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IMPACT OF COVID-19 ON POWER LOOM SECTOR:
WITH SPECIAL REFERENCE TO POWER LOOM CLUSTER OF BELAGAVI

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ABSTRACT

The world is battling with modern horrors like the COVID-19, which has left the entire world befuddled and in the lurch as to how one virus has brought the entire world to a standstill. This devastating virus which is declared by the WHO as the pandemic has taken over almost 195 countries in its grip. The entire world is facing Covid-19 Pandemic, which has not left any part of the world to face it. One side lives are been lost as a result of Pandemic, on the other side largest problem that the world is facing big downfall in the economy too. This economic crisis has attacked various businesses in and around the world. In all sorts of Travel, Hospitality, Hotels, Restaurants, Bar, Package food, retail, e-commerce, Automobile etc. One of the severely affected industries is Textile manufacturing too which is the second largest employment creating industry after agriculture. The textile and clothing Industry employs over 105 million people and also earn around US $ 40 billion FOREX, apart from substantial revenue under GST and other taxes. But this industry is shut down since due to lockdown and all the stakeholders of the industry are suffering severely. This research paper explain the current situation of power loom industry of Belagavi which known for production of sarees.

Keywords: *Power Loom, COVID-19, GST, Hospitality, e-Commerce.*

Introduction

The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labour in textiles. The textile industry continues to be the second-largest employment generating sector in India. It offers direct employment to over 35 million in the country. According to the Ministry of Textiles, the share of textiles in total exports during April–July 2010 was 11.04%. During 2009–2010, the Indian textile industry was pegged at US$55 billion, 64% of which services domestic demand. In 2010, there were 2,500 textile weaving factories and 4,135 textile finishing factories in all of India. According to AT Kearney's 'Retail Apparel Index', India was ranked as the fourth most promising market for apparel retailers in 2009.

India is first in global jute production and shares 63% of the global textile and garment market. India is second in global textile manufacturing and also second in silk and cotton production. 100% FDI is allowed via automatic route in textile sector. Rieter, Trutzschler, Saurer, Soktas, Zambiati, Bilsar, Monti, CMT, E-land, Nisshinbo, Marks & Spencer, Zara, Promod, Benetton, and Levi's are some of the foreign textile companies invested or working in India.

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's textile and apparel exports stood at US$ 38.70 billion in FY19 and is expected to increase to US$ 82.00 billion by 2021 from US$ 22.95 billion in FY20 (up to November 2019). Exports of textiles from India expected to reach US$ 82 billion in 2021 from US$ 39 billion in FY19.

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The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The decentralized power loom sector is one of the most important segments of the Textile Industry in terms of fabric production and employment generation. It provides employment to 61.72 lakhs persons and contributes 62 percent to total cloth production in the Country. 60% of the fabrics produced in the power loom sector are of man-made. More than 60% of fabric meant for export is also sourced from power loom sector. The readymade garments and home textile sectors are heavily dependent on the power loom sector to meet their fabric requirement.

There are approximately 5.24 Lakh Power loom Units with 24.69 Lakh Power looms as on December, 2015. The technology level of this sector varies from obsolete plain loom to high tech shuttle-less looms. There are approximately 1, 05,000 shuttle less looms in this sector. It is estimated that more than 75% of the shuttle looms are obsolete and outdated with a vintage of more than 15 years and have virtually no process or quality control devices / attachments. India has only 2% shuttle-less looms as against the world average of 16%. Our competitors China, Pakistan and Indonesia have 15%, 9% and 9% respectively of shuttle-less looms.

Karnataka has a significant presence of power looms. There are about 120000 looms engaged in weaving of silk and cotton. Power looms are mainly concentrated in Belagavi, Bagalkote, Tumkur, Bangalore Urban and Rural Districts. The thrust of the department is to modernize the power looms and support them. But this industry is shut down since long time due to lockdown and all the stakeholders of the industry are suffering severely. With factories shut, shipments stranded and payments delayed, due to Covid–19, the textile and clothing sector is going through dark times indeed. According to estimates by Clothing and Manufacturers Association of India (CMAI), the textile sector is looking at a potential job loss of one crore.

Indian Textile Industry Structure and Growth

The size of India's textile and apparel market recorded USD 108.5 billion in 2015 and is expected to reach USD 226 billion by 2023, growing at a CAGR of 8.7 per cent between 2009 and 2023. India is the second largest producer and exporter of cotton in the world at $6.3 billion, marginally close to China. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP). The Indian textile industry has the potential to reach US$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester.

India's textile industry is one of the economies largest. In 2000/01, the textile and garment industries accounted for about 4 percent of GDP, 14 percent of industrial output, 18 percent of industrial employment, and 27 percent of export earnings (Hashim). India's textile industry is also significant in a global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns. In contrast to other major textile-producing countries, mostly small-scale, non-integrated spinning, weaving, cloth finishing, and apparel enterprises, many of which use outdated technology, characterize India's textile sector. Some, mostly larger, firms operate in the "organized" sector where firms must comply with numerous government labor and tax regulations. Most firms, however, operate in the small-scale "unorganized" sector where regulations are less stringent and more easily evaded.

The unique structure of the Indian textile industry is due to the legacy of tax, labor, and other regulatory policies that have favored small-scale, labor-intensive enterprises, while discriminating against larger scale, more capital-intensive operations. The structure is also due to the historical orientation towards meeting the needs of India's predominately low-income domestic consumers, rather than the world market. Policy reforms, which began in the 1980s and continued into the 1990s, have led to significant gains in technical efficiency and international competitiveness, particularly in the spinning sector. However, broad scope remains for additional reforms that could enhance the efficiency and competitiveness of India's weaving, fabric finishing, and apparel sectors.

Structure of India's Textile Industry

Unlike other major textile-producing countries, India's textile industry is comprised mostly of small-scale, nonintegrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labor-intensive, small-scale operations and discriminated against larger scale firms:

- **Composite Mills:** Relatively large-scale mills that integrate spinning, weaving and, sometimes, fabric finishing are common in other major textile-producing countries. In India, however, these types of mills now account for about only 3 percent of output in the textile sector. About 276 composite mills are now operating in India, most owned by the public sector and many deemed financially "sick."
- **Spinning: Spinning** is the process of converting cotton or manmade fiber into yarn to be used for weaving and knitting. Largely due to deregulation beginning in the mid-1980s, spinning is the most consolidated and technically efficient sector in India's textile industry. Average plant size remains small, however, and technology outdated, relative to other major producers. In 2002/03, India's spinning sector consisted of about 1,146 small-scale independent firms and 1,599 larger scale independent units.
- **Weaving and Knitting**: Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. India's weaving and knitting sector remains highly fragmented, small-scale, and labor-intensive. This sector consists of about 3.9 million handlooms, 380,000 "power loom" enterprises that operate about 1.7 million looms, and just 137,000 looms in the various composite mills. "Power looms" are small firms, with an average loom capacity of four to five owned by independent entrepreneurs or weavers. Modern shuttleless looms account for less than 1 percent of loom capacity.
- **Fabric Finishing:** Fabric finishing (also referred to as processing), which includes dyeing, printing, and other cloth preparation prior to the manufacture of clothing, is also dominated by a large number of independent, small scale enterprises. Overall, about 2,300 processors are operating in India, including about 2,100 independent units and 200 units that are integrated with spinning, weaving, or knitting units.
- **Clothing: Apparel** is produced by about 77,000 small-scale units classified as domestic manufacturers, manufacturer exporters, and fabricators (subcontractors).

Overview of the Indian Power Loom Sector

India manufactures 5% of cloth through organized sector, 20% through Handloom sector, 15% through knitting sector and 60% of Indian cloth is produced through decentralized power loom sector. The decentralized power loom sector is the lifeline of Indian Textile Industry.

Power Looms of Karnataka

The decentralized cottage power loom industry occupies a predominant place in the industrial map of Karnataka state. This is a very important industry from the socio-economic point of view. Its potential for generating employment and foreign exchange are considerably large. It is a complementary activity for generating employment. There are no authentic records to show when power looms were first introduced in Karnataka. It is difficult to get any records or accurate statistics of power looms. The recent census of power looms was in the year 1995-96. The details of number of weavers and power looms in the state according to the 1995-96 census is given in the table 4.6.

The power loom industry in the state is decentralized and scattered throughout the state in different districts. The details of district wise distribution of power looms is given in the table 4.7 The Power looms have been extensively developed in the districts like- Bangalore (R), Bangalore (U), Belagavi, Bagalkot. There is moderate development of power looms in the districts like- Bijapur, Haveri and Gadag. In the remaining districts the power loom activity is found on a very small scale. The power loom industry of Karnataka is the 5th largest in the country in terms of authorized loomage. Silk varieties predominate the product mix that the industry produces; followed by art silk and cotton varieties. Bangalore and Doddaballapur are specialized in production of silk sarees, where as Belagavi has concentrated on pure polyester sarees and Bijapur district in cotton sarees. Nearly 95% of the loomage in the state is concentrated in three districts; viz, Bangalore, Belagavi and Bagalkot. The growth of power loom industry in Karnataka is not significant as compared to other leading states in India. Another fact is that all the three districts in the state are mainly

producing sarees. These three districts were originally handloom centers, but during mid sixties power looms were introduced and since then the industry has been gradually developing. It is more capital intensive.

Review of Literature

Chaudhary, Saini, and Solanki (2015), attempted to understand the different problems of Handloom& power loom industries in Uttar Pradesh. The researchers opinioned that there is no appropriate marketing method in the handloom &Power loom Industries in Uttar Pradesh and the price of the yarn and fabric always fluctuates. Authors are argued that the middle man play critical role in marketing factors, infarct they enjoying the main profit.

Muthu, (2015), examined the growth prospects of power loom sector and cloth production of decentralized power loom sector in India during the period between 2006-07 and 2012-13. The study shows that number of power looms were increased in this study period and government support has been continuously increasing for this sector. The suggestion has given to government to focus on technology up gradation and modernization of power loom service centres.

Sultana and Nisa (2016), Study reveals explored the socio economic conditions of the power loom weavers in the Mau city. Due to low manufacturing output the socio economic condition of weavers is going down. Researchers found many reason for low socio economic condition like poverty, lack of literacy, low electricity supply, lack of government support etc. and further researchers opinioned that, there is an immediate support from government to strengthen the power looms.

Suresh and Mangalam (2016), Attempted to evaluate the functioning of Power loom industry and the features influenced on successful operation of Power loom industries in Tamailnadu. The primary data collected through the entrepreneurs of power loom industries in study area. The researchers opinioned that the machinery they are using almost obsolete in nature and technology should be improved among the power loom entrepreneurs.

Kumar and Kuppusamy (2016), attempted to study the successful qualities of entrepreneurs of power loom sectors in Tirpur district. The researchers used the reliability and factor analysis for this study. 22 points were discussed to check the qualities like willingness, competition; lessons learnt from failure, own luck, etc. at the same time one more study of Kumar and Kuppusamy (2016) is focused on cluster analysis of power loom entrepreneurs in Tamilnadu. The study covers variable like market segment characteristics, financial status, symptom classes, productivity attributes

Based on problems facing by power loom industries Amiri's (2016) study focused on expectations of power loom industry from government. Researcher studied on small scale power loom units of solapur. Researcher suggested for government support in the form of subsidies and schemes.

Khan and Sultana (2016), studied on socio economic development of power loom industry workers. The study focused on importance of income, debits, and savings of power loom workers. With the government support change can be bring in development of workers. The researchers observed that since decades Power loom weavers continue to commitsuicide because of financial crisis which has affected their Socio economic position. With the intervention of government can make changes in socio economic conditions of power loom workers.

Sudha and Sarvanaraj (2016), study focused on issues of Tamilnadu's Power loom industry. The authors conducted SWOT Analysis of Power loom Clusters and the study explained position of power loom industry in Tamilnadu.

Rani and Thilagavathi's (2017), Study focused on problems of power loom industries. The surveyed data shows that some problems are facing by power loom industries like financial, environmental and raw material problems.

Hajgolkar and Talwar's (2017), Study focused on performance of Power loom entrepreneurs in Belagavi city. The study with smart city project and According to the study around 45% of power loom units are producing sarees. Researchers suggested for technological improvements in their units.

Yadagiri and Narsaiah (2017), Studied on socio economic problems of power loom workers. Researchers are taken factors like age, income, service, literacy for this study.

Kudachimath and Mahantshetty (2017), study on decentralized power loom industries shown an upward trend towards growth particularly in employment generation and production. Researchers opinioned that industry generates employment to both skilled and unskilled man power and there is a positive relation between the power loom sector and GDP.

Bhavya, Kulkarni and Ashwini (2017), studied on Economic Analysis of Silk Saree Weaving by Power Loom industries in Tumkur district of Karnataka state. The study revealed that there is a variation in man days, and these depended on type and design produced in power loom.

Premalatha, (2018), Studied on problems of workers working in small scale power loom industry, the study shown that the weavers are facing some problems like finance and health and it is showing in decrease in wages and poverty. The author urges government support in low rate electricity supply and proper wage system.

Objectives of the Study

- To study the impact of COVID-19 on the operations of the power loom sector of Belagavi.
- To know the effects of COVID-19 on socio-economic conditions of power loom workers and owners.
- To find the challenges or constraints faced by the power loom owners due to COVID-19 lockdown.

Methodology

- **Secondary Data**

Secondary data has been collected from Government publication reports, text books, Articles, Papers, Journals, and Magazines etc.

- **Primary Data**

The primary data is obtained from Power loom units of selected study area. The primary data have been collected through well structured questionnaire, personal interviews, discussions and observations.

Selection of the Study Area and Sample Size

The selected study area is Belagavi City of Karanataka State in India. Randomly 100 respondents were selected in Vadagavi, Shahapur, Sulebhavi areas of Belagavi city, on the basis of maximum number of Power loom entrepreneurs.

Techniques of Data Analysis

The data obtained from the field survey have been processed and compiled in suitable tables so as to derive appropriate inferences and conclusions. SPSS statistical tool has been used in data analysis to interpret data on basis of percentages and frequency.

Limitations of the Study

The study is limited only to Belagavi City. The conclusions must be drawn in due care when attempt is made to generalize the results. Further survey method was adopted for collecting data for this study, which has its own limitations. The respondents do not maintain any records and so they had to recall and furnish the information for the query put forth by the researcher. Hence, the present research study is suffering from the following limitations.

- The area covered for the present study is restricted only to the range of Belagavi city.
- The study confines to the power-loom sector only, leaving the handloom sector untouched.

Data Analysis and Interpretation

Table 1: Age Wise Classification of Respondents

Sr.No	Age Groups	Number of Respondents	Percentage
1	Up to 20yrs	08	8.00
2	21 to 30yrs	12	12.00
3	31 to 40yrs	12	12.00
4	41 to 50yrs	20	20.00
5	51 yrs and above	48	48.00
6	**Total**	100	100.00

Source: Primary Data field survey

In the above Table 1 it is clear that, almost mixed age group respondents were engaged in the power loom units. Majority of 48.00 per cent of respondent were in the age group more than 51 years, 20.00 per cent respondent were between 41 to 50years age group, 12.00 per cent of respondent were coming under 31 to 40 years age groups, 12.00 per cent of respondent were between 21 to 30 years age group, finally only 8.00 per cent of respondent were coming under up to 20 years age group.

Table 2: Educational Qualifications

Sr.No	Qualification	Number of Respondents	Percentage
1	Up to 7th	12	12.00
2	Up to 10th	12	12.00
3	Above PUC	36	36.00
4	Above Degree	13	13.00
5	Illiterate	27	27.00
	Total	100	100.00

Source: Primary Data from field survey

Table 2 Level of education of the head of the house hold member of the family also determines the performance of power loom units. In above chart shows that 36.00% of respondents were having education qualification above PUC, 12 respondents were qualified Up to 10^{th}, 13% respondents were qualified above degree, 12% respondents have up to 7^{th} level education, and 27% respondents found illiterate.

Table 3: Assets held by Respondents

Sl.No	Details of Assets	Number of Respondents	Percentage
1	Land	15	15.00
2	House	30	30.00
3	Looms	35	35.00
4	Equipments	20	20.00
	Total	100	100.00

Source: Primary Data from field survey

Above Table 3 depicts that, different types of assets held by respondents. Majority 35% of respondents were held assets in the form of looms, 30% of respondents held houses ,20% of respondents held machinery equipments and only 15% of respondents held land.

Table 4: Number of Power Looms Owned

Sr. No	Number of looms owned	Number of Respondents	Percentage
1	Up to 15	55	55.00
2	15 to 20	25	25.00
3	21 and above	20	20.00
	Total	100	100.00

Source: Primary Data field survey

In the Table 4 shown the number of power looms maintained by respondents. 55% of respondents were owned up to 15 power looms, 25% of respondents were owned 15 to 20 power looms, and 20% of respondent were owned only more than 21 power looms.

Table 5: Monthly Income

Sr.No	Monthly Income (Rs)	Number of Respondents	Percentage
1	Up to10,000	60	60.00
2	10,001 to 20,000	17	17.00
3	20,001 to 30,000	10	10.00
4	30,001 to 40,000	13	13.00
	Total	100	100.00

Source: Primary Data from field survey

Table 5 indicates the various level monthly incomes earned by respondents. 60% of respondent were monthly income up to Rs. 10.000 only, 17% of respondents were having income Rs. 10,001 to 20,000, 10% of respondents earn Rs, 20,001 to 30,000 and 13% of respondents have monthly income Rs.30, 001 to 40,000 per month.

Table 6: Production Problems Facing by Power loom units during COVID-19 Lockdown

Sr.No	Type of Problems	Number of Respondents	Percentage
1	Scarcity of raw materials	30	30.00
2	Labour Problem	30	30.00
3	Shortage of power	00	0.00
4	Transport problem	20	20.00
5	High Cost of Raw Material	10	10.00
6	No Orders	10	10.00
	Total	100	100.00

Source: Primary Data from field survey

In above Table 6 prevails the problems facing by respondents in production during the lockdown period which are adverse affect to entrepreneur performance in production. 30.00 per cent of respondents were faced the labour problem due to lockdown, , 30.00 per cent of respondent have mentioned non-availability of raw material, 20.00 percent of the respondents were facing transportation problem, 10.00 percent respondents were facing the problem of high cost of raw material due to non availability in the market and 10.00 per cent of respondents were not having problem of no orders for the finished products.

Findings of the Study

- The study found that all the power loom units are closed down due to severe impact of COVID-19 lockdown.
- Majority of the units do not have stock of raw material to start over the operations immediately after completion of lockdown.
- The study shows that power loom owners are broken financially and the Government support to overcome this difficult situation.
- The skilled workers, who have worked at these power looms for generations, have been hit hard by the severe effect of COVID-19 lockdown as all the looms have become silent.
- It is observed in the study that the sector has also been deprived of earning with marriages being put off for the time being which was the one of its major sources of revenue.
- The analysis shown that the power loom sector is scared on account of cash crunch, supply chain disturbance and man power related issues.

Suggestions

- The Central and state government has to announce extra package for the power loom industry to flourish like earlier.
- Banks and other financial institutions need to come forward and help the power loom sector to overcome this pandemic situation.
- The government has to do something for the labour who hit severely due to lockdown.
- Finally, Government need to provide more financial provisions to power loom entrepreneurs to sustain in this critical situation.

Conclusion

The study has proved that power loom sector has suffered heavily due to COVID-19 lockdown from all the angles. It revels the current situation of power loom owners as well as the labours who were working there. A proper rejuvenating measure should be initiated to safeguard the power looms industry which is second largest business sector in India which is one of the major contributor to the economy in terms of production, employment and export.

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