



PRODUCTION PROBLEMS OF POWER LOOMS ENTREPRENEURS: AN ANALYSIS

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Abstract

The powerloom units in the study area are facing a number of problems in the process of entrepreneurship development. But here the researcher has considered the production and product related problem faced by the powerloom entrepreneurs in the process of entrepreneurship development. The powerloom industry is facing a problem of high rate of electricity and shortage of electricity. It is very difficult to get adequate labour scale looms. Underutilization of capacity is another major constraint faced by the text tile industry. The workers employed in the powerlooms industry are almost unskilled and technically untrained. Due to this productivity is affected. Therefore, technical institutions and textile department should conduct special technical training programmes for the workers

The Indian textile industry consists of three different sectors representing broadly three levels of technology and organization, namely mills. Powerlooms and handloom sectors. The handlooms sector is the oldest among them with a long tradition of excellence and unrivalled craftsmanship. The mill sector is over one hundred fifty years old. The third one is the power looms sector which came to occupy a prominent position over the last three decades in India.

The decentralized power loom sector is one of the most important segments of the textile industry in terms fabric production and employment generation. It provides employment to 48.60 lakhs persons and contributes 62 percent to the total cloth production in the country in fact 60 percent of the fabrics produced in power loom sector is of man-made. More than 6 percent of fabric meant for export is also sourced from power loom sector to meet their fabric requirement.

The growth of the power loom industry started with losing of the ground by the textile mills. The power looms were first introduced in the beginning of the 20th century. During the great depression period (1929-1933) the mill sector started to discard the power looms, and started the small units as a small and cottage industry. It was the existence of the decentralized sector of power loom industry.

Another reason for the growth of power loom industry was conversion of handlooms to power looms. In 1954, for the economic development of the the handloom weavers, the scheme of conversion of hand loom to power loom was introduced by the government. In 1930 there were 3000 powerlooms in the country while at the end of March 31st, 2006 the number of power looms 19.44 lakhs. The ministry projected the number of power looms to increase to 19.55 lakhs by the end of the year 2007. But at the end of 2009 it raised to about 22.5 lakhs in the country.

The power loom industry is spread all over the country. Anantapuramu district is the second largest district Andhrapradesh state, It. has 75 percent agricultural working population. Anantapuramu district is specialized in the production of polyester fancy sarees as Chittoor and Anantapuramu Districts are specialized in pure silk and pure cotton sarees respectively. It accounts for a substantial source of



employment and income. It is the family profession of a large number of families of the past five to six decades.

Such an enormously developed cottage power loom industry in Anantapuramu district is slowly shrinking due to large number of units shifted their business to other places like Madanapalle etc. Hence, the entire Anantapuramu district with special reference to Dharmavaram and Hindupuramu talukas have been selected for the present study.

Scope of the study

The present study is integrated and comprehensive in nature. It throws light on different pathways to action and gives broad indications for different policy options. This study is confined to Anantapuramu district.

Objectives

The main objectives of the present study are :

1. To asses the nature administration, status and scope of the powerloom industry in the study area.

Table-1- Reason for Inadequacy of Labour Force

SI.No.	Reasons Scale (60)	Small Scale (10)	Group of Units Medium Scale (30)	Large (100)	Total
1	Migration	20	10	10	40
2	Shift of Labour force	20	15	10	45
3	Demand for advance Payment	50	30	12	92
4	Lethargic attitude	22	18	02	47
5	Absenteeism	28	20	04	52
6	Demand for higher wages and bonus	25	20	05	50
7	Labour turnover	20	20	10	50
8	Other reasons	10	05	02	17

Table-2 - Reasons for underutilization of Installed capacity

Group of Units	Recession in Demand	Labour Problem	Material Problem	Problem of Working Capital	Electricity Problem	Total
Small Scale	60 (100)	6 (10.00)	3 (6.00)	43 (71.66)	8 (13.33)	60 (100)
Medium Scale	30 (100)	12 (40.00)	3 (10.00)	20 (66.66)	10 (33.33)	30 (100)
Large Scale	10 (100)	8 (80.00)	8 (80.00)	2 (20.00)	6 (60.00)	10 (100)



Table-3 Reasons for producing selected items

Group of Units	Consumer Demand	No. Processing Facility	Suitable to Produce	Changing Product is Difficult	Total
Small Scale	50	40	40	5	135
Medium Scale	25	20	15	5	65
Large Scale	8	5	7	5	25

Table-4 Number of units Diversified their production since Inception

Owners' Large	Groups of Units total	Responses Scale	Small Scale	Medium Scale
Diversified	12 (20.00)	7 (23.33)	8 (80.00)	27 (27.00)
Not Diversified	48 (80.00)	23 (76.66)	2 (20.00)	73 (73.00)
Total	60	30	10	100

Note: Figures in brackets indicate percentages to the total
 From Table 4 it is Clear that majority of the units under this area

- 1 To analyze the power loom industry of Anantapuramu district in the of context socio economic development.
- 2 To examine production pattern and the cost structure of powerloom, industry. conclusions. Limitations
- 3 To analyze the production & product based problems and issues of power loom industry.

Research Methodology

The proposed study consists of both the primary & secondary data. The primary data were collected form the powerloom entrepreneurs of Anantapuramu District in Andhrapradesh. They were chosen by the simple random sampling method.

For the purpose of collecting required data, questionnaires and interview schedules were used. At present, there are more than 1000 working units in the study area, of which 100 units are selected for the purpose of the study. The researcher personally visited & interviewed each and every respondent entrepreneur for this purpose.

Further, Government and Non Government officials were also contacted to collect the information on policies and programmes of the Central Government as well as State Government towards the decentralized sector of the textile industry.

The secondary data about powerloom industry were collected from the sources like the official records of Assistant Director of Industries & Commerce, Anantapuramu and survey reports of Powerloom Enquiry Committee.

Tools and Techniques Adopted for Analysis of Data: For analyzing the data, the researcher has used simple statistical tools like, simple average percentage etc. In addition to these tools, the technique of interfered, inter-firm analysis was adopted for drawing meaningful conclusions.



Limitations

The study is limited only to the the Anantapuramu district and hence conclusions must be drawn in due made to care when attempt is generalize the results. Further survey method was adopted for collecting the data for this study, which has its own limitations. The respondents do not maintain any records and so they had to recall their memory & furnish the information for the query put forth by the researcher. Hence the data collected were subject to recall bias.

Analysis and Interpretation

The powerloom units in the study area are facing a number of problems in the process of entrepreneurship development. But here the researcher has considered the production and product related problem faced by the powerloom entrepreneurs in the process of entrepreneurship development.

Production and product related problems Usually, the production is being carried out by majority of the respondents on small scale basis in their own residential buildings or in a part of it. A very few of them used the rented building for the installation of their looms. So generally, the office and the factory both are housed in the same premises. They hardly work for 8 to 10 hours per day and the production capacity of a looms per day of 8 hours is 2 to 3 sarees of 6 yards or sawa 6 yards length.

The production of powerloom products in the study area is facing many more problems like;

i. Shortage of Electricity: The powerloom industry is facing a problem of high rate of electricity and shortage of electricity. The rate of electricity is high for the powerloom industry apart from that there is an irregular load shading of electricity daily in the study area.

ii. Labour problems: Labour is the essential factor of production in the powerloom industry. But it is very difficult to get adequate labour especially in case of large scale looms. Thus, about 75 percent of the powerloom units in the study area are facing the problem of inadequate labour the main reason behind this is that, the working condition of the powerloom workers is not favourable, migration of labourers shift of labours etc. Mostly weavers neglected to provide basic facilities as per factory and labour laws. Table-1 reveals various reasons for inadequacy of labour force, which is the acute problem faced by the powerloom units in the study area.

On an enquiry, labour officials reported that about the migration of 40 percent of the weavers along with their family members to the nearby powerloom centres like Dharmavaram, Hindupur and other places, though they face severe problems in the new working centres. Due to migration of good and hard working weavers the industry in the area is in dearth of good workers.

Another reason, which is noticed during the field survey, is the shift of labour force. As a result, many units in this area have cut down their production by 5 percent and some units have completely closed down their production in turn causes the unemployment of people. The Government of Andhrapradesh established the Andhrapradesh Handloom Development corporation (AHDC) in 1975 in order to help the weavers.

On account of gap in demand and supply of labour force in the are area, the laboures are in a stronger and bargaining position demanding advances before going for work on looms.



Table-5, Reasons for non diversification

Group of Units	No Processing facility	Additional Investment	No Knowledge of new Design	It is risky	Total
Small Scale	42	45	40	35	48
MediumScale	22	15	10	20	23
Large Scale	02	Nil	Nil	01	02
Multiple response	66	60	50	56	73

Table-6 ,Factors considered for designing the products.

Group of Units	As Demanded by dealers	Factors As Demanded by Consumers	On their own experiment	Total
Small Scale	12 (100.00)	3 (16.00)	02 (16.66)	12 (100.00)
MediumScale	07 (100.00)	10 (55.55)	05 (41.67)	07 (100.00)
Large Scale	08 (100.00)	05 (27.98)	05 (41.67)	08 (100.00)
Total	27 (100.00)	18 (100.00)	12 (10.00)	27 (100.00)

Note: 1. Only those units that have diversified their products have been considered. 2. Figures in brackets indicate percentages to the total.

Table-7, Distribution of powerloom units on the basis of adopting the same design

Group of Units	Up to 10 Years	10 to 15 Years	15 to 20 Years	20 Years & Above	Total
Small Scale	43 (71.67)	10 (16.67)	07 (11.67)	Nil	60
MediumScale	09 (3.00)	12 (40.00)	06 (20.00)	03 (10.00)	30
Large Scale	06 (60.00)	03 (30.00)	01 (10.00)	3	10
	58 (58.00)	25 (25.00)	14 (14.00)	3 (3.00)	100 (100.00)

Note: Figures in brackets indicate percentages to the total. are area, the laboures are in a stronger and bargaining position demanding advances before going for work on looms.

Another factor influencing the inadequacy of labour force in this area is lethargic attitude of the workers. They are not interested to work more and produce more products on powerlooms. This is because of the factors like, ill treatment by prowerloom entrepreneurs by paying low wages, not providing satisfactory working conditions, higher wages in alterative employment like agriculture, rise in wages per saree etc. All these factors which are contributed to the leghargic attitude of the workers of the powerloom industry have directly affected the production level or capacity.

Absenteeism of the labourforce in the area is caused the also production capacity of the powerloom industry. In the 70's the workers were ready to work from 10 to 12 hours per day, and for 300 days per annum. But now the workers, are working only 6 to 8 hours per day and for 250 days in a year. They remain absent due to ill health, festivals and times intentionally. Unsatisfactory working conditions is also a cause for absenteeism.

Workers demand for higher wages and bonus is also a reason for inadequacy of labour force in the powerloom industry in this area. Thus, rise in wages of the workers, also affects the production by



leading to higher cost of production, which leads to reduction in productivity per loom. The field survey also reveals that the production of those powerlooms also decreases whose labour cost increases simultaneously, as a result of increase in wages. Thus, further rise in wages has also been accompanied by decreased productivity and profitability.

High labour turnover is also a reason for shortage or inadequacy of labour force. This perfect mobility is the special character of the workers of the powerloom industry in this area. Labourers also not interested to work with the same entrepreneur for a long period because of one or another reasons. This labour turnover also affects the productivity of the industry. Due to non-availability of workers, looms may remain idle for some days, weeks or even for some months which leads to underutilization of installed capacity.

iii. Underutilisation of capacity : Underutilization of capacity is another major constraint faced by the textile industry in India. The estimated capacity utilization in mills was 85 percent, handloom 35 percent and in powerlooms it was 10 percent But normally, the powerloom units in the study area are at present were found to be utilizing only 65 percent of the installed capacity, and the remaining is lying idle. The main for underutilization of capacity are shown in Table-2.

It is clear from Table-2 that, of the 100 powerloom entrepreneur's response stated recession in demand to be more dominant, reason for under utilization. Next most important reason is shortage of working capital. Out of 100 units 65 percent of the units are severely facing the working capital deficiency, of which 71.66 percent are small scale units. In total small units in this area are facing working capital problem in the day to day affairs, as compared to medium and large scale units. Whereas 80% of the large units responded mention the most important reason for underutilization of capacity labour problem indicating that large scale units find it difficult to find qualified candidates.

iv. Product Related problems : The most popular product producing in the study area are only pure polyester Only one respondent is engaged in producing the mercerized sarees. The sarees with Zari boarder are also produced. The reasons for the production of shown only are items in such Table-3.

It is clear from Table-3, that all the groups of units in this area found the consumer demand to be the main reason, which makes them to prefer plain produce only coloured sarees in large quantities instead of selecting the product diversification. The other dominating reasons are no further processing facilities and suitability of production factors to the powerloom units.

Many of the products' design produced are old and have been continued since the date of setting up compelled to produce products as desired by their master weavers as they are controlled by the master weavers. Therefore about 95 percent of the small scale families had no choice of products while selecting the type of saree manufactured by them quite a very few of them who are in large scale production are taking lead in venturing the production of the new products like butta (Jaquard) sarees, blended sarees, etc. the reasons for adopting the policy framed by the weavers are:

- I. Many of the small and medium scale unit owners are not in a position to sell their products directly in the open market, wherein they could get a better price rather.
- II. The master weavers insist that such small scale powerloom owners should produce only such products as required by the master weavers.



Product Diversification

The powerloom industry in the study area is producing plain coloured polyester sarees. Some units are producing sarees with blouse piece. These sarees usually have no designs in the body whereas 2" to 4" border contains some artistic designs created by using art silk yarn and zari. Different types of borders are used by powerloom weavers, whereas, in blouse pieces border and body contains designs created by silk and artsilk yarn and zari.

Generally, the producers of powerloom products are following the instructions of the dealers in powerloom products with regard to the designs and combination of yarn and are engaged in production of sarees by making certain changes. This we can observe in Table-4.

73 percent of the total units have not diversified their products because of certain reasons. Of this 73 percent of units, 48 units belong to small scale category, 23 medium scale units and 2 large scale units are involved in non-diversification. The main reasons for not diversifying are presented in Table-5.

Only 27 units of the total units in the study area have been making changes in their production as per the instructions of the dealers. Dealers play a significant role in product diversification. It does not mean that powerloom owners are not engaged in product diversification on their own interest. On the basis of their own observation of consumer behavior in the market certain changes in the powerloom products' designs have been implemented by the owners themselves. But this implementation of change in the certain product designs requires extra skill and

capital on the part of the owners and also involved risk that is why, the number of units which have diversified their products is very small, which presented in Table-5 showing the analysis various factors considered while designing the products.

Table-5 reveals that 12 small scale 7 medium scale and 8 large scale units, diversified their products as demanded by the dealers, whereas, 3 small scale units, representing 16 percent, 10 medium scale units, representing 55.55 percent and only 5 large scale units representing 27.98 percent diversified their products as per the consumers' demand in the market. Similarly, 2 small scale units representing 16.66 percent, 5 medium scale units representing 41.67 percent diversified their products based on their own experiment.

Additional investment (45 responses), lack of processing facility (42 responses) and no knowledge of new design (40 responses) are the major reasons for the small scale units that stated to have problems in generating working capital.

No processing facility (22 responses) additional investment (15 responses) and probability of risk (20 responses) are the major reasons for medium scale unit to decide against diversification.

Generally, the powerloom units in the study are adopting the same designs for a long period of time. The analysis of Table-7 reveals that 58 units have adopted the same design upto 10 years, and only 3 units adopted the medium scale same design even after 20 years.

Many factors like, market demand, materials, etc availability of influenced the weavers to produce of instead trying only sarees techniques from 1980 the existing products are facing competition from



better finished and attractive sarees and readymade garments of mills new technology has brought entirely new products to the market. Because of better alternative the people have dislike the powerloom begun to of Ananthapuramu District. This sarees that they have become means of their because old obsolete, patterns and designs.

The future is therefore for weavers only when they would like to introduce product diversification as per the market conditions. They may get better results by improving the existing products or by introducing new products, etc. for the survival of the industry it is essential on the part of the weavers to bring continuous changes in the designs of the product. To make this plan successful, the government should avoid the difficulties and should provide proper facilities to the weavers, and to the powerloom industry.

Suggestions

In the light of these findings the researcher has suggested some measures to overcome the problems of the powerloom industry in the process of entrepreneurship development in general and in the study area in particular.

- 1 The technology applied by the powerloom entrepreneurs in the study area is almost outdated. Though the Central Government is running Technology Upgradation Fund scheme for modernization of powerloom industry, most of the entrepreneurs are unaware of the scheme. So, there is a need to create an awareness among weavers about the modernization and upgradation of the industry.
- 2 Processing facilities have not been developed in the entire south Andhrapradesh to help the powerloom weavers to diversify their products, which hinders the powerloom weavers either to improve the existing products or to produce new products. Therefore the Government should
- 3 provide infrastructural facilities to develop the power processing units in the study area.
- 4 The workers employed in the powerloom industry are almost unskilled and technically untrained. Due to this productivity is affected. Therefore, the powerloom service centre, technical institutions and textile department should conduct special technical training programmes for the workers. The Government should also initiate to promote textile education by starting technical institutions with specialization in textile, in the study area.
- 5 Census of the powerloom industry should be conducted once in years every five basic in which statistics of their needs, raw materials growth etc., should be included. It is much useful for programming and implementation of schemes.
- 6 The weavers should enforce the industrial and labor laws for the welfare of the powerloom workers. They should also provide better working conditions like good ventilation exhaust fans to exchede dust and fumes, proper and regular cleanliness, basic hygienic facilities, health and saftey measures according to factory Act 1948 etc. They should also take the benefits of the Government schemes framed for their welfare.

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