



## INCIDENCE OF INDEBTEDNESS OF HANDLOOM WEAVERS IN CHITTOOR AND YSR KADAPA DISTRICTS

Dr.P.Sudhakar

Department Of Economics Sri Venkateswara University TIRUPATI – 517 502, Andhra Pradesh

**ABSTRACT** The handloom sector mainly occupies a distinct and unique place in the economy of India, besides being the largest generator of non-farm rural employment. In the present economic climate, where dependency on foreign capital and know-how is rapidly increasing all round, the handloom industry presents a sustainable model of economic activity that is not energy intensive and has low capital costs, as well as an extensive skill base. Its survival in, and adaptability to, a wide range of economic conditions also needs to be understood in a proper perspective, in order to underline the inherent viability of this enterprise. The independent weavers, apart from their own funds, are mainly borrowing funds for productive purposes such as acquisition of loom, construction and maintenance of loom and sheds for weaving and other allied activities.

### KEYWORDS :

#### INTRODUCTION

The handloom sector plays a very important role in the country's economy. Tracing the importance of the textile sector in the Indian economy also brings us face to face with the different components such as the mill segment, the handloom segment and the power loom segment that make up this whole. All these three sectors are making three types of clothes, i.e. cotton, blended fabrics and non-cotton fabrics. In handloom sector weavers are classified into independent weavers, weavers working under master weavers, weavers working for cooperative societies, weavers for Non-Government Organizations and shed (wage) weavers. There are totally 46 lakh hand looms in the whole world, 85 percent of hand looms represented to 38,90,576 located in India. Out of this, 32,80,087 looms are in the rural areas, while 6,10,489 looms are in the urban areas. In case of employment, handloom industry provides direct employment to about 106 lakh people with 3.9 million handlooms. In the present socio-economic climate where dependency on foreign capital and know-how is increasing in all round, the handloom industry presents a sustainable model of socioeconomic activity, which is not energy-intensive and has low capital costs, as well as an extensive skill base. The Handloom Industry has not received the attention by the economists and researchers as it deserves. Only a few studies are conducted so far dealing with some aspects of the industry.

An attempt has been made to analyse the various sources of credit available to the weavers in the study. It is very interesting that the independent weavers, apart from their own funds, are mainly borrowing funds for productive purposes such as acquisition of loom, construction and maintenance of loom and sheds for weaving and other allied activities. The weavers working for master weavers and cooperatives are taking loans for the purposes of household expenses, viz. children's education, children's marriage/ family expenses, repayment of old debts, acquiring of assets etc. At the same time hike in the raw materials, i.e., yarn, dyes and chemicals costs.

Majority of the weavers in the state are not financially sound because of the inadequate earnings from their profession. Many Primary Weavers' Cooperative Societies are defunct, Very few societies are earning profits and the other societies are eagerly waiting for a saviour to lift them from the disastrous conditions.

#### REVIEW OF LITERATURE

Kumar, P. S. (2014) observed that numbers of weavers were reduced from 65 lakh in 1995 to 43.32 lakh in 2010, due to global recession in 2008 and impact of growing competition from mills and power looms. Production in handloom sector has declined from 7202 million square meters in the year 1995-96 to 7116 million square meters in 2013-14. Export of handlooms surged from US\$ 265 million in 2009-10 to US\$ 554 million in 2011-12. Tamil Nadu got the highest funds from centre accounting from the period of 2001-02 to 2013-14, followed by Andhra Pradesh, Gujarat, West Bengal, Rajasthan, Kerala, Uttar Pradesh, Haryana and Madhya Pradesh. Current study taken is an attempt in the handloom sector as it is done by Sehgal G., Mir A for Jammu and Kashmir State in handicraft and agricultural sector. This study is limited to find out the impact of Government schemes for handloom sector in the Maheshwar city in Khargone district of Madhya Pradesh.

**K. Siva Nageswara Rao and T. Uma Maheswara Rao (2015)** opined that the handloom sector has a unique place in Indian economy and plays a vital role in the economic development of the rural poor. It is one of the largest economic activities providing direct employment to over 65 lakhs persons engaged in weaving out of this, more than 40 percent are women and majority of them are low caste and extremely poor, working in small family units. This sector contributes nearly 19 percent of the total production of the cloth produced in the country and also adds substantially to the export earnings.

**D. Srinivasa Rao and N.Sreedhar (2017)** appraised that the handloom sector in India is the largest sector next to agriculture. The handloom sector in India today presents many sided and complex problems which are more complicated in view of its Socio-Economic Importance. It is the biggest cottage industry in India and there are about 48 lakhs of looms and a population of 40 millions depends on this industry. Handloom weaving gave to power weaving as surviving only in a few countries, of which India is the most important and predominant one. The main reason for the existing of handloom in India is the socio - economic condition of our country and the Industry's high employment potential.

**Shivaram Suresh Goud and S.Limba Goud (2018)** aired that the handloom industry being a part of the Indian culture and tradition is one of the oldest cottage industries in India diffused widely throughout the country. The handloom sector is dispersed, decentralized, un-organized and rural based, playing an important role in the country's economy in terms of employment and export earnings. India produces 85 per cent of the handlooms of the world. Handloom is a traditional product and its marketing is very conventional in nature. Convenience sampling method was used for the purpose of selecting the sample respondents. The study found that majority of sample respondent handloom weavers (68.47 %) have not joined the life insurance schemes and least percent of sample respondent handloom weavers (31.53 %) have joined life insurance schemes. This paper concludes that handloom industry is very bad and is under tragic situation. People, who are very poor and middle aged are unable to sustain a living in this area due to lack of availability of job resources and hence are compelled to migrate to other states in search of better jobs.

#### RESEARCH METHODOLOGY

Based on the proportionate stratified random sampling procedure, 66 households from Upparapalli, 56 households from Madhavaram, 37 households from Puttanavaripalli, 29 households from Kothapet in Kadapa district, 75 households from Narayanavanam, 32 households from Palamangalam, 35 households from Karipakam, 20 households from Kanchanapalem in Chittoor district have been selected for the present study.

#### INCIDENCE OF INDEBTEDNESS

##### Loans availed

Loans are essential now-a-days for various purposes. Information on whether the respondents have taken loans has been collected and the details are presented in the Table 1.

**Table 1 Loans availed**

Sl. No.	Loans availed	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	Yes	102 (84 %)	54 (82 %)	88 (82 %)	46 (84 %)	290 (83 %)
2	No	20 (16 %)	12 (18%)	19 (18 %)	9 (16 %)	60 (17 %)
Total		<b>122</b>	<b>66</b>	<b>107</b>	<b>55</b>	<b>350</b>

The table shows that 290 respondents have taken loans and 60 respondents have not taken loans. Among the loanees, majority of them are from Ontimitta in Kadapa District and Varadaiahpalem Mandals in Chittoor District. Moreover majority of the respondents from Pullampet in Kadapa District and Narayanavanam in Chittoor district have not taken loans.

**Loan Amount**

The information on the size of the loan availed by the respondents has been elicited and the details are presented in the Table 2.

**Table 2 Size of the Loan**

Sl. No.	Loan Size (Rs.)	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	< 10, 000	23 (23%)	5 (9 %)	16 (18 %)	4 (9 %)	48 (17 %)
2	10000-25,000	25 (25%)	10 (19 %)	12 (22 %)	9 (20 %)	56 (19 %)
3	25000 - 50000	14 (14%)	7 (13 %)	11 (13 %)	10 (22 %)	42 (14 %)
4	50000-75000	12 (12%)	11 (20 %)	22 (26 %)	11 (24 %)	56 (19 %)
5	75000-100000	11 (11%)	9 (17 %)	10 (11 %)	7 (15 %)	37 (13 %)
6	>100000	17 (16%)	12 (22%)	17 (19 %)	5 (11 %)	51 (18 %)
Total		<b>102</b> (100%)	<b>54</b> (100%)	<b>88</b> (100%)	<b>46</b> (100%)	<b>290</b> (100%)

The table shows that 56 respondents (19 %) each have the debt to the tune of 10000-25,000 and majority of them are in Ontimitta Mandal of Kadapa district and Rs. 50000-75000 and majority of them are in Narayanavanam mandal of Chittoor District, 51 respondents (18 %) have taken the loan to the tune of above Rs.1,00,000/ and majority of them are equally in Pullampet mandal of Kadapa district. It is concluded that majority of the respondents have the debt to the tune of 10000-25,000 and Rs. 50000-75000.

**Purpose of Loans**

Finance is a crucial factor for any activity particularly towards household expenses, viz. children's education, children's marriage/ family expenses, repayment of old debts, buying looms, purchasing raw material etc. The purpose for which the respondents have taken loans has been elicited and the details are presented in the table 3.

**Table 3 Purpose of Loan**

Sl. No.	Purpose of Loan	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	children's education	25 (25 %)	11 (20 %)	22 (25 %)	9 (20 %)	43 (15 %)
2	children's marriage	23 (23 %)	10 (19 %)	16 (20 %)	7 (15 %)	56 (19 %)
3	family expenses	11 (11 %)	9 (17 %)	12 (14 %)	4 (9 %)	36 (12 %)
4	repayment of old debts	17 (17 %)	7 (13 %)	17 (19 %)	10 (22 %)	51 (18 %)
5	Buying looms	14 (14 %)	5 (9 %)	11 (13 %)	5 (11 %)	35 (12 %)
6	raw material	12 (12 %)	12 (22 %)	10 (11 %)	11 (24 %)	45 (16 %)
Total		<b>102</b> (100%)	<b>54</b> (100%)	<b>88</b> (100%)	<b>46</b> (100%)	<b>290</b> (100%)

't' value:3.848; P value:0.000\*\*

It is observed from the table that 56 respondents (19 %) have taken loan for the purpose of children's marriage and majority of them are in the Ontimitta Mandal of Kadapa District, 51 respondents (18 %) have taken loan for the purpose of repayment of old loans and majority of them are in the Varadaiahpalem Mandal of Chittoor District, 45 respondents (16 %) have taken loan for the purpose of raw material and majority of them are in the Varadaiahpalem Mandal of Chittoor District, 43 respondents (15 %) have taken loan for the purpose of children's education and majority of them are in the Ontimitta Mandal of Kadapa District and Narayanavanam mandal of Chittoor District. By and large, it is concluded that majority of the respondents have taken loan for the purpose of children's marriage and repayment of old loans.

**Sources of Loan**

The information on the source of debt the respondents have taken has been collected and the details are presented in the Table 4.

**Table 4 Source of Loans**

Sl. No.	Purpose of Loan	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	Banks	30 (29%)	6 (11%)	28 (32%)	6 (13%)	70 (24%)
2	Money Lenders	31 (30%)	11 (20%)	20 (23%)	14 (30%)	76 (26%)
3	Friends/ Relatives	14 (14%)	12 (22%)	14 (16%)	12 (26%)	52 (18%)
4	Cooperative Society	15 (15%)	13 (24%)	12 (14%)	8 (17%)	48 (17%)
5	Master Weavers	12 (12%)	12 (22%)	14 (16%)	6 (13%)	44 (15%)
Total		<b>102</b> (100%)	<b>54</b> (100%)	<b>88</b> (100%)	<b>46</b> (100%)	<b>290</b> (100%)

**Pearson Chi-square Value:434.409; df:10; Level of Significance: 0.000\*\***

The table shows that 76 respondents (26 %) have taken loan from money lenders and majority of them are in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District, 70 respondents (24 %) have taken loan from banks and majority of them are in Narayanavanam mandal of Chittoor District, 52 respondents (18 %) have taken loan from friends/relatives and majority of them are in Pullampet mandal of Kadapa district, 48 respondents (18 %) have taken loan from cooperative society and majority of them are in Pullampet mandal of Kadapa district and 44 respondents (15 %) have taken loan from master weavers and majority of them are in Pullampet mandal of Kadapa district. By and large, it is concluded that majority of the respondents (26 %) have taken loan from money lenders and majority of them are in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District.

**Repayment of Loan amount**

The information on the repayment made by the loanees has been collected and the details are presented in the Table 5.

**Table 5 Repayment of Loan amount**

Sl. No.	Repayment	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	Yes	82 (80 %)	41 (76 %)	69 (78 %)	37 (80 %)	229 (80 %)
2	No	20 (20 %)	13 (24 %)	19 (22 %)	9 (20 %)	61 (20 %)
Total		<b>102</b> (100%)	<b>54</b> (100%)	<b>88</b> (100%)	<b>46</b> (100%)	<b>290</b> (100%)

't' value:2.337; P value:0.020; Sig.\*

It is noted from the table that 229 respondents (80 %) have cleared loans and majority of them are in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District. On the contrary, 61 respondents (20 %) have yet to clear loans and majority of them are in Pullampet mandal of Kadapa district. Above all, it is concluded that majority of the respondents (80 %) in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District have cleared

while majority of the respondents (24 %) in Pullampet mandal of Kadapa have yet to clear the loan.

### Reasons for non repayment

Repayment varies from person to person depending on income, expenditure and other sources etc. Due to various reasons repayment is not done at times. The information on the reasons for non-repayment of loan by the respondents has been elicited and the details are presented in the Table 6.

**Table 6 Reasons for non-repayment**

Sl. No.	Reasons	Kadapa		Chittoor		Total
		Ontimitta	Pullampet	Narayanavanam	Varadaiahpalem	
1	High Expenditure	6 (30 %)	4 (31 %)	9 (47 %)	2 (22 %)	21 (34 %)
2	Low income	7 (35 %)	4 (31 %)	6 (32 %)	3 (33 %)	20 (33 %)
3	No good price for products	4 (20 %)	2 (15 %)	2 (11 %)	1 (11 %)	9 (15 %)
4	Family Expenditure	2 (10 %)	2 (15 %)	1 (5 %)	2 (22 %)	7 (11 %)
5	Cost of education of Children	1 (5 %)	1 (8 %)	1 (5 %)	1 (11 %)	4 (7 %)
Total		20 (100%)	13 (100%)	19 (100%)	9 (100%)	61 (100%)

't' value:3.848; P value:0.000; Significance:\*\*

It is observed from the table that 21 respondents (34 %) have not paid owing to high expenditure and majority of the respondents in Ontimitta Mandal of Kadapa District, 20 respondents (33 %) have not paid owing to low income and majority of the respondents in Ontimitta Mandal of Kadapa District, 9 respondents (15 %) have not paid owing to no good price for their products and majority of the respondents in Varadaiahpalem Mandal of Chittoor District and 4 respondents (7 %) have not paid owing to high cost of children's education. By and large, it is concluded that majority of the respondents (34 %) have not paid owing to high expenditure and majority of the respondents in Ontimitta Mandal of Kadapa District.

### CONCLUSION

In India handloom industry is an ancient cottage industry having a decentralized setup. Indian handloom industry provides the employment to nearly 65 lakh of people with 35 lakh looms and most of the people are depending upon the ancillary occupations connected with this Industry. Handloom Industry is highly concentrated on Man Made Art and Tradition. The handloom sector plays a pivotal role in tile country's economy. Majority of the respondents from Pullampet in Kadapa District and Narayanavanam in Chitroor district have not taken loans, majority of the respondents have the debt to the tune of 10000- 25,000 and Rs. 50000-75000, majority of the respondents have taken loan for the purpose of children's marriage and repayment of old loans, majority of the respondents (26 %) have taken loan from money lenders and majority of them are in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District, majority of the respondents (80 %) in Ontimitta mandal of Kadapa district and Varadaiahpalem mandal of Chittoor District have cleared while majority of the respondents (24 %) in Pullampet mandal of Kadapa have yet to clear the loan and majority of the respondents (34 %) have not paid owing to high expenditure and majority of the respondents in Ontimitta Mandal of Kadapa District.

### REFERENCES

1. Kumar, P. S., (2014). Handloom Industry in India: A Study. *International Journal of Multidisciplinary Research and Development*, Vol. 2(1), 24-29.
2. K. Siva Nageswara Rao and T. Uma Maheswara Rao (2015) An Analysis of Handloom Industry in Andhra Pradesh- Challenges vs Government Schemes, *International Journal of Engineering Technology Science and Research IJETS* www.ijetsr.com ISSN 2394 – 3386 Volume 2 Issue 9 September 2015.
3. D. Srinivasa Rao and N.Sreedhar (2017) Problems of Handloom Weavers in Andhra Pradesh: A Study of Krishna District, *www.ijhssi.org, Vol. 6, No. 11, November: 2017, PP01-08.*
4. Shivaram Suresh Goud and S.Limba Goud (2018) Socio-Economic Conditions of Handloom Weavers in Select Districts of Telangana State, *International Journal of Management and Social Science Research Review, Vol. 1, No.45, March-2018, p.69.*