



MANAGEMENT OF MICRO HANDLOOM ENTERPRISES: A STUDY OF WEAVERS IN THENZAWL MIZORAM

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Abstract: The handloom industry in India plays an important role in the economy as it provides employment to the rural and urban households in India. Nearly 77 percent of women in the rural areas are engaged in this business. During the Covid-19 pandemic the industry faced many problems related with production like availability of raw materials, transportation problem, cash flow, working capital and reduced orders etc. To boost up marketing, production and job opportunities in handloom sector, the government has initiated special measures to help ameliorate the conditions. The area of this study is Thenzawl, which has small handloom clusters in Mizoram. Thenzawl is the model of entrepreneurship for underprivileged tribal population, which is located in the remote corner of North-east. The objective of this study is to understand some of the issues and challenges faced by weavers in Thenzawl and to analyze the level of financial literacy and financial inclusion among weavers in Thenzawl.

Index Terms - Marketing, handloom weavers, financial inclusion, financial awareness.

I. INTRODUCTION

In India after agriculture, handloom industry is very important for employment generation. In the socio-economic set-up of India it occupies a strategic position. To meet the internal as well as international demand, handloom industry has become very progressive. Weavers use different new technologies and scientific advanced techniques of weaving. It provides different types of products to India and to countries all around the world.

In terms of tools and technology handloom industry is micro in nature but in terms of employment potential it has a macro impact. Handloom provides employment to a large section of the economy, it is not only the key in sustaining the existing craftsmen but it is also a very good source of employment for the poorer as well as deprived weavers. Handloom industry is tremendously concerned with socio economic development of the country. The woof and warp of India's rural life is partially described by handloom weaving industry. Handloom industry is not inferior compared to textile industry. In the year 1993-94 approx. 3690 million meters of cloth were produced by handloom industry which was 20% of total production of cloth in India and in 1972-73 only 2132 million of the cloth were produced which was 11 percent of total production in India in 2001-2002 worth Rs. 436.37 crores of cloth were produced by the handloom's weaver's co-operative society, which was Rs. 230.66 crores of their stock value. Handloom sold Rs. 493.58 crores

against the total stock of Rs. 667.03 crores in 2001-02. During the year 2004-05 weaver co-operative society produced 1083.26 lakh meters of cloth valued at Rs. 559.72 crores and sold it for Rs. 696.58 crores. In 2004-05 they made increasing sale of Rs. 121.97 crores which was better than 2003-04. In the year of 2003-04 and 2004-05 the co-operative society of handloom industry sustained itself on their profit of 527 and 602 crores respectively.

Weaving is an integral part of Mizoram, it is a part of the Mizo culture, it provides rich and different range of handloom products to the people. The traditional method of weaving is adopting a new style and trend. In Mizoram weaving is mostly done by women. In earlier times many Mizo girls knew the art of weaving, it was not only art or skill but it was a means of earning for their family as well. The handloom products are very sensitive and requires special skills that can only be done by a skilled weaver.

In Mizoram cloth in the native language is puan, the puan is drape and uncut in rectangular shape with prominent horizontal borders, it is the main traditional work of the Mizo people. There are different types of puans which are worn by men and women, which has a significant style and particular designs and puans are the main attire to Mizos in the rural areas.

The landscape of Mizoram comprises of rolling hills, rivers, lakes, valleys and waterfalls. About 1000 meters (3,300 feet) is the average height of the hills to the west of the state and up to 1300 meters (4,300 feet) rise to the east. Some hills have higher range which goes up to 2000 meters (6,600 feet). Mizoram has a very pleasant climate all year round. It always has a moderate temperature the whole year which is loved by tourists. The summer temperature always remains between 20° to 30°centigrade, and the winter temperature is always between 21° to 11°centigrade, which is very pleasant, during rainy season all parts of Mizoram witnesses very heavy rainfall. The rainy season starts from May and it continues till the month of September and October. The average rain fall in Mizoram is recorded to be approximately 3000 millimetres annually. Heavy storms also occur sometimes in this state during the month of March to April.

Financial inclusion basically means linking every family in the country to the financial system. In 2004 the khan committee identified that in India 67% of the population were not linked to any financial system. With the net worth and size of the business and individual financial inclusion provide financial services at an affordable cost. Financial inclusion is also called as inclusive financing because it offers the solution to business and individuals that are participating in financial sectors. It provides financial services and adequate services to the self help groups and the weaker sections of the society. The key objective of the user is to meet the user's specific need without discrimination. It has been estimated globally in year 2013 approx. 2 billion of working adults do not use financial services which is regulated by the financial institutions. Through financial inclusion rural areas increases saving and that helps in capital formation of the country and also boost up the economy. (Kapadia S.B. and Madhav V.)

Financial literacy is an aggregate of many things like awareness, skill, knowledge attitude and behaviour which is necessary to make a good financial decision and achieve the ultimate financial goal. Now a days financial transaction and financial market has expanded and through this savings and investment have also grown, to be financially literate all these information related to finance is absolutely required thus financial literacy is very essential. Financial literacy is the core skills which provides decision making ability to the person at a complex financial landscape. All around the globe governments emphasize on the need of financial literacy hence came up with different type of policies to measure them. Dharmaraju (2006).

2. Review of literature

A number of research and study has been conducted on Financial Inclusion and Financial literacy on weavers in India. Some studies were conducted in India and some were from studies conducted at the international level. But only few studies have been conducted on handloom in Mizoram. A very brief review is given below. According to the United Nation (2006), for increasing access to financial services by all segments of the population many developing countries need to design appropriate strategies into implementation plan and effective policy measures for increasing access to financial services by all segment of the population. Collins (2009) studied about the financial services and stated that it should be easily accessible by low-income individuals which is the basic concept of financial literacy. Dr.R.Agrawal (2011) notice that SC, ST, OBC

and women doing household work and those who are located in rural and semi-rural areas are financially excluded due to absence of bank account. The main reason is lack of savings, low financial planning and also low investment. So, it is difficult to avail credit from the bank. Catherine (2006) focused on crucial identity of money management and financial literacy. This study observed that a money management practice shapes the crucial identity of a person.

L. F. Klapper (2012) opined that to develop a sound personal financial status, consumers must improve their financial decision related ability. Dharmaraju (2006) expressed his views in his paper “marketing in handloom co-operatives” that over the decades, handloom co-operative experience has been a mixed one. There are some obstructions of efficient functioning of co-operative society that is mergers of arbitrary, master weavers’ control and power of local group, politics and funds mismanagement. In the opinion of Reddy (2008), for achieving sustainable development of the country the government has recognized the value of handloom sector. Consumers have given massive support to handloom and it becomes the livelihood option for millions of weavers but handloom industry is still surviving. Prachi (2010) observed that the Indian handloom popularity is increasing not only in Indian people but also in handicraft sector around the world and among those who admire Indian handloom. According to different style and patterns around the globe handloom is also changing their way of weaving and adapting different styles. IANS (2011) observed that Indian people need to go for “swadeshi” rather than “videshi”, sometimes weavers are ignored by the people as well as designers, that is the biggest tragedy for them. Fashion industry should convey the message to the public as fashion industry is a powerful platform.

3. Objectives of the study

1. To understand the issues and challenges faced by weavers in Thenzawl during the pandemic.
2. To analyze the level of financial literacy and financial inclusion among weavers in Thenzawl.
4. To explore the initiatives taken by the government of India to improve the condition of weavers.

4. Hypothesis

H0: There is no significant difference between financial inclusion and awareness and Marital Status of the respondents.

H1: There is a significant difference between financial inclusion and awareness and Marital Status of the respondents.

5. Research methodology

5.1 Population of the study: The population of the study is constituted of Weavers from Mizoram during the pandemic. The population of the study is focused on Thenzawl as this area is a handloom cluster and has the greatest number of weavers in Mizoram located in one district.

5.2 Sampling: The data for the study has been collected from 50 weavers from Thenzawl Mizoram, selected through random sampling method.

5.3 Sources of data:

Primary Data: The main primary data is collected from the weavers through a set of structured questionnaire designed specifically to collect the required data needed for the study. Interview method through phone has also used in order to collect primary data required for the study.

Secondary Data: Secondary data is collected from the reports of handloom departments, published report by the government, published research papers, offices center’s consequently with the industry, books and published thesis.

6.1 Impact of covid-19 pandemic on textile industry-

Textile sector is a highly unorganized sector; the government of India has initiated special measures to boost up production, marketing and job opportunities in the industry. The Government with the textiles export promotion council conducted a symposium, in which other stakeholders are finalizing the list of potential export products against which apparel of textile and exports can be enhanced. In order to make textile sector competitive, the Government of India has given rebates in many taxes/ levies in international market, the

government also continues ROSCTL (Rebate of State and central Taxes and Levies) until remission of duties and taxes on exported products (RODTEP) are merged with ROSCTL. Under the scheme ROSCTL the government has approved adhoc allocation of funds amounting to Rs 7398 crore for FY 2020-21. During COVID-19 pandemic the ministry of textiles implemented special measures to alleviate the difficulties of beneficiaries under amended technology up gradation fund (ATUFS). To boost up the economy of the country. Self-reliant government of India also announced a special economic package viz. Aatma Nirbhar Bharat Abhiyan.

The ministry of textile industry also took some initiatives for the benefit of artesian and handloom sector across the country. To support of handicraft and handloom sector the government has taken many steps and provides wide E- Market platform which enabled them to sell their products in various government departments and organizations. A policy frame work is designed to promote E-marketing of handloom products, under which any E- Commerce platform with good track records can participate. *Press Information Bureau, Government of India, Ministry of Textiles 2021*

6.2 Improved condition of weavers during pandemic

The government is aware about the conditions of the weavers in the country, it has taken many steps to overcome issues and challenges of weavers from the situation of COVID-19 pandemic and took the following initiatives for the welfare of the handloom weavers:

1. Due to the COVID-19 pandemic, it is not possible to organize marketing events such as exhibitions and melas etc., Therefore the Handloom Export Promotion Council (HEPC) decided to connect handloom weavers and international market virtually. HEPC has organized seven international fairs in virtual mode. The Indian Textiles Sourcing Fair organized many virtual fairs with approximately 200 participants from different states of the country in which they exhibited their products with unique skills and designs, it also attracted the international buyers to the country. HEPC also took part in Bharat Parv Festival in virtual mode organized by the Ministry of Tourism.
2. On the 6th National Handloom Day, a social media campaign #Vocal4handmade was launched by the government with the partnership of all stakeholders, it promotes the handloom legacy of India and also support the weaving communities in India. Many e-commerce websites have reported increase in sales of handloom products and it is also reported that due to the effect of social media the new craze for handloom products has returned in the market among the customers.
3. During August- October 2020, 534 chaupal were organized so that the weavers can educate and take the benefits of all the handloom schemes which is provided by the government.
4. Government of e-Market place is the platform which enables the support of handloom and handicraft sector, It enables them to sell their products to many government department and organizations, approximately 1.5 lakh weavers have been registered in the GeM portal.
5. To build and create excellent designs in handloom sectors, the Design Resource Center (DRCs) set up various Weavers Service Centers (WSCs) in all over India through NIFT such as Delhi, Mumbai, Varanasi, Jaipur, Guwahati, Bhuvneshwar and Ahmadabad to assist weavers in this time of crisis.

Besides those mentioned above the Ministry of Textiles also took some initiative for the development of Handloom sector and implemented different kinds of schemes across the country such as

- National Handloom Development Program (NHDP)
- Comprehensive Handloom Cluster Development Scheme (CHCDS)
- Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)
- Yarn Supply Scheme (YSS)

6.3 Data analysis and findings: The data is collected from respondents in the population reveals various issues and challenges faced by the weavers during the pandemic and also analyzed some level of financial literacy and financial inclusion among the weavers in Thenzawl Mizoram.

Table 1.1: Major findings of the study

Sl.no.	Particulars	Percentage
1	Gender	
	(A) male	18%
	(B) female	82%
2	Age	
	(A) 18-25	24%
	(B) 26-35	26%
	(C) 36-45	38%
	(D) 45 and above	12%
3	Educational qualification:	
	(A) Primary	26%
	(B) Secondary	68%
	(C) Graduate	6%
4	Marital Status	
	(A) Unmarried	40%
	(B) Married	48%
	(C) Divorced	6%
	(D) Widow/Widower	6%
5	Occupational Experience	
	(A) 1-5 years	32%
	(B) 6-10 years	52%
	(C) 11 and Above	14%
6	Effect of pandemic on household income	
	(A) Income Increased	4%
	(B) Income decreased	96%
7	Effect on online transaction	
	(A) Before Pandemic	22%
	(b) After pandemic	38%
8	Problem in market finished product	
	(A) Before Pandemic	48%
	(B) After pandemic	52%
9	Problem in procuring raw material	
	(A) Before Pandemic	10%
	(B) After pandemic	36%
10	knowledge of financial aid and schemes	N/A
11	Bank Account	
	(A) Bank Account	32%
	(B) No Bank Account	68%

Source: Authors Compilation

7: Discussions on findings of the study are given below:

- i. The analysis of the study shows that most of the weavers in Mizoram are female comprising of 82 percent from the entire weaving population.
- ii. The age group of most of the weaver lies between 36-45, which is 38 percent from the population, 26 percent of the weavers are between 26-35 years and 24 percent of the weavers were found between 18-25. And the rest 12 percent were found to be 45 and above.
- iii. Educational qualification of the most of the weavers is up to secondary school, which is 68 percent and, 26 percent weavers only had primary education and only 6 percent of the weavers are graduates.
- iv. The study reveals that majority of the weaver 52 percent are married and 48 percent are unmarried.
- v. The occupational experience of most of the weavers are between 6 to 10 years, which comprised of 52 percent and, 32 percent of the weavers have experience between 1 to 5 years, and 14 percent have experience of 11 and above years and only 2 percent have less than one year experience in weaving.
- vi. According to the study, 96 percent of the weaver's household income has decreased during pandemic and all of the weaver's production process has been affected due to the pandemic.
- vii. Data shows, before pandemic only 22 percent weavers were using online transaction for their business but after the pandemic it increased to 38 percent.
- viii. According to the study, 48 percent of the weavers were facing problems in marketing their finished products before pandemic but after the pandemic 52 percent of the weavers are facing problems to sell and market finished products.
- ix. Before pandemic only 10 percent of the weavers were facing problems in procuring raw material but after pandemic it increased to 36 percent.
- x. The analysis reveals that majority of the weavers are still not aware of the various financial aid and schemes of different banks and financial institutions which shows that the level of awareness and inclusion financially is still very low.
- xi. It can also be observed from the analysis that majority (68 percent) of the respondents still do not have their own bank accounts to enable savings. Thus, another indicator of low levels of financial inclusion among the weavers.

TABLE 1.2: Group Statistics

	Marital Status	N	Mean	Std. Deviation
Financial Awareness & Inclusion	Married	26	2.8754	1.66079
	Unmarried	24	5.4336	1.58044

Source: Analysis of the Data compiled by the researcher

TABLE 1.3: Levene's Test for Equality of Variances

F	Sig.
11.311	0.001

Source: Analysis of the Data compiled by the researcher

TABLE 1.4 : t-test for Equality of Means					
T	df	Sig (2 tailed)	Mean difference	Std. Error difference	95% Confidence interval of the difference
-14.341	448	.000	-2.55826	0.17839	-2.90885

Source: Analysis of the Data compiled by the researcher

We can observe from the table 1.2 that the means of married and unmarried weavers differ showing that there is a difference between the two groups as far as financial awareness and inclusion is concerned. The next table 1.3 shows the Levene's Test for Equality of Variances in which the significance level is $p = .001$ which is smaller than the $\alpha = .05$ which denotes that the variance is significantly different and the bottom row of the t-test results should be interpreted.

In the next table 1.4 the results of the t-test has been presented and can be interpreted. Since the sig (p value = .000) which is smaller than the $\alpha = .05$ we can conclude to say that the test is significant and the hypothesis H1 is failed to be rejected showing that there is a significant difference between marital status and financial awareness and financial inclusion. It is evidently clear from the test that married and unmarried weavers experience a significantly different level of financial awareness and financial inclusion. Sig (2 tailed) = .000, $t(448) = -14.341$, $p = .000$ at 95 % confidence level .

8: Conclusion and suggestions

It is evident that the pandemic has taken a huge toll on everyone irrespective of the occupation in different parts of the world. This study is based on the management of weavers during pandemic and it can be concluded from the study that very a smaller number of weavers were facing problem of procurement of raw materials before pandemic but after pandemic it has been found to be 36 percent and after the pandemic more than 50 percent weavers faced problems in selling of finished products. Due to pandemic the household income of the weavers has decreased and production process has also decreased. The financial inclusion and financial literacy of weavers is very less because it was also found that very few weavers have bank accounts and do not avail any aid from the bank and other financial institutions which reveals that more awareness and training must be provided to the weavers in Thenzawl. It was also observed that out of 50 weavers only 11 weavers were using online transactions for marketing their finished products and after pandemic the number increased to 19, which is 38 percent of the total population.

So, it can be suggested training should be provided to the weavers by different self-help groups on how to manage their household income during pandemic situation and also need to give training on how to increase production during pandemic by adopting new and efficient means and techniques. Here weavers are still not using online transaction process, which is very important today because everything is being compelled to become cashless. Therefore, weavers in Thenzawl Mizoram should focus on sustainability in weaving and must adapt to the various coping strategies to tackle the issues and challenges faced by them during the pandemic and all of this is possible if the levels of financial awareness and financial literacy among the weavers is increased.

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