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## **ROLE OF GOVERNMENT POLICIES IN THE GROWTH OF HANDLOOM INDUSTRY**

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# Role of Government Policies in the Growth of Handloom Industry

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**Abstract – Textile industry, the oldest industry of India occupies a place of significance both in providing employment opportunities and in its production and its export potential. This being the situation, it is necessary to examine the government stand in this regard. The attitude of the government will vitally influence the various activities of this industry. Hence, an attempt is made in this paper to review the various government policies with regard to Handloom industry.**

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## INTRODUCTION

The handloom sector occupies a distinct and unique place in the Indian economy, besides being the largest generator of non-farm rural employment. While available statistics indicate an economic sector of considerable size, there is still immense scope for expansion. The handloom sector is indeed capable of exponential growth, with proper identification of its needs, a reasonable level of resource input and structural attention. This being the situation, it is necessary to examine the government stand in this regard. The attitude of the government will vitally influence the various activities of this industry. Hence, an attempt is made in this paper to review the various government policies with regard to Handloom industry.

## NATIONAL TEXTILE POLICY-1985

First time, the Textile Policy of Government of India announced in June 1985 laid emphasis on the further growth of handlooms so that handloom weavers may earn more and full potential of the industry may be realised. The policy suggested the following measure for further development of handloom industry:-

1. The development of handlooms through cooperatives and central/state level corporation was identified.
2. Greater emphasis was placed on modernization of looms and provision of technological and other inputs for improving productivity of handlooms and the quality and finishing of handloom products.
3. Special effort was made to ensure adequate availability of yarn and other raw materials to the handloom sector. The infrastructure of procurement and supply of such inputs at reasonable prices to the handloom weaver strengthened through the operations of the National Handloom Development Corporation and the State Level handloom agencies.
4. The production of mixed and blended fabrics of handloom was encouraged with a view to improving the wages and earnings of the weavers.
5. Protection of handlooms was provided by serving articles for their exclusive production in handloom sector under the "handloom (Reservation of Articles for Production) Act 1985". The provisions of this act were strictly enforced and the machinery for doing so was suitably strengthened.
6. To improve the marketing of handloom products, infrastructure of marketing complexes, training of marketing personnel and intensive publicity were organized, steps were taken to upgrade the technical managerial and administrative skills of personnel employed in the handloom sector.
7. To strengthen the data-base for the handloom sector for better planning and execution of handloom development programmes, a census of handlooms was undertaken. The machinery for implementation, supervision and evaluation of handloom programmes was strengthened.

In October 1996, the Government announced a textile policy for three years (1997 to 1999) and provided guidelines and incentives to strengthen the handloom industry for further growth and development.

In July 1998, the Government set up an expert group to review the existing textile sector and recommend changes against the emerging imperatives of international competition. The stress was laid to exercise efforts for improving marketing practices in the fields of handloom product marketing to cater the demand in the global market.

## NATIONAL TEXTILE POLICY-2000

The National Textile Policy announced after liberalization and globalization of Indian economy in 2000, there have been seen tremendous changes in the textile scenario. To prepare the textile industry to meet the challenges of integration with world textile market, this policy aimed at creating new opportunities for growth with global market being more accessible to trade. Several initiatives for modernization and investment for growth have begun to create the conditions necessary to achieve the object of policy, to develop a strong and vibrant textile industry capable for producing quality cloth at an acceptable price, contributing increasingly to the provision of sustainable employment and economic growth of the country and competing with confidence for an increased share of global market.

The various provisions of the policy are as follows:

1. Giving thrust on the availability, productivity and quality of raw materials like cotton, silk, wool and jute at reasonable prices for the industry.
2. Establishing textile / apparel parks with necessary infrastructural facilities with the financial institutions and the private sector.
3. Continuing efforts to modernize and upgrade technology to international levels in jute, spinning and mill sector.
4. Modernizing power loom service centers and testing facilities and clustering of facilities to achieve optimum levels of production in power loom sector which occupies a pivotal position in the Indian textile industry.
5. Continuing to accord priority to the handloom sector to develop its exclusiveness for the global markets.
6. Training to upgrade skills in the handloom sector and introducing welfare and social security measures for better working environment and better security to the weavers.

7. Introducing support system for commercial intelligence, design and fashion inputs for the growth of hosiery, knitting due to expansion of hosiery in to global fashion knitwear.
8. Making available defect free and color fast processed fabrics;
9. Facilitating product development, production and marketing arrangements for made up sector which occupies the highest position in the textile value addition chain alongside garments.
10. According priority to technical textiles by taking into consideration the growing prospects in world markets.
11. Adopting IT in the textile industry and trade by recognizing the importance of IT driven global economic environment.
12. Introducing innovations in institutions like National Institute of Fashion Technology (NIFT), Indian Institute of Technology (IIT) and the National Institute of Designing (NID).
13. Reorienting and restructuring the institutions working under the ministry of textiles in order to act as facilitators and not as regulatory bodies.
14. Making larger allocations for Research and Development activities in the textile sector.

## CONCLUSION

Handloom industry is a significant industry that employs lakhs of people in the country. The most urgent task today is one of devising appropriate institutional and structural supports that could help the industry realize its potential. In order to do this, a major shift in the existing perspectives on the industry will be necessary. Far from being a traditional activity that is on the verge of decline, handlooms must be approached as a productive industry and as a major generator of employment, especially in the rural, non-farm sectors. Having defined it as a productive industry, the various entitlements of the industry and its practitioners have to be emphasized and attended to. In other words, the handloom sector is entitled to support vis-à-vis its needs as a productive industry (for example, in areas of raw material access, credit and marketing), rather than receive support that is extended merely through welfare schemes. The general thrust of a government policy on handlooms has to be based on a clear recognition of such needs. At the same time however, enough attention has to be paid to the macro-economic environment and how it affects the performance of the handloom industry. Even the most well- intentioned policy measures could fail if wider trade and fiscal policies go against the sector.

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