) On the whole all the procedures should be made time saving.
- 82) In order to minimise too much delays in scrutinising, sanctioning and disbursing the loans, streamlining of the administrative procedure and fixing of time-schedule will serve the purpose.

..33

- 83) There is a need of revolutionary dynamism in institutional finance. Therefore the managers and other officers. Must develop a dynamic outlook and promotional approach particularly in financing the powerloom industry.
- 84) Co-operative banks and commercial banks should establish a co-ordination between them in that the latter will route a part of the loan to powerloom industries through the agency of the former.
- 85) In order to encourage the banks to finance the powerloom industry on liberal terms the government of India should implement "Credit guarantee scheme".
- 86) Government of Maharashtra should implement the scheme of "State Aid to Industries Acts" and provide financial assistance to the weavers. For this purpose government should set-up an office in Ichalkaranji.
- 87) The national small Industries corporation (NSIC) should help the weavers for purchasing the looms on hire purchase system.
- 88) The State Small Industries Development corporation (S.S.I.D.C.) should finance and promote the powerloom industry.
- 89) In order to establish wider contacts with weavers N.S.I.C. and S.S.I.D.C. should set-up their offices in Ichalkaranji.
- 90) Government should also encourage the kharchiwala weavers to form their co-operative societies. For this purpose government should participate in the equity of such societies to the extent of 75% and exercise due control over the activities.
- 91) Government should set up a two tier coordination committee at Ichalkaranji and state level to review and advise on the flow of credit to the power loom industries.
- 92) Since the Bhishi mandals promptly meet the requirements of weavers they should be given refinance facility by banks. For this purpose the following measures must be made compulsory. taken

..34..

- i) Registration of Bhishi Mandals under the relevant Acts must be made compulsory.
 - ii) They should be asked to maintain proper books of accounts.
 - iii) Fix-up the rates of interest.
- 93) Weavers should establish their co-operative banks to meet exclusively the requirements of their powerloom industries.
- 94) A Scheme of " Mutual financial Integration" of weavers will pave a long way i-n meeting the individual weavers requirements.

PROSPECTS

- 95) Weavers should form their co-operatise societies. These societies must supply the sized beams and weft yarn to weavers and undertake the task of marketing the woven cloth on behalf of weavers.
- 96) Government should participate in the equity capital of these societies and retain due control over them.
- 97) Co-operative societies must open the sales depots at different places to sell the cloth directly to consumers.
- 98) Sales representatives shall be appointed to book the orders from retailers in diferent regions.
- 99) Co-operative societies should organise and arrange " Sales Exhibitions" in important cities. ~~Financial in-~~
- 100) institutions should provide necessary finance to these societies on easy terms and at cheaoler rates.
- 101) Before going to diversify the production lines it is essential that weavers or government should establish Research and Development centres.
- 102) The Research and development centres should carefully study the trends in the markets Accordingly it should develop appropriate methods and techniques and provide them to weavers.
- These research and development centres should be made responsible to guide the weavers the lines of

Financial Institutions

- diversification to be followed.
- 103) Powerloom Weaver's association should open a "Weavers guidance Centre" so as to provide current market information.
 - 104) The existing looms must be made fit for weaving the diversified lines of textiles. Loom manufacturers should develop new designs, and new patterns of looms. Warp stoppers and weft fillers should also be manufactured with Minimum cost and made available to weavers. For this purpose government and financial institutions should provide adequate financial assistance to loom manufacturers and weavers-
 - 105) " Production Zones" should be created and co-operative societies should be asked to lead the particular zones allotted to it.
 - 106) Government should establish " Export House" in Ichalkaranji to boost up the textile exports. The Export House should be made responsible to undertake all export promotion activities and appropriate measures should do initiated to boost up the exports.
 - 107) The Government, NABARD, MSEB, NSIC, S.S.I.D.C, IDBI, IFCI, GIC, (General Insurance corporation of India) Babks and other Financial institutions should ¹pay their specific roles and provide their helping hands for the betterment and prosperity of the industry in the national interest.
 - 108) Last but very important is that the weavers must develop their ability and will power to accept the new challenges of tomorrow. This requires the proper knowledge of textile industry as a whole. Therefore the weavers must be given adequate education about the various aspects of textile industry and their respective implications. For this purpose a "PROGRAMME OF CONTINUOUS WEAVERS EDUCATION " should be implemented. This programme, can be implemented on the lines of 'Adult Education' with the only difference that "Weavers Education" programme" must be continuous and future oriented.

I will feel very happy if my efforts in pin-pointing the various problems of the industry and in exploring the various growth potentialities of prospects for future prosperity of the powerloom industry in Ichalkaranji receive the favourable response from the government, spinning mills, powerloom weavers, powerloom weavers association, workers, workers union, Bhishi mandals, Banks and other financial institutions and many other who come in contact with the industry.

I do hope my humble suggestions will help for making right move in proper ~~exx~~ direction so that the industry will prosper to its highest keeping in view the interest of all.