

Seminar Paper

on

**“Prospects and Challenges of Handloom Industry: A Study
on Khagrachhory Hill district of Bangladesh.”**

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To whom it may concern

This is to certify that Mr. Md. Maniruzzaman Khan, Project Director (Deputy Secretary), Department of Textiles bearing roll number 133 of 126th Advanced Course on Administration and Development (ACAD) has conducted this study titled “ Prospects and Challenges of Handloom Industry: A Study on Khagrachhory Hill district of Bangladesh” under my direct supervision for the partial fulfillment of the course.

I wish every success in his life.



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Prospects and Challenges of Handloom Industry: A Study on Khagarchhory Hill district of Bangladesh.

ABSTRACT:

The Handloom industry in Bangladesh has got the biggest handicraft industry in our country; It is the second largest source of rural employment next to agriculture. The handloom has a bright historical past, questionable present and blurry future due to a huge number of internal and external factors that are playing behind the scene. Handloom industry in Khagarchhary Hill district has a glorious history of its own. The present study is an attempt to identify all the internal and external factors that are great contribution to attain the true and realize the present condition of handloom industry in Khagarchhary Hill district, Bangladesh.

The study is based on secondary data. In this study, data were collected through observation and discussion with the handloom industry owners and both male and female workers in Sadar upazilla of Khagarchhary Hill district. A total of 5 handloom units were randomly selected for the study. The secondary data used in this study were collected from different sources such as books, reports, journal, articles, online sources and especially from conducted by Bangladesh Bureau of Statistics (BBS). The study found from Handloom Census 2018 that Bangladesh stood 1,16,006 handloom units engaging around 3,01,757 persons where male persons were 1,33,444 and female persons were 1,68,313. But in Khagarchhary Hill district, it was found that about 25,214 female

persons were engaged in handloom sector whereas only 4,098 male persons were engaged in this sector. That means, female handloom workers are 6 times bigger than male handloom workers in this sector. In field study, it was observed that there are some predetermined factors, like- shortage of working capital, high cost of raw materials, inadequate credit facilities, lack of power supply, shortage of organizing capability, those are the main focus that directly hit the handloom industry in Khagarchhary Hill district, Bangladesh. So, government should take necessary steps to overcome these shortage for the development of handloom industry. The most important finding is that handloom sector provides employment for the women labour force at family atmosphere.

Keywords : Handloom industry, female worker, development, government.

INTRODUCTION AND LITERATURE REVIEW:

Handloom industry is playing a significant role to reduce poverty by increasing household income and generating employment in Bangladesh and this industry is the biggest handicraft in Bangladesh. It plays an important role for income generation and linking with other source. At the emergence of Bangladesh the handloom industry of the then East Pakistan was the predominant source of supply of woven and finished fabrics, in this region , with the *sari, lungi , gamcha*, and shirting , being the garment of choice of rural Bangladesh. The fortunes of this industry in the post –liberation period were seen as central to the fate of rural industry as far back as the First Five Year Plan of Bangladesh. The plan strategy aimed to preserve the handloom industry as the main source of cloth and garments, based on a division of labour with the publicly owned modern spinning industry.

The post–liberation history of dealing with the handloom industry has unfortunately been characterized by an almost universal record of government failure in suite of the best intentions of successive governments to restore the handloom industry to its pristine glories. The government of Bangladesh began by trying to rescue the weavers from the clutches of exploitative middlemen and *dadon* masters and in the process succeeded in

Many people get employment opportunity from this industry and government is getting huge income tax from this sector. So attention should be given for the nourishment of handloom industry that is very much imperative to achieve SDG targets like no poverty and decent work.

The art of weaving is perhaps as old as human civilization Bangladesh can proudly claim to have many branches of this ancient art, of which the best known and most popular is the specialty Jamdani, which is one of the varieties of the famous Dhaka Muslim or Mulmul. Zohir, I.S, 1996. Handloom products have shown decisive upward trend in the export market since 1972 and Bangladesh handloom products with their distinctive design and superior quality have created a niche for themselves in overseas market. [Asian Development Bank (ADB) 2002]. The handloom sector is still a very important part of the textile industry of Bangladesh, is responsible for a very high percentage of the nation's economy. As Handloom sector is the biggest handicraft industry in our country, it is the second largest source of rural employment after agriculture. Though the employment opportunity in this sector has been squeezed in the last 15 years, this sector is still offering employment to 10 million weavers in rural area (Zohir, I.S. 1996). Weavers in our country don't get quality raw materials at right time and at right place (Ahmed, M.U. 1999). The main problems regarding the diffusion of the improved handloom techniques appear to have been lack of technological knowledge and skills as well as financial stringency of the weavers (Latif, M.A. 1998). Weavers are suffering from inadequate contemporary technology and scarcity of working capital, which are mandatory to maintain the smooth flow of production (ADB, 2002).

OBJECTIVES OF THE STUDY:

The principal objectives of the study are to bring to focus on existing improvement of Handloom industry in Khagrachhory Hill district of Bangladesh. In the light of this main objective, the study is as follows :

1. To identify some challenges that are hindered the prospect of handloom industry in Khagrachhory Hill district.

2. To provide some suggestions to overcome these constraints.

RESEARCH QUESTIONS:

1. What are the problems that affects the development of Handloom Industry in Khagrachhory Hill district.
2. What measures should be taken for the improvement of Handloom Industry in Khagrachhory Hill district.

CONCEPTUAL FRAMEWORK:

A handloom is a very simple machine used for weaving. It is constructed in a wooden vertical-shaft looms, the heddles are fixed in place in the shaft. The warp threads pass alternately through a heddle, and through a space between the heddles (the shed), so that can raising the shaft raises half the threads (those passing through the heddles), and lowering the shift lowers the same threads – the heddles remain in place. According to operational system there are two types of looms such as handloom and power loom. A loom may be operated manually or mechanically. Normally handlooms are those, which are manually operated, and as such , these are distinct from power looms, which are operated by electricity i,e power operated. According to Bangladesh Handloom Board ordinance, 1977 – ‘handloom’ as a ‘weaving device operated manually for production of fabrics other than 100% silk or artsilk’. There are many types of handloom in Bangladesh. Such as : 1) Pitloom 2) Power loom 3) Chittaranjan loom 4) Benarasy and Jamdani loom 5) Kamer / waist loom 6) Frame.

Among all types of loom Benarasy looms are operated in Mirpur area, Dhaka, the Jamdani looms are specially concentrated in Rupgong, Narayangang and Tangail district. On the other hand Kamer / waist loom is found in the Hill Tracts of Chattogram. The present system of industrial organization in the handloom industry of Bangladesh is a

complex one where every system- the home system (in the tribal areas), the handicraft or cottage system, the domestic or dadan system, and the factory system works side by side. Noticeable changes in organization have taken place during the period of our reference. Although the factory organization has shown a noticeable increase during the period, it has remained at a low level in terms of proportion of units.

The handloom industry has been a traditional craft, but still many new hands have been entering into the trade. Moreover the job of weaving has been gradually becoming prominent as a primary occupation of the weavers. All these imply the growth of the industry. At the weavers level, however, there are wide variation of socio - economic conditions. This has important implications for the overall performance of the business organization of the weavers.

Organizationally, the industry has a certain advantage, too, in terms of the supply of labour. A substantial proportion of the workers are unpaid members of the weavers families. Also there are cheap supplies of outside labour, especially of female and child workers, who tend to work at very low wages, possibly because of rural poverty and the lack of suitable employment opportunities elsewhere. Surprisingly, these low wages of female and child workers are becoming even lower by time. This may be one of the main reasons for survival and growth of the handloom industry.

METODOLOGY OF THE STUDY:

The methodology of the study includes the selection of sample size and data collection method.

1. Sample size: In the study, all listed handloom factories in Khagrachhory Hill district, Bangladesh have been selected which were five in number.
2. Data collection: In this study data were collected from observation and discussion with selected handloom factory and secondary data were considered. To bust up theoretical background of the study different local and international published articles, website, Handloom Census 2018.

FINDINGS OF THE STUDY:

In Bangladesh, Handloom industry did not establish and develop equally in all districts. Due to availability of imputes, marketing and transportation facilities this sector is developed historically in some regions. With the following table no.1 illustrates the concentrated areas of handloom industries in Bangladesh.

Table 1. Top Fifteen Handloom Concentrated Districts, 2018

District	Househol d Based Unit	Factory/Industr y Based Unit	Total Units	Rankin g	Share of Total Units %
Rangamati	29219	5	29224	01	25.19
Khagrachhari	18115	1	18116	02	15.62
Bandarban	16830	-	16830	03	14.51
Kushtia	10655	1	10656	04	9.19
Sirajganj	9541	225	9766	05	8.42
Narayanganj	3944	11	3955	06	3.41
Bogura	3375	-	3375	07	2.91
Tangaial	3043	247	3290	08	2.84
Pabna	2829	04	2833	09	2.44
Moulvibazar	2491	-	2491	10	2.15
Jhenaidah	1899	-	1899	11	1.64
Chapainababgan j	1479	2	1481	12	1.28
Dhaka	1381	-	1381	13	1.19
Rajbari	1255	2	1257	14	1.08
Naringdi	1103	25	1128	15	0.97
Total (Top Fifteen Districts)	107159	523	1,07,65 2	-	92.82

Percentage (%) share of each top fifteen ranked handloom concentrated district out of total handloom units (1,16,006) in Bangladesh.

Table 1. displays that approximately 92.82% handloom units of Bangladesh are located in top fifteen handloom concentrated districts. The table also describe that Rangamati Hill district is the top ranked handloom concentrated districts having 25.19% units among the 60 handloom districts in Bangladesh. The most important subject is that second and third position hold by the other two Hill districts Khagrachhory (15.62) and Bandarban (14.51%) respectively. Other than hill districts Kustia, Sirajgong and Narayangong stood at fourth, fifth and sixth ranks respectively.

Handloom industry in Khagrachhari Hill district has a glorious and significance history of its own. Here handloom factory produces mainly 3 pieces, bed cover, *thami*, winter chaddar, paposh, etc. in Khagrachhay Hill district. It is observed that all the active looms are been operated during winter season and the operational rate is decreasing in rainy season.

Table 2: Describes the distribution of year- round operational Looms by types.

		Total				Year round Active looms					
Zila	Units	Looms	Total	pit	Frame	Komor	Chittaranjan	Banarashi	Jamdani	sotoronji	Power looms
1	2	3	4	5	6	7	8	9	10	11	12
khagrachhari	18105	30487	16665	17	36	16612	-	-	-	-	-

It is observed that distribution of currently operational looms by types is 24645 and non – operational looms by types is 5842 according to the Handloom Census 2018.

In Khagrachhari Hill district a major portion of labor forces are engaged is handloom industry. It is the second largest source of rural employment next to agriculture in

Khagrachhari Hill district. The employment structure in handloom industry by male and female are shown in Table 3 according to the Handloom Census 2018.

Table 3. Distribution of weavers and workers in Handloom sector by Sex

Zila	Total Unit	Looms	Wavers			Allied Workers	Others Labours	
			Male	Female	Male	Female	male	Female
1	2	3	4	5	6	7	8	9
Khagrachhari	18105	30487	1591	21439	1318	3235	51	74

From the above table it is observed that in Khagrachhari Hill district, the movement of female labor force is 8 times higher than male labor force. Female labor force are observed prominent in the market as they are serving as sales girl in the shop. Although handloom industry plays an important role for economic development of Bangladesh but in Khagrachhari Hill district it is observed that the weavers are yet to get handloom sector as their main profession. In Khagrachhari Hill district, there is a scarcity of plain land for developing agriculture sector but the improvement of this sector is not smooth and it faces lot of challenges.

CHALLENGES IN HANDLOOM INDUSTRY IN KHAGRACHHARI

- The educational status of the weavers is very poor. The major drawbacks in this sector has been a low level of technical development which is reflected in the low productivity of the industry. The rate of progress particularly looms and other equipment seems to be slow and a large part of weaving is still being carried out with backward techniques. The ignorance of technical knowledge and the weak financial condition of the weavers appear to have been the main obstacle to rapid adoption of the improved methods.
- The main structural problem in the handloom industry appears to have been critically connected with finance and the supply of raw materials, and to some extent, with the marketing of the products. The generally weak performance of the industry is related not only to inadequate supplies of credits and raw materials but also to the operational and organizational inefficiency of the institution which proved these inputs. Lack of finance is an acute problem confronting the weavers.

The problems regarding the procurement of raw materials, production, marketing and technical innovation appear to be significantly connected with financial inefficiencies of the weavers. The question of finance relates first to the initial investment in fixed capital, and subsequently to working capital and expansion capital. Most of the time, weavers obtain their working capital from three different sources: institutional, non – institutional, and friends and relatives. The institutional sources comprise the co – operatives and commercial banks, and non – institutional sources are the private money lenders. Considering the internet rates, the dearest loans are from the non institutional sources, while internet-free loans are obtained from friends and relatives. The prevailing internet rates on non institutional loans are estimated to be 7-9 times higher than those of the institutional loans. Non institutional credit is usually of short maturity and is used mainly for working capital finance, and sometimes for consumption also.

- The weavers procure their yarn from the retailers of Khagrachhary sadar both in cash and on credit, depending on their own financial positions and the availability of credits. Increased price of yarn is another major cause of low production. Again sometimes raw materials are not available which cause demerits in production. According to Handloom Census 2003, more than 12% handloom units stopped their production due to lack of raw materials.
- It is observed that the marketing of finished cloths is not a problem in Khagrachhory Hill district. The handloom weavers usually sell their products direct to local retailers. Weavers earn a positive margin to the tune of 8-13 per cent of the gross value of finished products. The handloom industry is not altogether unprofitable. Weavers cannot save and accumulate capital because their absolute levels of profit and income are very low. Due to lower income and instable work the new generation of weavers has been migrating to other professions.
- Power loom products are cheaper than handloom products. The power loom products are produced at a lower price than handloom products. At the same time many customers want to buy a finished product at a reasonable price not at a high price. When a customer gets a power loom product within a budget, then they don't want to buy handloom products. Because, handloom products are costlier than power loom products. Although the shop owners sell the power loom cloths as handloom to the customer. The buyer is unable to identify what is power loom product or what is handloom one. Eventually the high cost handloom product could not cope up with power loom product. In some cases our handloom product quality is not up to the mark. At the same time handloom weavers produce some

distinguish and identified product. So, they can not expand their product market both within and outside the country.

- Inadequate welfare oriented policies and decisions implemented by the Bangladesh government, almost half of the handloom weavers belong to the most disadvantaged and poorer sections of the population. The high intensity of poverty and illiteracy among weaver families is associated by poor access to basic necessities including health, pure water, sanitation, housing and livelihood facilities. The contribution of women in the handloom sector is highly unacknowledged. But this handloom industry derives a majority of its skills and work from women who contribute more than 50% of weavers and workers work, they are associated in every stages of production process.

RECOMMEDATIONS:

The following steps which will provide a direction for further improvement of this sector:

- The policy of the government has been to protect and develop the handloom industry in Bangladesh. A package of support policies including fiscal and financial incentives, followed by building of institutions to implement each policy were designed to help the industry.
- Yarn, particularly cotton yarn, is the principal raw material for handloom sector. Bangladesh government should take initiatives to steady supply of adequate yarn and to justify the price of yarn at desired level. The supply of yarn in Bangladesh comes from two sources: the domestic spinning mills and imports (including the import through illegal channels). Government should engage Bangladesh Textiles Mills Corporation (BTMC) to collect yarn from domestic spinning mills and to import from outside. BTMC then supply the yarn to the appropriate weavers at a minimum profit. BTMC should ensure that no one can illegal stock the raw materials to increase its price.
- Poor marketing and inefficient market linkage has remained a "critical bottleneck" in this sector. In addition, some innovations in design incorporated

with the current market demand. For this reason, it is strongly recommended that government should establish a monitoring cell under Bangladesh Handloom Board preventing any unethical advantage by the wholesalers and retailers. Besides this, all tax and VATs should be accommodated with the market price that will maximize the right price.

- It is observed that weavers suffer from inadequate contemporary technology and inefficient in skills. So, government should take necessary steps to make available these technologies in local market so that both private and public sectors can work for improve these conditions and weavers can afford these technologies. For this reason, some business friendly training program should be incorporated for the weavers that will make them modern and efficient.
- The handloom industry is an export potential one and it is the instrument to earn foreign exchange to the government. Existing promotional campaign is not enough and effective. To achieve this purpose, Export Promotion Bureau (EPB) should incorporate handloom products to international export fair during the festive season in different countries.
- Trade union regulation should be established in the handloom industry in rural areas.
- Existing distribution mechanism of the handloom products are not adequate, effective and business friendly. These can be eliminated if local administration can draw the attention of private organizations and NGOs to participate in the growth of this industry.

CONCLUSION:

The handloom industry establish a key position in GDP of Bangladesh. This sector has a remarkable goodwill but the growth and market share is not outstanding of this industry to the national and global context. Many rural people get employment opportunity from this sector and government is getting huge income tax and VATs from this industry. But this handloom industry is beset with many obstacles and there are many reasons for non-operation of looms. All the recommends in connection with handloom industry are equally and partially associated with the Khagrachhory Hill district and all over Bangladesh. Some tribal people are associated with handloom industry in Khagrachhory Hill district primarily. Their livelihood is very simple and they are poor. But they are very hard working in nature. So, government should adopt special type of rehabilitation measures for the development of handloom industry of Khagrachhory Hill district. In this study it is found that contradictory policy formulation, poor program planning, and inefficient administrative machinery appear to have been the major constraints. Therefore, the public and private entrepreneur should come forward with financial, technical and policy supports for development of handloom industry in Khagrachhory Hill district as well as Bangladesh.

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