



**“EMPLOYMENT, INCOME, EXPENDITURE AND INDEBTEDNESS
AMONG WEAVER HOUSEHOLDS - A CASE STUDY IN DEVELOPED
AND UNDER DEVELOPED DISTRICTS”**

Dr. Ramesh Mande

**Teaching Associate, Dept. of Rural Development,
Dr.B.R.Ambedkar University, Srikakulam**

Abstract: Handloom sector place a very important role in the Country's Economy which providing 38.47 Lakh adult handloom weavers and ancillary workers.¹ Due to introduction of various welfare schemes and developmental programs this sector has been able to witnessed competition from the power looms and mill sector. The exports of Handloom products increased for US \$ 185.9 million in 2010-2011(April-Dec) to US \$ 324.1 million in 2011-2012 (April –Oct). There is a need to strengthen the handloom industry by encouraging with innovative methods to protect the cultural heritage of India and to develop the weavers.

Key words: Handloom, Ancillary, Traditional, Labour-intensive, Employment, Textile Industry

Handloom industry is an important traditional craft in India, occupies a prominent place in the decentralized sector of the Indian economy. Handloom sector is highly labour-intensive in character. It is spread over several parts of the Country and caters not only to the clothing needs of the people but also provides substantial surplus to export, for earning foreign exchange to the Nation. Handloom industry is meeting 30 per cent of the total clothing needs of the Country. The exports of handloom cloth increased from Rs.21.61 cores to Rs.1,034 cores in the past thirty years. In terms of employment about 2.5 crore persons in India and 22 percent of the total production of the Textile Industry in India comes from Handlooms. The Production of Handloom cloth is concentrated in three states namely Tamilnadu Andhra Pradesh and Uttar Pradesh. Andhra Pradesh has the highest number of handlooms next only to Tamilnadu.

The handloom industry in general and the weavers in particular suffer from some fundamental problems. Some problems are chronic and need immediate attention of the policy makers. These are high incidence of under – employment, low wage rates, irregular supply of raw material, lack of marketing facilities, lack of new technology, lack of institutional credit facilities etc.

The Government of India appointed several committees in different Plan Periods to review and identify the problems of handloom weavers and to

suggest necessary guidelines to improve the handloom sector, Accordingly, Various suggestions and guidelines given by those committees are implemented by the Government. Various welfare programmes are also implemented by both the Central and State Governments in different Plan Periods for improving the economic conditions of the weavers in the handloom sector. The efficacy of these schemes in improving the economic position of weavers in handloom sector is to be examined. The fruits of the industry are actually grabbed by the middlemen like master weavers and weavers feel that both the society and government neglect them.

REVIEW OF LITERATURE

PTI (2007) has pointed out that the handloom sector was highly decentralized and dispersed, that efforts have been made to organize handloom weavers in to cooperative during the last fifteen years. As per his opinion there is a need to lowered the interest rate from 12% ,

Schgal .H.K (2009) has pointed out that as far as the garment exports sector is concerned, there have been mixed signals: continuing world economic down turn, some late recovery how ever temporary and for some people recent rupee appreciation and with a new government, expected to be stable, assuming charge.

Prachi (2010) has pointed that Indian handloom is growing in its popularity not only in India, but also around the globe because of its importance.

Sunderarajan.P (2011) has noticed that weaver cooperative societies had become financial unviable, since many weavers were not able to repay their dues because of economic stress.

NEED FOR THE PRESENT STUDY

The government, academicians and researchers to identify the problems of the handloom sector in general and the weavers make many efforts in particular. These studies have contributed for a better understanding of the socio-economic conditions of weavers and the employment, production and marketing problems of the handloom sector in different parts of the Country. Some of the studies have thrown light on the problems of women workers also in the handloom industry. Some researchers have studied the income and expenditure pattern and the extent of Poverty of the handloom wavers. No attempt to study the indebtedness and incidence of poverty among the weavers has been made by earlier studies. The level of development of the village and the locational aspects like nearness to the market centers and administrative centers will also have some influence on the socio-economic conditions of the weavers and they have not been touched in the earlier studies.

Further, the number of studies on weavers has been on a decline since 1998 to present the latest scenario and there were no studies to review the socio-economic positions of the weavers after the Eighth Five Year Plan Period in which a large number of programmes are implemented for the development of the handloom weavers.

The earlier studies relating to Andhra Pradesh are limited to an examination of problems of the weavers in the well development districts, but not in the backward region of North Coastal Andhra , where the weavers' households are in a considerable number . Another important aspect which is crucial yet not studied is indebtedness among weavers. Similarly, there are no intensive comparative studies on different Social and economical aspects of

handloom weavers in the developed region and the backward region of Coastal Andhra.

The present study endeavours to examine the employment pattern, levels of income, the incidence of poverty and indebtedness together with other socio-economic characteristics of the weavers in four villages of a developed region of Guntur District in comparison with the weavers in another four villages of a backward region of North Coastal Andhra Pradesh of Srikakulam District.

OBJECTIVES

The main objectives of this Study are:

To review the public policy under different five year plans for the development of the handloom sector.

To examine and compare the socio-economic characteristics of the weavers; households in both developed and backward region.

To examine and compare the level of employment and to identify the incident of un- employment and under –employment among weavers.

To examine and compare the level of earnings and its determinants and income –expenditure relationship,.

To examine the incident of poverty and its determinants among the weavers, and

To examine the level of indebtedness, nature and structure of debt among the weavers.

METHODOLOGY

1. Sampling

In this Study , multi-stage sampling technique is used for sample selection. The sampling involves, selection of districts, selection of villages and selection of households. At the first stage, Guntur district one of the developed district and Srikakulam district one of the backward districts in Coastal Andhra Pradesh with large number of handloom weavers are selected purposively.

The second stage of sampling is the selection of the villages, while selecting the villages, the following factors are considered.

1. Weavers' population
2. Levels of agricultural development

To capture the impact of the level of regional development on the employment production earnings of the weavers, two out of the villages with relatively large number of weaver households, two villages from the agriculturally development and two villages from the agriculturally less developed are selected in each district . Thus altogether eight villages, Ilavaram, Chilakauripeta, Phirangipuram and Mangalagiri in Guntur district, and Ampolu, P.T. Palli, Koppara and Boddam in Srikakulam distric are selected respectively.

The villages selected under the category of agriculturally developed are Ilavaram amd Chilakaluripeta in Guntur and Ampolu and P.T.Palli from Srikakulam district fall under the other category.

The third stage of sampling involves the selection of households.50 weaver households have been selected from each village with the help of purposive sampling technique. A total number of 200 sample households from developed district and 200 sample households from backward district. altogether 400 sample households are selected . A comprehensive schedule has been used to collect the necessary primary data covering all the socio-economic aspects of the handloom weavers' households. The reference period for the investigation was January 2009to December 2010.

2. Techniques of Analysis

In analyzing the data apart from tabular analysis with average, and percentages, different statistical techniques are used at appropriate places. To begin with tabular analysis with average and percentages are used to explain the general profile of the sample weavers. The student 't' –test (large sample) is used to test different hypotheses. The co- efficient of variation is used to measure the degree of variation in the income and per worker productivity. Log-linear regression analysis is used to identify the factors determining the level of income of the weavers. The incidence of poverty is examined with household expenditure data using poverty line estimated by planning Commission for the year 2009-2010. The

head count ratio is used to know the incidence of poverty. The factors influencing the incidence of poverty among the weaver households is examined through multiple regression analysis. Tabular analysis with averages and percentages are used to explain the indebtedness among the weaver households.

MAJOR FINDINGS OF THE STUDY

The major findings of the study and inferences that flow from it are presented in four parts viz., 1. Profile of the sample households 2. Employment, Income and expenditure pattern of the weavers 3. The incidence of poverty of the weavers, and 4. Indebtedness and problems among weavers.

1. Profile of the sample households

The profile of the sample households in the selected villages indicates that majorities of the heads of the households of the family members are in the effective work force. The adult work force is in considerable numbers among the weavers' households. As the size of the family is relatively moderate in all the villages, the number of families with less than five members is relatively higher (74.00) in the developed district – Guntur. However, the families with seven persons and above are relatively less in both the districts. The proportion of male adults in the family is higher in both the regions. Similarly the proportion of male children compared to female children is higher in villages of the backward region , while it is less in villages of the developed region Guntur. All the weavers' families are aware of family planning programme. The variation in the adoption of family planning techniques between the villages is due to the different in the age group composition of the heads of the households but not due to the lack of awareness.

The literacy rate of the heads of the households in the developed region is relatively better than that of backward region . About 55 percent of the head of the households in the villages of backward region and 66 percent of the head of the households are literates in the developed region. Majority of them are educated up to high school level. In both the region s the literacy level of the family members is relatively better than that of the head of the households indicating a better. literacy rate among the children of

the weaver households . All the children, both male and female above the age of five literates. This suggests the change in the attitude of elders in the weaving community towards education, which is the main reason for increase in incidence of literacy among children. The literacy rate of the family members of the handloom weavers is related to the existence and availability of educational institutions in and around the village.

The school dropout children are very few in number and most of the children dropout from the school at the primary education level. Among the dropout children the proportion of female children is more than that of the male children in both regions. The proportion of workers in the total family members is relatively higher in the villages of backward region. Equal participation of females along with males in the weaving activity is observed in both regions and their proportion is relatively high in backward region. It is observed that the dependency ratio is relatively lower in weaver community; it does not mean that all the family members are all gainfully employed.

A majority of the weavers' are possessing houses with thatched roof in the backward region. The number of thatched houses is relatively less in the developed region. Nearly 72 per cent of the R.C.C. roof houses possessed by the weavers' are government colony houses in both the regions. A majority of the houses have cement flooring in this region indicating the existence of cement flooring in some of the thatched houses also. Nearly 85 per cent of the weavers' houses in the backward region and 94 per cent of the weavers' houses in the developed region are electrified. The assets position of the weavers' in the backward region is comparatively lower than that of weavers' in the developed region. The variation in the value of assets is mainly due to the variation in cost and type of the houses, but not in the cost of the loom. The weavers in both the regions are using traditional low cost, pit – loom, and expressed their inability to switch over to modern type of looms due to the lack of financial ability.

In general the village – wise and region – wise profile of the weavers' households shows that the weavers' in the developed region are relatively better of than the weavers in the less developed region, indicating

the influence of the regional economical development on the profile of the weavers' households. However on the total the weaves profile is not much better of in both regions.

2. Employment, Income and Expenditure pattern of Households

a) Employment:

In general the weavers in all the selected villages in both developed and backward region are relatively under-employed in weaving activity. Among the two regions the average number of days of effective employment per year in weaving activity is relatively higher in developed region and low in all the villages of backward region. The variation in per worker effective employment between the villages is relatively less in both the regions. On an average each worker in the sample villages is gainfully employed for a minimum of six months in backward region and 7 months in developed region.

The category- wise number of days of effective employment with in the village indicates that the male workers are better employed than the female workers in all the sample villages in both the region. The co-efficient of variation of employment does not indicate much of variation in both the regions. Relatively more number of days of employment in weaving activity and less number of days in non-weaving activity is noticed in all the villages except Ilavaram and Ampolu, which are agriculturally, developed villages. It is observed in the study, that the weavers' belonging to traditionally non-weaving caste are only participating in non-weaving activity, particularly agricultural activity. One fact that is clearly emerges is that irrespective of the level of development of the region the incidence of unemployment and under employment is considerable among weavers. Both the total and average production per worker are relatively high in phirangirpuram of developed region and P.T.Palli of less developed region, which are with low quality of production and low wage rate. Similarly the average production is relatively low in Chilakaluripeta and Boddam Vilalges of Developed and backward regions respectively, which produce relatively better quality product with better wage rate. There are no considerable inter-village and intra- village variation

in the average productivity per worker, in both the regions.

The villages are divided into two groups, basing on the level of development of the village and proximity to urban centers and it is hypothesized that there is significant difference in average per worker production between the households belonging to these two groups, with the help of student 't-test' (large sample), and the hypothesis is found true.

(b) Income:

In terms of average household income and per capita income, the weavers in the developed region are relatively better placed than the weavers in the less developed region. Comparatively the proportion of income from weaving activity to the total income is relatively higher in developed region than in the backward region and vice-versa in respect of income from non-weaving activities. The weavers in Chilakaluripeta in the developed region and in Koppara in backward region have relatively higher average household income from weaving activity by producing better quality of cloth with better wages. The pattern of income distribution among sample households is studied by examining the differences in per capita income of first and last deciles. Among the sample villages the per capita income difference of these deciles are comparatively high in Mangalagiri and Boddam in both developed and less developed regions respectively. There is a moderate but not high variation in the pattern of distribution of income among the villages in both the regions as evident from the values of co-efficient of variation in the sample villages of both the regions. It is hypothesized that there is a significant difference in income between the household in the developed and less developed regions. The hypothesis tested with the help of student 't-test' and is found true.

The regression analysis shows that the variable X1 (Size of the household), X3 (Average production per household per day in meters) are found to be highly significant at 1 per cent level in the developed region and variable X1 (Size of the household), X3 (Average production per household per day in meters) and X4 (Percentage of income from other source) are found to be highly significant at 1 per cent level in the backward region.

Piece –wage is the practice in the study area, and it is related to the length of cloth and also its quality. The differences in the wage received by weavers are mostly manifestation of differences in the quality of the cloth. Therefore, weavers should try to improve, apart from average productivity, the quality of the cloth, to improve their income levels.

(c) Income –Expenditure Relationship

The income –expenditure relationship is examined across different income groups. This analysis revealed that, there is a decline in the share of food expenditure as the income increase, indicating an inverse relationship between per capita income and share of food expenditure. This is more or less noticed in all the selected villages. Thus, the results of this study support the Engle's hypothesis of income-expenditure relationship. Per capita expenditure on various food and non- food items in different income groups in the selected villages reveals that among the different food items, the expenditure on rice and dal, is decreasing while the expenditure on vegetables, egg/meat and milk and milk products is increasing with an increase in income. The proportion of expenditure on non-food items, (clothing and education) is increasing with an increase in the income in all the selected villages.

Thus, the study on the employment, income and expenditure pattern of the weavers indicates more under-employment and a positive relationship between the quantity and quality of production and their income levels.

3. Incidence of Poverty

The magnitude of poverty in the sample villages, reveals that about 30 per cent of weavers households in the sample households of developed region and 65 per cent of the weaver households in the sample villages of the backward region are found to be living below the poverty line. Around 30 to 40 per cent households, above the poverty line are also not so well-off. The incident of poverty among the weavers is uniformly high in all the villages of backward region. The high incidence of poverty among weavers in the villages of backward region is clear evidence of low living standards of the weavers' in that region. This is due to inadequate earnings of

these occupational groups coupled the overall backwardness of the area. The magnitude of poverty in different villages of backward region is varied from a minimum of 60 per cent to 70 per cent, while it varied between 21 per cent to 42 per cent in the villages of developed region. Thus the incidence of poverty exists in all the villages of both developed and backward region and on high magnitude among them the weavers of backward region than in the developed region. The reasons for the high incidence of un-employment and under-employment, low income due to the low quality of production and low wages and the high prices of agriculture commodities mostly the food items.

The determinations of poverty, is examined with multiple regression analysis, the regression results reveal that the estimated regression co-efficient of variable x1(Literacy of head of the household) is having expected positive sign only in two villages in study area but not significant in any villages. The estimated co-efficient of variable x2(Per capita income from weaving per month) is having expected sign and is significant in all the villages except in Ampolu and P.T.,Palli. Variables x3, x5, x6 and x7 are found to be not significant in any one of the villages in study area.

4. Indebtedness among Weavers

In general the deficit of income over expenditure at the weavers' households level is visible in all the villages. The village-wise picture of the deficit of income over expenditure ranges from 9.42 per cent to 17.02 per cent in the developed region and 39.73 per cent to 72.51 per cent in the backward region. Better wage rate and better quality of cloths and the variation in the size of the households may have some influence on the level deficit in this two regions. Further the distribution of the weavers households by developed region are in the range of deficit shows that, 22.5 per cent of the households in the developed region are in the range of 30 per cent deficit and above, and it is around 36.5 per cent in the backward region, indicating a high intensity of deficit of income over expenditure in the backward region. The average household current borrowings are higher than the average outstanding debts in all the villages. The weavers in the study area are trying

to repay the last year debts with some portion of current borrowings and it may be the reason for the high level of current borrowings and outstanding debts.

An analysis of source-wise and purpose-wise borrowings shows that the current borrowings of the weavers are mostly for household consumption purposes. The proportion of borrowings for medical treatment and education is relatively high in the non-food expenditure of the household consumption. The weavers borrow mostly from moneylenders, master weavers and village traders. The proportion of borrowing from credit institution is relatively less. The study revealed that the cost of the borrowing is relatively high for the weavers in the selected villages. Hence efforts should be made by the government to provide consumption credit through institutions to reduce the burden of the incidence of debt among weavers.

CONCLUSION AND POLICY IMPLICATIONS

The under-employment and low level of income are found to be the major reasons for the high incidence of poverty among the weavers in the study area. The proximity of the weavers urban centers may help some extent in improving their income level, but not in absolute terms. But, the major problem of the weavers is the low wage rate, which is related to the quality of the product. Hence, the Government should solve these problems by taking necessary steps to improve the technical skills of the weavers not only in the co-operative sector but also in other sector. Most of the weavers at present are working under the master weavers due to the malfunctioning of primary weavers' cooperative societies. Steps should be taken by the State government to strengthen the cooperative sector particularly Apex organization by providing necessary financial support. Government should extend the training programme under project package scheme not only to weavers in the co-operative sector but also to others who are in considerable numbers, so that the skills of the weavers are improved in accordance with the changes and the tastes of the consumers. Demand-driven training together with tool kits and limited margin money are to be provided to the weavers. The improved skills help the weavers to increase the

quality of production and also wage rates, which increase the income level of the weavers.

The Acts relating to the supply of Hank Yarn and also the reservation of some items to the handloom sector have to be implemented strictly. Proper propaganda and/or publicity on the weavers' development programmes organized by the government are to be given to create awareness among the weavers, particularly in the backward regions also to control the middlemen from grabbing the benefits. Further, promotional measures such as health check up programmes, institutional finance, timely and adequate raw materials supply and market support could help weavers greatly by relieving them from the twin problems of poverty and unemployment.

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