

# CHAPTER - 1

## **1.1 PRESENT EXCERCISE:**

**Context:** Since the time immemorial, handloom has occupied a significant place in the life of our people throughout the country. The textile industry has been the backbone of Indian economy in the view of its significant contribution to Gross Domestic Product (GDP) which is 4%, 14% of industrial output and earning foreign exchange of 1/3 of total foreign exchange. Besides the agricultural sector, handloom is by far the largest economic activity and employment generator in the country. The structural profile of the industry shows all the segments of the industry, Micro & Small Enterprises (MSEs) who practice weaving with one loom at common work shed or without loom of her own, but weave on neighbor's loom, Small and Medium Enterprises (SMEs) Who practice weaving with 5 (Five ) to 7 ( seven) looms at common work shed or allow to practice weaving at weavers own place and earn wage of the produce and Co-operative Weavers which forms a society with 60 to 100 members and practice their activities . Thus MSEs, SMEs and Co-op Societies enjoy some natural advantage like cutting the cost and little bit of flexibility, they suffer from the disadvantages of being working in relatively isolated environment and are contained by their incapacity to adopt the required technology, improve productivity, desired product design and access to the market in an efficient manner which are some of the common constrains in the cluster.

MSEs, SMEs and Co-op. Societies need to face the decreasing protection from government and rise up to meet the ever increasing completion, at local level as well as globally with challenges and opportunities.

Accordingly, for the improvement and betterment of handloom sector and the people engaged in it, especially weavers- policies and programs have been found and implemented which are still framed not comprehensively enough to address the problems from by MSEs, SMEs and Co-operative Societies in a holistic and integrated manner. These are four major actors in the cluster development strategy.

- a) Support Service Institutions, including Govt. Organisation Business Development Service (BDS) providers and policy makers.
- b) MSEs , SMEs and Co-operative Society weavers .
- c) Industry association of weaver unit.
- d) Traders.

A collective strategy involving all these four stakeholders has not yet been formed.

As we witness the UNIDO's successful experience of cluster has developed strategy in improving competitiveness and capacity of MSEs , SMEs and Co-operative weaver the world wide , the Ministry of Textile , Govt. of India has launched a cluster based national program for capacity building of weavers in 20

identified handloom clusters in the country and implementing Integrated Handloom Cluster Development Program in 13 states in the country. Imphal East is one that identified for Manipur.

### **Objectives:**

The objectives of the present study are:

- i) To examine the production of handloom sector in the state and identify the problem affecting its production.
- ii) To make critical assessment and evaluation of the working of the handloom industry, particularly in the cluster.
- iii) To identify difficult stakeholders / Actors in the cluster and assess their interrelated business activities with weavers.
- iv) To analyze and examine the role of the Government Institutions in the development of the handloom industry than MSEs, SMEs and co-operative sector.
- v) To examine the trend, in the marketing of handloom products in the part and to determine the possible future plan of action.
- vi) To suggest measure for the growth of handloom industry in the cluster.

### **1.2 METHODOLOGY:**

The data for the study has been collected from both primary and secondary sources. The primary data has been collected through field research with intensive interaction with 75 stakeholders at both Imphal East and West districts concentrating at two pockets i.e. Wangkhei and Kongba in Imphal East by a four member research team.

Structure interviews were done with the following actors, using random sampling method.

- ◆ Weavers (MSEs & SMEs)
- ◆ Designers.
- ◆ Business Service Providers-Dyers, Bleachers etc.
- ◆ Co-operative Weavers Societies
- ◆ Traders.
- ◆ Lead Banks , and
- ◆ Government Departments.

The secondary data were collected from the publication of the state government organization, involved in the promotion of handloom and publication of various research organizations which deal with the development of handloom textile and from the papers and journals related to the development of handloom.

### **1.3 A HISTORICAL PERSPECTIVE:**

Man began to weave cloth during 9000 – 600 B.C., in Europe Asia and South America and weaving had developed gradually around 290 B.C. using four natural fabric- wool, linen, cotton and silk.

The period from 800 A.D. to 1500 A.D. is considered as the middle age for handloom. During this period, cultivation of cotton and breeding of silkworm techniques spread into Europe by the Muslims. Some countries like Spain, Italy and Iran emerged as leaders in the area of handloom.

The invention of John\* Key 's fly shuttle loom in 1733 increased the speed of weaving operation and perhaps till the 18<sup>th</sup> century, handloom was sole supplier of cloth in the World .However with the introduction of modern machines in textile production , handloom weavers' production has been falling down gradually.

Manipur with an area of 22,327 sq. kms and population of 23,88,634 (2001 census), a small colourful state in the North –East India , is famous for its natural beauty as well as culture with fascinating dances and colorful handloom cloths. Legend has it that goddess Panthoibi developed the art of weaving after watching the spider spin its web. Two great kings of Manipur – Nongda Leirel Pakhangba in the 1st century and Loyamba in the 11<sup>th</sup> century, were believed to have been great patrons of this craft in their time.

In the year 1921, Hairem Kaifa Singh Sclungba, an expert craftsman of Yaiskul Hironghanba Leikai , Imphal introduced fly shuttle loom in the state which was brought from Tripura . During the year 1930, the President of Manipur State Darbar permitted to open a weaving institute of “Arts and Crafts” for the improvement of handloom industry in Manipur.

## CHAPTER –II

### DIAGNOSTIC STUDY

#### 2.1 INDUSTRIAL SCENARIO:

##### 2.1.1 **Global industrial scenario (Handloom):**

The installed world capacity of handloom is 4.60 millions. India stand number one in the global scenario of handlooms which posses 85 % (3.90 million) of the world installed capacity.

##### 2.1.2 **National Industrial scenario (Handloom):**

India is in first position (84.78%), which is 3.90 million. out of world's total capacity of 4.60 million handlooms. The handloom industry in the country has shown reasonable growth in the past. In terms of employment potential, it is only next to agriculture and it is estimated that it provides employment to 124 lakh persons working on 38 lakh loom, of them 60 % are women.

With view of contribution and growth of textile industry in general and artisans products in specific various policies and program has been framed by the government from time to time to encourage its growth in the country.

In the year 1956, National Co-operative Development and Weaving Brand was established, later converted into National Co-operative Development Corporation (NCDC) , which sponsored various schemes for the development of handloom co-operatives by strengthening the share capital , creation of pre and post loan processing facilities, construction and renovation of show rooms and godowns and established handloom work sheds.

In the year 1962, the Handicraft and Handloom Export Corporation of India ltd. was established with the objective of export promotion and trade development of handicraft, handloom fabrics and made ups besides ready made garments.

Under the chairmanship of Mr. B. Sivaraman, a High Powered study team conducted an enquiry in the year 1973 and report was submitted in July 1974.

In the year 1976 Development Commissioner for Handloom , New-Delhi subordinated officers functioning under the 23 weavers service centres spread all over the country and 3 Indian Institute of Handloom technology.

The flowing year 1977, North – Eastern Handicrafts and Handloom Development Corporation (NEHHC) was established ensuring to promote sales through sales emporiums, exhibitions, etc.

The central government amended the textile Policy of India in 1981 which laid down guideline for the handloom, power loom and other sectors. The role of providing financial assistance by RBI has been passed unto NABARD from 1983 onwards and in the same year National Handloom Development Corporation Ltd. (NHDC) was set up to serve the State Handloom Agencies and Apex bodies to ensure regular availability of raw material inputs for use in the handloom sector.

In 1985, New Textile Policy saw the allotment of the Handloom sector to preserve the district and unique role of handloom and the goal and objective was again expanded with the framing of New Textile Policy 2000 giving direction and focus on strategic and thrust areas.

### **2.1.3 State Industrial Scenario (Handloom):**

In Manipur, there are 2,27,755 looms and it gives livelihood to 3,39,632 women weavers. For the welfare of the Industry, Government of Manipur is spending Rs. 2,600 lakh annually giving more emphasis on handloom since there is no other industry in the state. For the welfare of the Handloom, Government of Manipur is framing and implementing various policies and programs.

Having felt the need of bringing the handloom industry into the fold of organized sector, the Manipur State Handloom Weavers Co-operative Society Ltd. was set up in the year 1954-55 as an apex body of societies and its main function are to supply yarn to the Primary Weaver Co-operative Societies and marketing the cloths produced by these societies.

In October 1976, Manipur Handloom and Handicraft Development Corporation have been established to assist handloom and handicraft artisans by supplying raw materials, improving methods of production and marketing. In the following year i.e. 1977 Sivaraman Committee recommended Co-operative Societies to have:

- i) 100 members with paid up capital of Rs. 5,000/- from the individual weavers.
- ii) 100 weaving looms and
- iii) The population of a Primary Weavers' Co-operative Society should be 300 to 5000.

Manipur Development Society was established in the year 1992 and its handloom development program was started in February 1984 with the objective of meeting marketing requirement produced by 2450 weavers of the 49 production units of the society.

Manipur Spinning Mill Corporation Ltd. Was established with an objective of producing, quality yarn for meeting the demand from the handloom weavers in the state in the year 1985.

The Directorate of Commerce and Industries looks into the affairs of supply of modern looms, assist in construction of common worksheds, design development, marketing support, and implementation of other welfare programs and deputation of selected youths in diploma course of Indian Institute of Handloom Technology, Guwahati under different schemes, initiated by Central Government like-

- a) Deen Dayal Hathkargha Protsahan Yojna.
- b) Project Package.
- c) Work shed Construction, etc.

Weavers Service Center at Takyelpat is for training in modern loom, dyeing, printing and development of modern design and relevant research works. Recently, Handloom and Handicraft Design Extension Centre has been set up at Porampat for design development for the benefit of weavers and for imparting training in Handloom and Handicraft.

#### **2.1.4 Important Handloom Products of Manipur:**

The handloom products of Manipur consist of various types of designs, based on traditional and new motifs, artistic and attractive colour combinations. They are:

- I. Khudei- a type of cloth used by men in their day to day life at home.
- II. Mayek Naibi- a typical traditional design drape for women.
- III. Phanek- a type of cloth used by women in their day to day life like a long skirt without and seam.
- IV. Moirang Phee- Commonly known as temple design cloth which forms the border of Saree, Dupatta and Dress material. Usually worn by women.
- V. Haopphi- Woolen cloth used by both men and women. It can be seen in the form of inaphee(Saree), phanek for women and suit for men, usually worn by tribal communities of the state.
- VI. Leirum- A ceremonial cloth and is used as an essential gift item in weddings.
- VII. Monpak Phithak- Bed covers.
- VIII. Innaphee- A cloth about 2½ meters in length used by women as a drape material also known as half saree locally.
- IX. Scarves- Woolen scarves of tradition designs and motifs.
- X. Phadi- Hand towel.
- XI. Miscellaneous- Table cover, pillow cover, screens, door mats, handkerchiefs, sling bags etc. Dress materials for suiting and shirting.

There are basically 3 types of looms seen in greater Manipur. They are-

- I. Loin loom (Khwang lyong)
- II. Throw- shuttle loom (Pang lyong)
- III. Fly shuttle loom (Kon yong kham)

## **2.2 HISTORICAL EVOLUTION OF MANIPUR HANDLOOM:**

The handloom industry has been playing a pivotal role in the economy of Manipur since time immemorial. The traditional skill of handloom weaving is not only a matter of status symbol the women folk in the state, but also is an indispensable aspect of their socio-economic life. It is by far the largest and the most important cottage industry in the state. Apart from cultivation/agriculture, handloom weaving provides the highest employment to the women folk of the state. During course of development path of the industry, many changes took place resulting out of various factors. Such paradigm are discussed under 3

phases i.e. 1<sup>st</sup> phase (Before 1960 AD), 2<sup>nd</sup> phase (1961 to 1980 AD) and 3<sup>rd</sup> phase (1981 onwards).

### 2.2.1 Phases

**1<sup>st</sup> phase:** It was 1921 that handloom in Manipur took a great step forward with the introduction of Fly shuttle loom brought from Tripura. Before that weavers were using only Loin Loom and Throw Shuttle Loom. Noticing the increased efficiency and productivity after the introduction of the Fly shuttle loom, several steps were taken up to put the Manipur handloom in the limelight and revive its lost glory.

In the year 1947, development program for handloom industry have been initiated and taken up by ongoing handloom weavers societies with assistance for opening new sales outlets, design collection and development, participation in exhibitions and export etc. It has changed the socio-economic structure of the state. And it has resulted in establishing the Apex Weaver Society i.e. Manipur Handloom Weavers Cooperative Society Ltd. Facilitating in yarn supply to Primary Co-operative Societies and marketing the cloths produced by them. In this phase the government provided share capital and marginal cost were subsidized which assisted them to procure easy working capital and thus it enabled them to produce large volume of clothes and these in turn were marketed by the Apex Cooperative Society.

**2<sup>nd</sup> phase:** In this phase many agencies were formed for the development of the handloom sector. Weaver were further motivated to produce quality and more volume by this gesture. During the year 1975-76, a sum of Rs. 10 Lakhs was spent for the development of handloom industry in Manipur. At that time there were only 108 primary weavers' cooperative societies in Manipur out of which 12 were in Hill districts and 96 were located in the Manipur Valley including the Apex Society. These societies were given a working capital of Rs. 3.93 Lakhs for the purchase of looms and its ancillaries. Again a sum of Rs. 10.8 lakhs was given to 114 primary weaver cooperative societies including the Manipur Handloom House Apex Society. In this phase 22 new sales depots, 18 in the state and 4 out side the state were created with an addition commitment of 27 sales depots. A sum of 1.01 lakhs was given to 88 primary weavers' cooperative societies and Rs.0.11 lakhs was given out to the Manipur State Handloom Weavers Cooperative Society. Further 80 imported looms and 5 warping drums were procured for the two production centers of the Handloom department located in Takyel and Porompat. One Additional Director of Industry for Handloom was appointed by the year 1975-76 to strengthen the growth of handloom.

In 1976-77, a sum of Rs. 20.03 lakhs was spent for the development of handloom industry in the state. The benefits being percolated to 58 primary weaver cooperative societies, they received an amount of Rs. 1.75 lakhs each.

This phase was a remarkable period in terms of growth and development of the Manipuri handloom.

**3<sup>rd</sup> phase:** This phase saw a huge emphasis on the plan outlay for the development of handloom industry in the state. The movement of change from earlier looms to fly shuttle looms and warping drums and other such equipments were in the top priority list. But the greatest pit fall of this phase was the erratic supply of the yarn which to an extent crippled the growth of the industry. The government of Manipur taking a note of the situation established

a spinning mill in the year 1985. To utter dismay this spinning mill stopped operating after 4 years of its installation.

So, at present the duty of supply of yarn is entrusted to the agencies established earlier. The present consumption of yarn by handloom weavers in Manipur stands at 10.7 lakhs kg. per month, which shell out a production of 86.4 lakhs mater of clothes. In the recent times a sum of Rs. 17.64 lakhs were spent for publicity and exhibitions, for participating in the Indian Industrial Trade Fair at New Delhi and for organizing a handloom exhibition at Imphal. In 1999 the number of primary weavers' societies reached 1202 with 151259 members with a total working capital of Rs. 569.52 lakhs. One of the most important turning points in this phase is the introduction of handloom product as a part of school uniform initiated by Handloom Development Council, Patsoi and launched in the year 2004. This led to the promise of a ready market for the produce.

### **2.2.2 An over view of the Cluster:**

The Imphal city is mainly divided into Imphal East and Imphal west, one separated from other by River Imphal. Imphal East District with a population of 394875 and a household of 69182 is located in the heart of the capital city of Imphal. The district has the highest concentration of weavers. Manipur boast of having 339632 numbers of weavers out of this 91820 weavers are located in Imphal East district. This is a share of 27.04% of the total weaver's population of the state. One of the notable features of Manipur Handloom industry is that entire workforce is women. This implies that every other woman in the Imphal East is involved with handloom in one way or the other. The women are found to be involved in weaving, dyeing, bleaching and also trading of finished products and yarn. This is a natural cluster of handloom it owes it origin to the inherent need of the people of Manipur to cloth themselves. It is a nature of the tribal societies to identify themselves from the rest which leads them to showcase different ethnic designs and motifs in their attire also. This makes the cluster more vibrant and colourful in their creations. It is observed that in many part of India the traditional art, craft and attire are loosing their hold, however Manipuri society is very traditional in it approach though it has accepted many modern values- the younger generation also value the use of their traditional handloom products which also set it apart from many of the other handloom clusters. It enjoys a strong patronage of it local population. The advantages of the cluster is the presence of skilled and expert weavers, craftsman and it proximity to the market. The well known all women market locally called "Ima Bazar" is at a distance of 3km from the centre of the cluster. This makes the cluster yet more favourable. In the Imphal East- the weavers are mainly concentrated in 5 areas namely-

- a. Wangkhei
- b. Kongba
- c. Khundrakpam
- d. Khurai
- e. Kongpal.

However out of these five areas Wangkhei and Kongba have the highest density of weavers and other service providers. Wangkhei and Kongba both are located im the Keirao Bittra Development block I and are contiguous.

Apart from this Wangkhei and Kongba are also on the priority list because of its unique weaving patterns and designs. Thus we have chosen Wangkhei and Kongba based on its legacy, viability, close proximity to market and concentration of skilled manpower.

In the cluster of Wangkhei and Kongba we have 5 Co-operative Societies, actively working. Then we have 9 master weavers who have 185 weavers working under them. Out of these 9 master weavers 2 are engaged in export and 7 are engaged in production for domestic market. While the cluster has 9257 individual weavers out of these only 5832 weavers are active throughout, rest works casually.

### **2.3 CORE CLUSTER ACTORS:**

The core cluster actors of the cluster are- weavers, Micro and Small Enterprises, Small and Medium Enterprises, Weavers' Cooperative Societies, Dyers, Traders, Associations and Institutions.

**Weavers:** Weavers are again found to practice their trade under different heads, based on the mode of weaving and in terms of ownership of the enterprise. The weavers are mainly divided on the basis of their affiliation to MSE, SME and Cooperative Society.

#### **Micro and Small Enterprise (MSE):**

Micro and Small Enterprise are the individual weavers who have one loom or practice the trade at other weavers loom. They do not always have a loom but are well trained in the trade, they often form alliance to carry out their trade with mutual consent in the neighbourhood. These weavers are usually not organized and are poor which makes them to rely on other well off weavers to get work for their sustenance. They weave cloth on others loom on daily wage basis, there is another practice that they procure the yarn from the traders and sell back the cloth to the trader in acceptance for a wage on their labour, in this practice they

are paid Rs. 30/- per piece of simple cloth that they weave out. The individual or micro and small enterprise comprises a huge population of the number of weavers present in Imphal. It stands at 91820 for Imphal East alone. Out of these 91820 weavers 71% have not yet received any assistance from the development agencies in terms of supply of yarn and other such support. Since they are an unorganized lot they face problems to market they produce on their own. This leaves ample room for exploitation of these poor weavers by the influential traders who provide yarn in return for the produce often pay lesser than Rs. 30/- per piece of simple cloth produced (which was fixed by the master weavers earlier).

However, when a weaver rely on his on resources and procure the yarn and weaves which takes a day to complete and sell it she gets a return of Rs.58/- per piece.

### **Small and Medium Enterprise (SME):**

These are primarily master weavers. They work with 5-7 looms either located in their own premises or at the weavers own place. These master weavers procure the yarn and then supply these to their subordinate weavers after the weaving is done the clothes are collected and market by them either in open market or in their own sales outlets. Here the subordinate weavers are paid wages for their labour and is assured of a fixed earning source. These master weavers can be classified based on their business vision – some of them devote exclusively to produce cloths for the export market while the others produce for domestic consumption outside the state. Presently there are 12 full time master weavers in the cluster- out these 3 are exclusively devoted to produce for the export market and the rest 9 are for domestic market.

The crucial problem that the master weavers are facing comes from the competition presented by the power loom products. It was also noticed that they find their working capital being blocked in the products which takes long time to sell off thus there is huge financial crunch for the working capital.

### **Weavers Cooperative Society:**

There are 395 weavers' cooperative societies in the state out of which only 238 are actively functioning and in the cluster alone there are 5 Cooperative Societies. Most of these societies do not have a proper official set up and officials, the secretary and the president carry out the functions. This makes them slow and unproductive as the expertise for different function is missing. An average of 60 to 100 weavers is usually registered under a society. Weaving is done only by registered members. These societies on an average have 75 looms procured with the assistance from government schemes. The average productivity per loom is around 0.43 meters and earning per head is Rs.588/- per month.

### **Dyers:**

Dyeing of yarn is done mainly by the individual dyers. Manipur Development Society (MDS) has a dyeing unit at Mantripukhri but they are mainly engaged for dyeing yarn for their weavers only. So, weavers in the cluster rely on the individual dyers. There were 35 individual dyers before 4-5 years back but now there are now only 9 dyers left in the cluster.

Economies of dyeing per kg of yarn is Rs.25/- to Rs.30/- . The major problem in this field is the ready availability of the chemicals.

**Traders:**

Traders are both yarn traders and product sellers. Most of the yarn traders are located in the Imphal West district i.e. in Poana Bazar and Thangal Bazar areas of the city. There are altogether 210 yarn traders in Imphal some have stalls at Ima Bazar while others have stores at Poana Bazar and Thangal Bazar. Adequate supply of yarn is one of the major problem of the cluster. Due to bandhs and road blockade vehicles coming from Guwahati with yarn are often stranded at Mao town.

One of the plus point of the cluster is that seller of handloom products at the Ima Bazar which have 915 retailers only the women who are very much eager for the development of the handloom are engaged in the trade. Besides this there are showrooms of MDS, MH&HDC and other Co-operative Societies.

**Associations:**

Associations like Manipur Handloom Weavers Cooperative Society Ltd. This is the apex body of primary cooperative societies, function in supplying yarn and marketing the clothes produced by them. There are 2 other such associations engaged in handloom promotion action like Cooperative Society in Handloom Marketing, Manipur Development Society.

**Institutions:**

Institution/ Government Departments that are engaged in promoting handloom action are NHDC, WSC, Directorate of Commerce and Industries and KVIC.

## 2.4 ANALYSIS OF BUSINESS OPERATION

2.4.1 **Production Function:** Out of 4752 looms in the cluster, 355 looms and 96 looms are concentrated in the hands of the Master Weavers and Weavers' Co-operative Societies. Hence, only 4301 looms are used by the individual weavers where 37% of the looms are not utilised commercially. That means, only 2710 looms are actively operating by the individual weavers. There are 9 Master Weavers and 5 Co-operative Societies in the cluster. Most of the traders' orders are procured by Master Weavers and Co-operative Societies directly or through sales agents. Thereby, weavers are supplied with yarn/raw materials and the final products of the weavers taken back by them after giving wages to the weavers as conversion charge which is very low that is Rs. 30/- per cloth (plain Inaphi). Almost all of the looms used by the weavers in the cluster are found to be aged and they are not well motivated to improve quality and design, on the other hand new designs developed by the Master Weavers and Co-operative Societies were not communicated to the individual weavers. So, weavers produce more or less repeated designs.

Master Weavers/Traders used to supply 3.50 kgs of woolen yarn (1 Ply) for producing 15 to 17 numbers of plain inaphi where weavers takes at least 25 to 27 days to complete whole process of production and gets Rs. 510/- at an average. Even then, they reluctant to pay off the wages till 2 to 3 months i.e. till the product is sold.

The product of Manipur Handloom has a wide variety. But, till now any concentration on production on one particular product is not done. The Main products of the cluster are:-

- a) KHUDEI
- b) MOIRANG PHI
- c) WANGKHEI PHI
- d) MAYEK NAIBI
- e) HAOPHI
- f) PHANEK
- g) INAPHI
- h) SCARVE
- i) PHADI

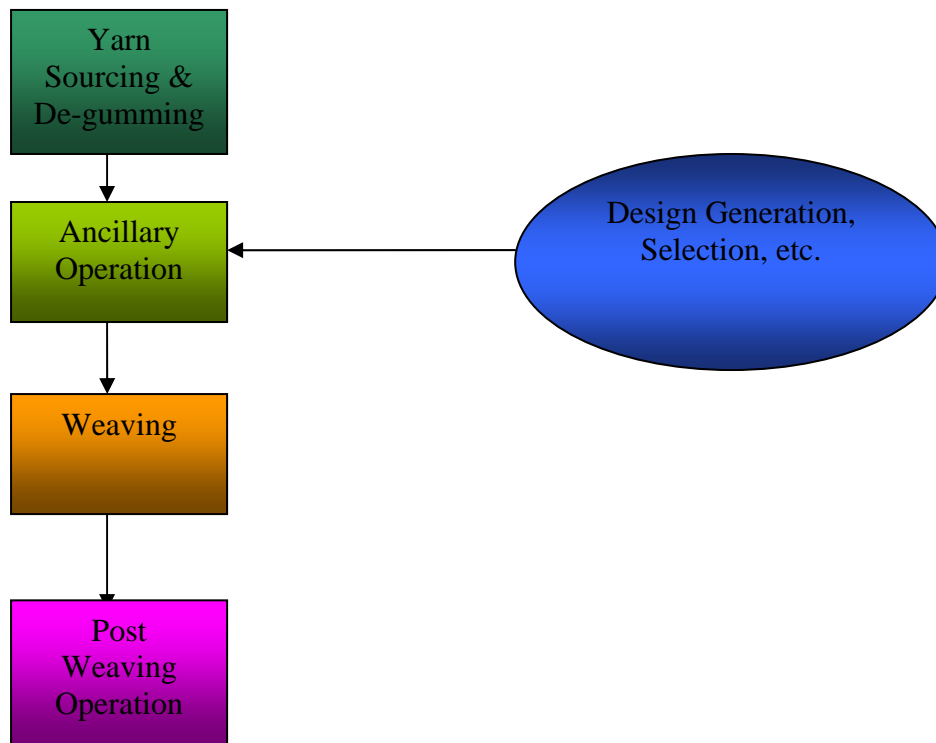
Among the other products, the MOIRANG PHI, WANGKHEI PHI and MAYEK NAIBI are very famous for its design.

Both the dyed and grey yarns are used in the cluster for production. Some of the common yarns used are:

- a) Cotton yarn of different counts ( Grey Cotton, Belched Cotton, Mercerised Cotton, Dyed Cotton, etc. )
- b) Woolen:
  - 1. Acrylic ( 1 ply 2/20 s )
  - 2. Acrylic ( 2 ply 2/2 s )
  - 3. Cashmilon 4 ply

These yarns come through Guwahati, the capital city of Assam from various parts of the country. Traders buy grey yarn and it dyed at some places in Assam and sells at Imphal. There are very few dyers in the cluster and their practice of dying is just to match with the dying charge which is still found very poor quality. The main sources of the yarn are only local traders and NHDC. But, weavers still face the problem of irregular inflow of yarn in the state due to banth and blockade.

The production process consist of yarn de-gumming, twisting ( in some cases ), pre weaving operations bobbin – filling and tiny work and weaving based given design. Post weaving operation is safe packing and sending to the traders. The production time varies from design to design. The common process of weaving is as follow:



**2.4.1 Financial Function:-** The weavers of the cluster are always in trapped in debt. They are born in debt, live in debt and died in debt. It is because of the rate of the interest charged by the village money lenders are very high means the cost of the finance i.e. the amount of the interest on the loan is much more higher than the average earning of the weavers. Moreover, the interest on the loan amount is multiple every year. Around 13342 loanees in the District are found defaulter to State Co-operative Bank, United Bank of India, State Bank of India and KVIC, out of which 1275 are weavers in the Weavers Co-operative Societies. Heavy unsold stock, price competition with identical product and credit sales further worsened their financial condition.

Poor cash realisation of the credit sales force to weavers to go for credit facility at the time of purchasing yarn that in turn traders give them loan as yarn. Even though, there are complaints like more percentage of loss of yarn after de-gumming, poor quality of dyes, adulteration in dyes, etc. they cannot raise question to the trader. Hence, the quality of the product is poor. There is no practice of quality checking of the product, rather physical checking is done for the fixing of the conversion charge. Weavers even do not have knowledge and know-how of different parameter of the checking and its testing.

**2.4.2 Marketing Function:-** The products of weavers are poor quality fabric, when their product is ready they must find a buyer. Sales dealers and agents are in the hands of the master weavers; hence all the required order of the dealer is met by these master weavers. As the weavers are economically weak and need the return immediately, they cannot wait for the sales of the products for a long time. In fact, the frequency with which they sell the product determines weavers' economic well-being. For the 17 products which weaver spent 25 days to produce she has to wait another 1 to 2 months to sell it. It means the

precious labour time and their working capital is held up. This creates not only economic and social problems to the weavers, but also creates pressure to sell the products at a low price or through undercut, so as to survive her and the family. Weaver sells their products at a non-remunerative price to avoid cumulative interest and just to keep them engaged in weaving.

### **2.5.1 INTER BUSINESS RELATIONSHIP:**

In the cluster, weavers are playing the most important role. Micro-weavers' products are sold even by the corporate Show Rooms. NHDC, Imphal Branch is giving feasibility of supplying raw materials to the weavers (Micro Weavers, Master Weavers, Co-operative Societies Weavers) at a subsidised rate. At the same time local yarn suppliers are meeting the weavers' yarn consumption since the NHDC alone cannot supply whole. WSC has been giving training to the weavers under many schemes like Decentralised Handloom Training, Integrated Handloom Training, etc. Under these schemes 4 Weavers Co-operative Societies and 75 its members has been trained in Dyeing, Design and new technology. Department of Commerce and Industries, Government of Manipur, besides those various training that has been giving to the weavers engaged in supply of capital inputs to the weavers like looms, other equipments, common work shed, etc. under various programmes like Deen Dayal Hathkargha Yojana, Project Package, construction of Work Shed, etc. Above these, the Government of Manipur is forwarding different new schemes to the Central Government for the development of the handloom.

There is three master weavers who produce for the export purpose. As they have a lot of exposure they have many designs and can also develop new ones. But, they never communicate such design to the individual weavers as apart of playing monopoly. They do not keep any relationship with the other weavers except those who do job work for them. On the other hand, there are 9 other master weavers who are producing for the domestic market. They engaged a large number of weavers and allow them to produce after supplying the yarn either at their residence or at the work shed provided by the master weavers. These weavers gets wages for the cloths they have manufacture. There a very common practice in the cluster that traders supplies yarns to the weavers and collect the cloths after giving wages as conversion charge. Traders in the Imma Bazar also practice in most of the cases with the weavers. In the past, Government undertakings, like Manipur Handloom and Handicraft Development Corporation Ltd., Manipur Development Society Ltd., etc. were having quite a good number of weavers of their own. But, now a day their work sheds are becoming not so active, so individual weavers are sometimes engaged to produce or them just to make survive their show room. Financial Institutions like UBI/SBI, Manipur Co-operative Bank, NABARD, and agencies like KVIC are assisting the weavers with financial support to the weavers under refinancing system.

In the cluster the number of dyer is very few. Even though many dyer has been trained by WSC and State Government Department, there is only 9 private dyers in the cluster. Manipur Development Society has a Dying Unit at Mantripukhri, Imphal East District, but the unit solely engaged in dying for their own weavers. Few weavers go to private dyers which is very low quality of dying. Yarn traders

buys grey yarn from Guwahati and get it dyed at Hojai a place in Assam and sell the yarn at Imphal.

Among the traders in the Ima Bazar, there are few women who buy yarn from traders and supply it to the weavers and collect the cloths from them and directly sold at the market. Few co-operative societies have their own show room at the Imphal city. Some of the products sold at these show rooms are found collected from the individual weavers, since their own weavers' production is not sufficient for the sales as they in active in the production.

At the stalls of mela/trade fair, participants are supposed to sell their products only, but products of the individual are also sold there in other's name. Weavers even though they have some cloths to be shown in the exhibition they cannot do it as they do not have collective strength to run a stall at the such occasions.

### **2.5.2 CLUSTER LEVEL VALUE CHAIN ANALYSIS:**

Cluster level value chain analysis has been carried out through a case study. Further areas of the interventions needed and intervention strategies studied as part of the case study. The profit margin percentage of weaver and master weavers/traders as revealed in the study is explained through the chart. There is wide range of products in the cluster, but we have explained the analysis under random sample with simple/plain inaphi.

Earlier grey yarns are used to procured and get it dyed at the private dyers. But now very few weavers go to dyers because of high charge and low quality of dying. Weavers are supplied yarns of three and half kgs costing Rs. 270/- per kg of yarn, which can produce 15 to 17 cloths taking 25 to 27 days to complete the whole work of the pre-weaving and weaving considering the economic scale of the production by the traders. Taking into the above example, one Inahpi consumes 250 gms of yarn. So, the cost of yarn for this cloth is Rs. 65.50. After de-gumming and bobbin weavers gives the yarns to the warping centre where they used to charge Rs. 5.00 per cloth. After the yarn is warped the cost comes Rs. 72.50. With the wage of the weaver Rs. 30.00 for all activities from pre-weaving to post weaving it comes Rs. 102.50. There are sales agents who deal between the weavers and traders in most of the cases. So, they takes 5% margin on the cloths produced, so when it reaches traders the value of the cloth comes to Rs. 107.60. Above this, traders gets 5% as their margin and finally when the product comes to the ultimate consumers the price of the cloth is Rs. 113/-.

### **2.6.1 SWOT ANALYSIS OF IMPHAL EAST DISTRICT HAND LOOM CLUSTER:**

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

The traditional strength of the industry is its brand image ( Manipuri Handloom; Moirang Phi and Wangkhei Phi ), but these has weakened in recent years.

The localization of weavers-force: dyers, designers, loom fabricators and traders is a major strength but there is no longer handloom dedicated and in that sense, is getting dissipated.

When market condition is deteriorated, the stakeholders particularly weavers-exit. There are market and product development opportunities for the cluster. There is scope for growth in overseas market. On the other hand, there is multiple threats – handloom weaving becoming a completely unrewarding occupation, handloom being out competed by power loom.

On the whole, the cluster is facing an uphill task of recovering lost ground. For understanding it better, we are giving SWOT Analysis of the cluster in bullet form.

#### STRENGTH:

##### Finance:

1. Support from the Government and various agencies.
2. Existence of various Financial Institutions in the region

##### Market:

1. Located barely 4 kms away from the Imphal, the capital City of Manipur.
2. Brand Image
3. Traditional Value
4. Market Potential both in the domestic and abroad

##### Production:

1. Availability of Skilled Labour
2. Adequate capacity to execute any amount of order
3. Availability of Service Providers within the reach

#### WEAKNESS:

##### Finance:

1. Low credit from Financial Institutions
2. Highly unorganised cluster
3. Poor financial condition of weavers
4. No collective purchase of raw materials
5. High cost of capital
6. Low productivity

##### Market:

1. Market is more or less limited within the state
2. Unhealthy price competition
3. Lack of market information and knowledge
4. Low volume of market
5. Absence of innovative and competitive products
6. Depending on mainly exhibition sales
7. Non targeting on Niche market

8. Absence of brand building
9. Inadequate number of showcase outside the state

Production:

1. Low productivity and outdated production facilities
2. Low quality output at high price
3. Inferior quality of dying
4. Acute price fluctuation of raw materials
5. Absence of design promotion
6. Irregular inflow of yarn
7. Non regular work for weavers
8. No attempt to value added products
9. Absence of strong traders associations
10. Lack of good transportation
11. Use of aged looms
12. Non transference of design and technique among the weavers

OPPORTUNITIES:

Finance:

1. Common financing to facilitate institutional finance through DFIs and other financial institutions
2. Common financing to facilitate common facility centre
3. Common financing to facilitate common raw material purchase

Market:

1. Trade fair participation both International and Domestic
2. Common production display both outside and in the state
3. Initiating institutional purchase
4. Potential buyers in untapped market
5. Exploration of new market and Export promotion

Production:

1. Common raw material purchase consortium to reduce cost
2. Reduction in customs duties on yarn
3. Brand Building
4. Product/Design patenting
5. Scope for product diversification into value added products
6. Up gradation of skill of the weavers

THREATS:

Finance:

1. Very much low and nil margin of the micro weavers
2. Bankers not supporting the weavers
3. Multiplying the interest by the money lenders at the time of defaulting

Market:

1. Decline in demand of handloom products
2. High competition from power loom sectors
3. Non exploration of new market

Production:

1. Price rise of textile yarn
2. Changing the Government Policies
3. Absence of effective management system
4. Vanishing the Manipur handloom art

## **2.6.2 VISION**

**The Imphal Handloom Cluster products will have a place in the National and International Market by ensuring sustainable higher earnings to the weavers. This will be achieved by empowering the women weavers and enhancing the well being of at least 5000 weavers' families before 2010.**

## CHAPTER – 3

### STRATEGY AND ACTION PLAN

#### 3.1 Strategy:

There are factors over which we do not have control like stakeholders' interest are varied and there is potentiality of conflicts, rapid growth of power looms, etc. So, here the key challenge lies in building trust among all the stakeholders and institutional initiatives. The organizational work is likely to take a fairly long time. However, at present, some of the direct cluster improvement interventions are necessary to catch up the interest of the stakeholders.

The particular strategic perceptive are explained as follow:-

**Organizing awareness workshops** involving various stakeholders at different places and occasions within the cluster will help in understanding the cluster development approach in a better way and ensures successful implementation of the programme with sustainability.

**Formation of Self Help Groups** at the weaver's level and **Association at co-operative societies and traders level** is required since major part of the production and distribution is done through them. **Consortium** at this level will help in collective purchase of yarn/raw materials at a very much lower cost from the sources like NHDC, Sanganeriya Woolen Mills-Guwahati, Goenka Woolen Mills-Guwahati and Assam Cotton Mills-Guwahati.

Weavers, designers, dyers, traders and support institutions have to create a common platform for **Technology and Market Initiatives**. Broad objectives of the platform as well as the constitution or management structure should be clear.

Dyeing technology team, which includes chemical experts, should undertake work on best practice and ensure better dyeing quality, shorten the time consumption and cost with improvement of colour fastness.

With the involvement of external designers from NIFT, NID, IIHT, WSC and locally available designers, fabric designs should be improved so that buyers are satisfied with the products of the cluster.

Dry cleaning is also a major limitation. It is needed to commission research to develop and establish customers' friendly and cost effective alternatives for dry cleaning.

Aged/outdated looms has to be up graded. The concept ATIRA, Ahmedabad i.e. introduction of Solar Loom can be assessed in this context

where all the 20 Cluster Executives has been shown while visiting the Institute.

**Brand equity campaign-ads**, publicity, product catalogue, contest should be designed with specialized inputs from market research/ad agencies. Some traders are shown their interest in involving in it while interviewing. Participating and organizing of exhibition should be there from time to time. Above this, different workshops on marketing-export procedure should be organized.

Even though, the cluster has a large product range, there a need of diversification to dress materials in general and ready to stitch, furnishing fabrics, cushion covers, purse, ties and such other products. A good networking is required for design, product development, market information, export promotion, marketing assistances, brand equity promotion, weavers' capacity building, designers' capacity building and such other assistances.

When the quality of the product is once developed, **Buyers – Sellers Meets, Marketing Consortium** can be formed for direct marketing at national and international level.

Time to time **exposure visit** at different clusters who are successfully implementing like Kaladi Rice Mill-Cochin, Kottiyam Rubber Cluster and Kannua Handloom Cluster all in Kerala will help knowing the changes happening in common purchase, branding and market outlets. This will help in successful running of the common outlet suggested at Kolkatta, Guwahati and Imphal.

A numerous small players in the cluster have not been able to come together for dealing with the market or the policy environment. Common platform for technology and market initiatives will bring the small players in the cluster on a single platform. We should encourage large players to enter the sector. Such players will in technology market and financial resources required to give a decisive part to the cluster and be accountable for return on labour and working condition.

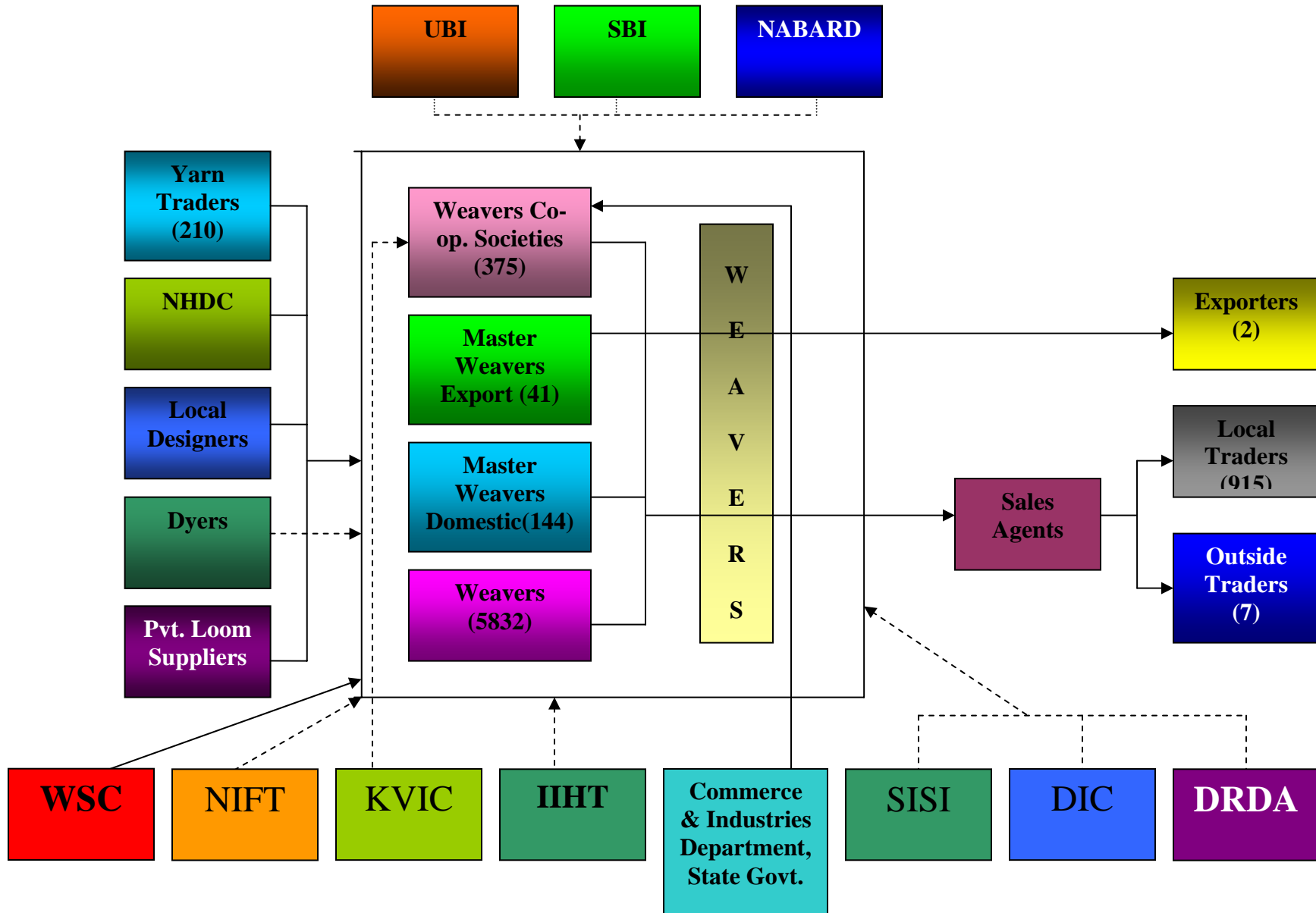
For a better information technology an Information Centre is a must which will help in getting and giving information to the weavers and the outsiders.

Under the cluster development, we should rely on proposed platform, network, alliance and such other initiatives to engage with the market. The support structure should shift its focus from the handloom sector as whole to weavers, designers, dyers, traders, etc. It should be facilitated through NGOs and ensure well being and security of artisans' families. The following issues are relevant:

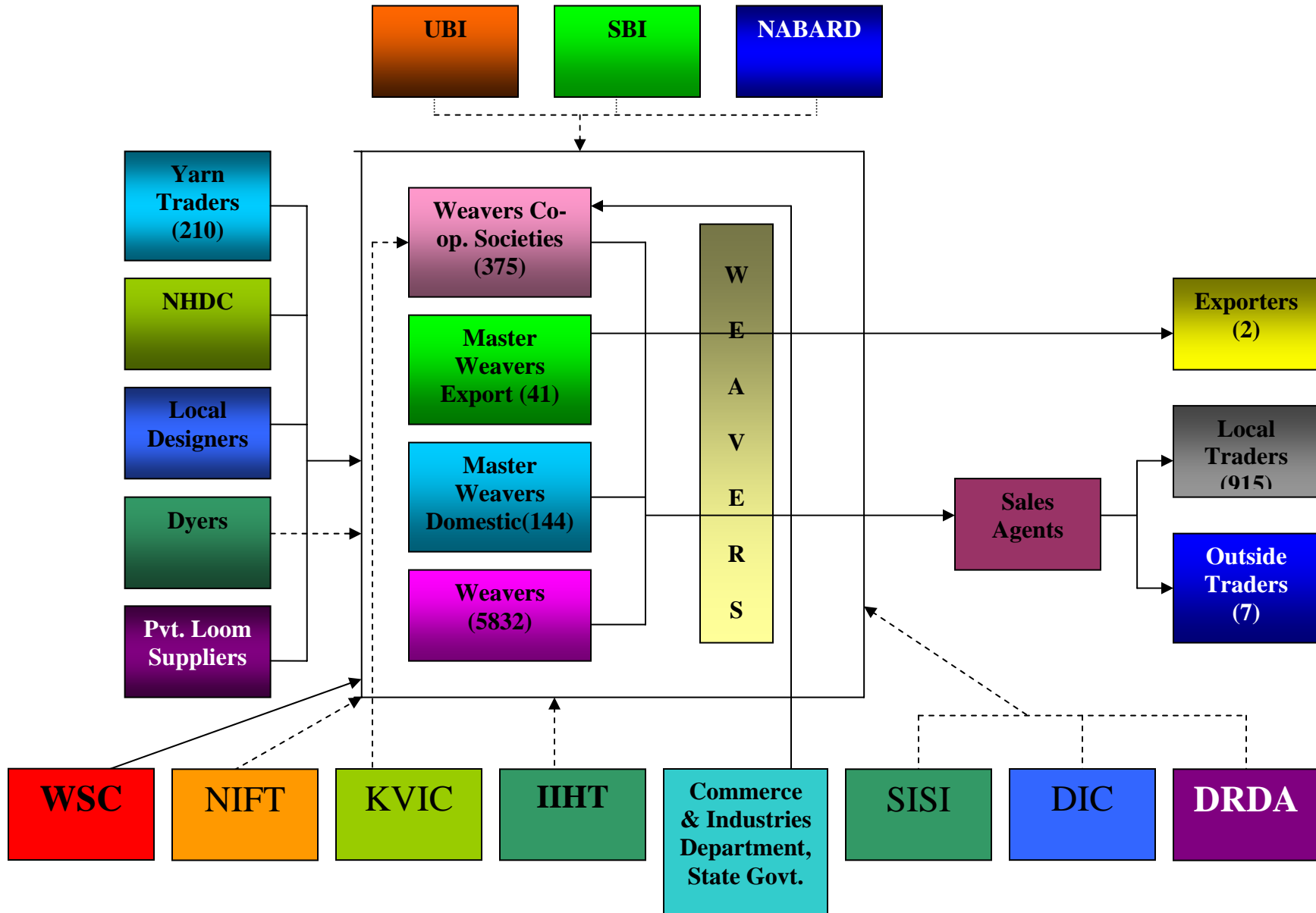
- Education, health
- Social Security
- Relief for artisans during natural calamities
- Empowerment of women and children

- Promoting saving and micro-credit
- Awareness of artisans' labour, rights and duties
- Insurance

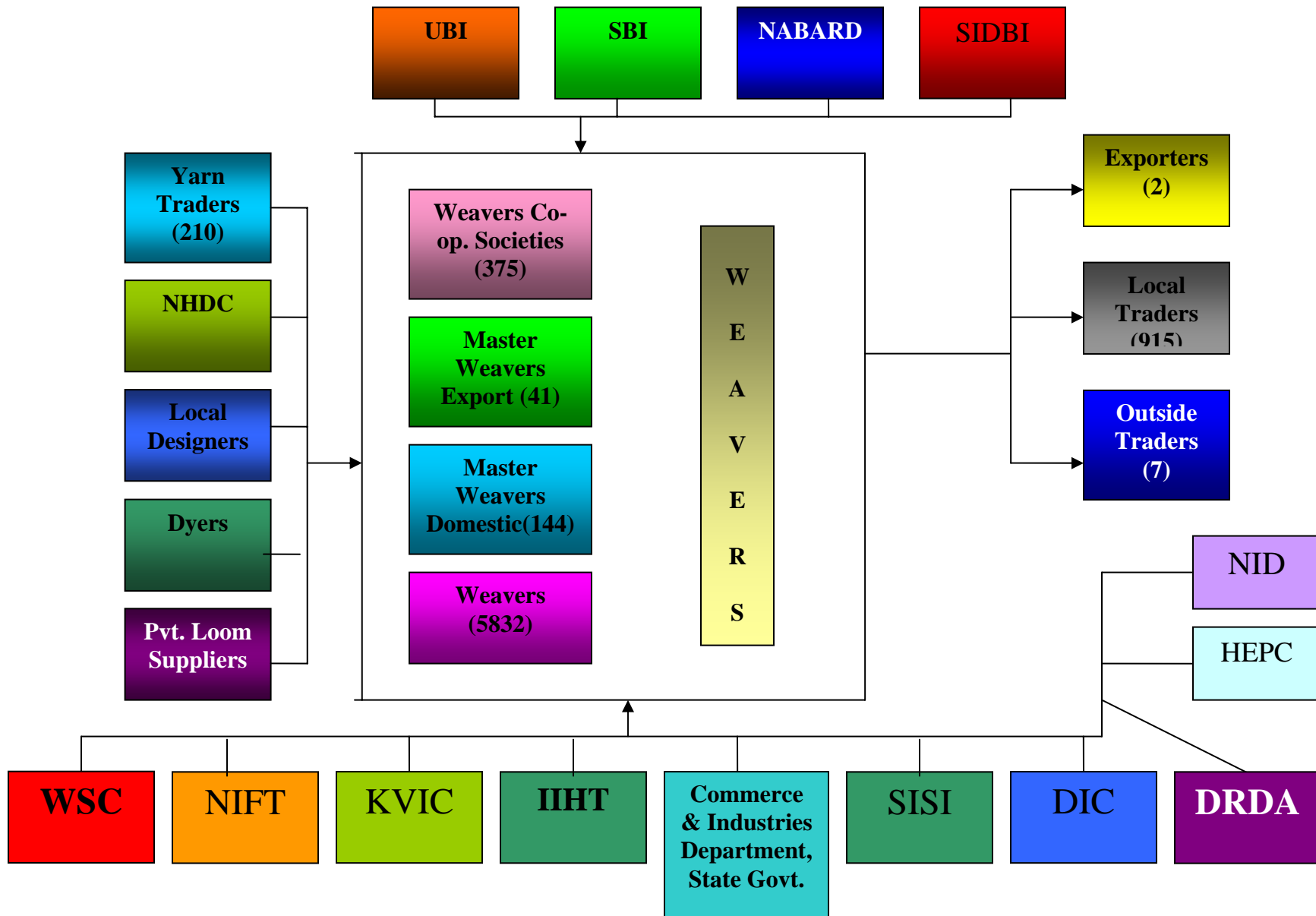
# CLUSTER MAP :: PRE INTERVENTION



# CLUSTER MAP :: PRE INTERVENTION



# CLUSTER MAP :: POST INTERVENTION



## INSTITUTIONAL MATRIX :: PRE INTERVENTION

	SMEs	WSC	IIHT	NHDC	Co-op/ Assn.	Fina. Inst.	NIFT	KVIC	SISI	DIC	DRDA
SMEs		M	L	M	M	L	L	L	L	L	L
WSC			M	L	M	L	L	L	L	L	L
IIHT				L	M	L	L	L	L	L	L
NHDC					N	L	L	N	N	N	N
Co-op/ Assn.						L	N	L	L	L	L
Fina. Inst.							N	L	L	L	L
NIFT								N	N	N	N
KVIC									L	N	N
SISI										L	L
DIC											H
DRDA											

Foot Note;      N : Nil, L : Low, M : Medium and H : High

## **INSTITUTIONAL MATRIX :: POST INTERVENTION**

	<b>SMEs</b>	<b>WSC</b>	<b>IIHT</b>	<b>NHDC</b>	<b>Co-op/ Assn.</b>	<b>Fina. Inst.</b>	<b>NIFT</b>	<b>KVIC</b>	<b>SISI</b>	<b>DIC</b>	<b>DRDA</b>	<b>NID</b>	<b>HEPC</b>
<b>SMEs</b>		H	M	H	H	H	M	M	M	H	H	M	M
<b>WSC</b>			M	H	H	M	M	M	M	H	H	M	H
<b>IIHT</b>				M	H	L	H	M	M	M	M	H	M
<b>NHDC</b>					H	M	M	M	M	M	M	M	H
<b>Co-op/ Assn.</b>						H	M	H	H	H	H	M	H
<b>Fina. Inst.</b>							N	N	L	H	H	N	L
<b>NIFT</b>								M	M	N	N	M	M
<b>KVIC</b>									L	L	L	N	N
<b>SISI</b>										M	M	N	N
<b>DIC</b>											H	N	N
<b>DRDA</b>												N	N
<b>NID</b>													M
<b>HECP</b>													

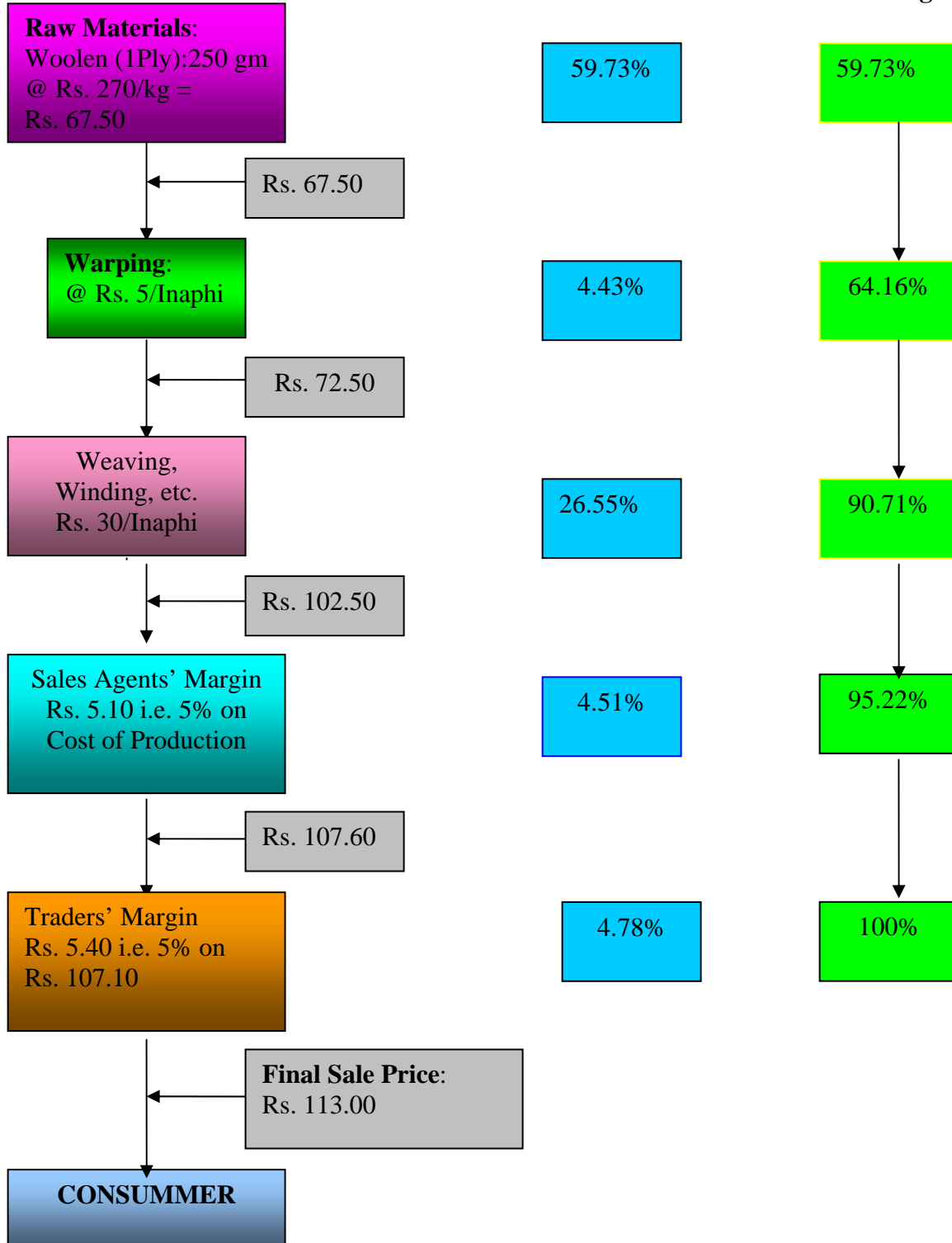
Foot Note;      N : Nil, L : Low, M : Medium and H : High

## VALUE CHAIN ANALYSIS :: PRE INTERVENTION ( FOR INAPHI-NORMAL DESIGN DHUPATA )

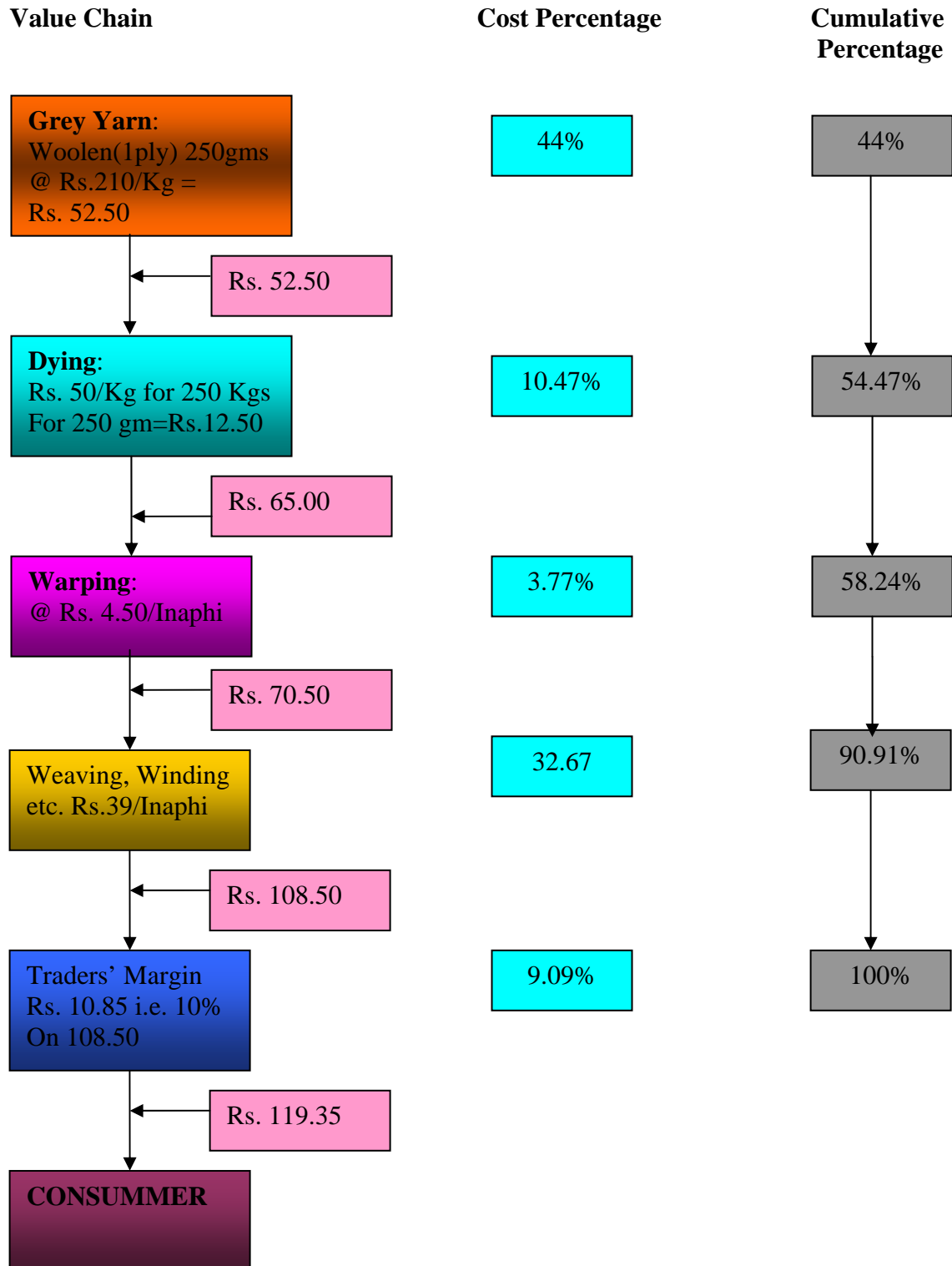
### Value Chain:

### Cost in Percentage

### Cumulative Percentage



## VALUE CHAIN ANALYSIS :: POST INTERVENTION ( FOR INAPHI NORMAL DESIGN DHUPATA)



# CITY MAP OF IMPHAL

