Reproduction of Informal Enterprises in India
A Study of the Sualkuchi Silk Handloom Cluster in Assam

ANAMIKA DAS, DEEPAK K MISHRA

Informality and diversity of institutional forms have been marked as distinct features of India’s postcolonial capitalist development. The present paper considers the conditions of reproduction of informal enterprises, specifically focusing on the living and working conditions of artisan labour in the silk-weaving cluster of Sualkuchi in Assam. The study indicates that kinship, gender, and caste act as regulative forces, influencing the form and scale of production, ownership, contract, and exchange relations. The results point to the significance of non-capitalist institutional arrangement in the reproduction of the handloom sector under contemporary capitalism.

Informality is among the dominant characteristics of the Indian economy with 93% of its total workforce earning their livelihoods as informal workers (NSSO 2014). The extent of informality is even higher among workers belonging to socially marginalised sections. Against the initial anticipation that given the subsistence nature of informal activities, it is largely a transitional phenomenon, likely to disappear with the development of a modern industrial sector, not only has the informal economy persisted, but informalisation of the formal sector workers has also emerged as a distinct feature of the post-reform economic growth (Sanyal 2007). The teleological underpinnings of the political economy of transition to capitalism has also given way to a more nuanced understanding of multiple paths of an uneven transition to capitalism (Hart 1998).

Informality and diversity of institutional forms have been marked as distinct features of India’s postcolonial capitalist development (Basile 2013).

It has been argued that capitalist globalisation, while integrating labour from the global South under a pattern of global division of labour, has simultaneously reworked pre/non-capitalist institutional forms to mobilise, organise, and discipline labour (Harriss-White 2004). The universalising logic of globalisation is expected to transform the production conditions not only in the sectors that are well-integrated with the global circuits of capitalist production, but also those that have so far remained outside of it. This, however, is likely to be an uneven process, and hence, needs to be examined in relation to the local and sectorial specificities. The case of craft production that has shown remarkable diversity and tenacity under various production systems from “pre-industrial to industrial and post-industrial” is important because as a “highly contested and antagonistic form of production,” it is simultaneously exposed to challenges and opportunities under globalisation (Scrase 2003: 450).

Against this backdrop, the present paper focuses on conditions of reproduction of informal enterprises, specifically focusing on the living and working conditions of artisan labour in the handloom sector in the Sualkuchi silk-weaving cluster in Assam. The handloom sector is in flux. On the one hand, it is facing tough challenges from cheap mass products imitating the design of handloom products. On the other, it is getting restructured around expanding demands of “niche products” under the influence of globalisation. The conditions of its survival and expansion under contemporary globalisation is an important question not only because of the significant number of people

The authors are grateful to the anonymous referees, whose comments were helpful in revising the paper.

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whose livelihoods depend on the sector, but also to understand and unpack the ways through which the capitalist and its non-capitalist “other” exist and interact with each other.

**Structural Characteristics of the Informal Sector**

More than half of the informal workers in India are self-employed (NSSO 2014). They mostly operate unincorporated enterprises owned by households, also known as informal enterprises. According to the 73rd National Sample Survey (NSS), 84% of the informal enterprises in India are own account enterprises (OAEs) run without any hired workers. While operating their enterprises, they allow for the exploitation of the entire family by lengthening working hours and using unpaid family workers. Incomes earned by these enterprises are nothing but the wage of the family worker. The distinction between expenditure incurred for the enterprise and household expenditure is often blurred. Similarly, the use of capital goods, such as buildings or vehicles for business is indistinguishable from the use of the same for household purposes.

Owners of OAEs disproportionately belong to the marginalised groups. With poor education endowment and very low working capital, most of such enterprises report meagre gross value added (GVA). As per the 73rd NSS data, the average daily GVA per worker reported by 50% of the OAEs is below the national floor level minimum wage (NFLMW). Because of their low scale of operation and low income, most of them are solely dependent on money-lenders for credit for starting their next cycle of production.

Some of the enterprises are surviving by becoming part of the value chain that links them with organised firms at the top. Approximately 10% of the informal enterprises operate under a subcontracting system, under which they get raw material from organised firms at the value chain that links them with organised firms at the top. These enterprises can be differentiated from the use of the same for household purposes.

**Handloom Sector in India**

After agriculture, the handloom sector is the major source of informal employment in India. As mostly socially vulnerable and marginalised sections are dependent on this sector for their livelihood, it managed to receive some protection from successive governments, although a gradual removal of such protection began in the reform period. Among the policies to safeguard the sector, the Handlooms (Reservation of Articles for Production) Act, 1985, which reserves articles for exclusive production in the handloom sector, is a major initiative to protect handlooms from the power loom and mill sector (Srinivasalu 1996). Despite such protection, the sector has been struggling to survive, while the power loom sector has flourished so much so that it produces 60% of the textile output (Chatterjee 2015). This can be attributed to the cost-effectiveness of the power loom sector as well as the powerful power loom lobby that managed to influence government policies in their favour. Markets are also flooded with fake handloom products produced in power looms. Apart from that, the Government of India's contradictory initiatives of the “deregulation of the textile industry and decontrol of trade in yarn” led to the massive loss of employment for a large number of weavers across the country and pushed them to starvation and suicide (Srinivasalu 1996: 3204).

In recent times, handwoven fabrics are in high demand for their uniqueness both in India and overseas (Chatterjee 2015). Globalisation—as the process of homogenisation of culture and tastes—expands the market for mass-produced goods at the expense of locally produced items, including handicraft items. However, globalisation also drives the regeneration of handicrafts as the market for niche products also gets a boost through the growing commercialisation of the handicraft economy. Despite the presence of machine-made products, handmade products have great appeal for buyers with “postmodern sentiments,” as it reconnects them “back to earlier and more earthly forms and designs” (Scrase 2003: 450).

A globally mobile diaspora also increases demand for such products, which are often part of the collective identity. To take advantage of the increasing demand, high-end retailers sell exotic handmade fabrics to customers who do not hesitate to pay a premium for the uniqueness of the products. However, there are limits to the extent handmade fabric can be produced on a large scale even if there is a high demand for it. Therefore, organised firms are always interested in the retailing of handmade fabric, but not in its production. Production is mostly undertaken by scattered handloom household enterprises, typically found in clusters.

The handloom sector constitutes an important source of livelihood in Assam. It is the home of the highest number of handloom weavers, accounting for 41% of the total handloom weavers hailing from the Scheduled Tribe (ST) category in India. Although handloom weaving is widespread across the state, it is popular worldwide for its mulberry and muga silk fabric produced in the Sualkuchi weaving cluster. The present study focuses on the weaving community of this cluster.

**Suilkuchi Silk Cluster**

Sualkuchi has a long history of silk fabric production. It is a township with a population of 13,898 as recorded in the 2011 Census, centred on handloom weaving, with almost every household engaged in handloom-related activities. Weavers learned the skill on the job by observing either their parents or master weavers.

Its production structure has been shaped by local conditions as well as external factors, including changes in demand for its products. On the one hand, it has very specific features that are anchored to the local social economy of production (such as the caste-ethnic background of the weavers and the cultural value of its products). On the other, in recent years—like many artisan production clusters across the world—it has been exposed to the risks and opportunities in an integrated global economy. That the niche products produced in the silk cluster have a well-developed market because of their close relationship with local culture and identity has helped the cluster retain its market demand to some extent. However, the challenges of competition from mass-produced goods from elsewhere, and the changes in input prices and technology are significant aspects of the obstacles faced by producers and those involved in...
marketing and distribution of the products. The mapping of
the supply chain shows unequal power structures that influ-
cence price determination at various levels of production and
marketing of the products (Figure 1).

All the enterprises in Sualkuchi operate throughout the year,
although the workload becomes relatively higher during the
festival seasons—September to April—because of high demand
for such fabrics. From the census list of handloom household
enterprises conducted by the Kamrup district administration
in 2016, we randomly selected 50 enterprises from each of the
three panchayats in Sualkuchi, giving us a total of 150 hand-
loom household enterprises.4 Most of these enterprises (63%) are run by family workers. The rest of them are operated by
hiring workers. We also undertook a survey, entailing a semi-
structured questionnaire, with 122 hired weavers working
under master weavers.

Though the owners of enterprises have, on an average, been
engaged in the occupation for 15 years, they mostly operate
on a very small scale. About 68% of the sample households
operating handloom enterprises are below poverty line (BPL)
cardholders. There is hardly any evidence to suggest upscaling
or vertical mobility of enterprises. More than 70% of the enter-
prises operate with less than four looms. One-third of the total
enterprises operate with a single loom. There are some large
enterprises that operate with more than 10 looms; these
account for 7% of the total enterprises.

Identity and Ownership of Enterprises
In Sualkuchi, enterprises owned by male members account for
75% of the total enterprises, with female members mostly
working as family workers. A majority of owners belong to
socially disadvantaged groups; almost one-third of owners
belong to the Other Backward Class (OBC) and 21% of owners
belong to the Scheduled Caste (SC) category. The representa-
tion of enterprises owned by STs is only 2%, while their share
among hired workers is remarkable.

The scale of operation also varies across gender, social cate-
gories, and education of owners. The number of looms operated
in enterprises owned by males (four looms) are more than
those owned by females (two looms). Owners belonging to the
ST category, on an average, operate only one loom. However,
there is not much variation in the scale of operation in case of
enterprises owned by SC, OBC, and others. The average num-
ber of looms operated in enterprises with matriculate owners
is higher than those owned by illiterate owners or owners with
only a primary level of education.

Enterprises run with family workers operate with only two
looms on an average. As much as 51% of these OAEs operate
under subcontracting. Two types of subcontracting arrange-
ments can be found in Sualkuchi. While 31% of the OAEs get
loom, yarns, or both from large enterprises that outsource
part of their work to the former, 20% of them just subscribe to
design specification and occasional advances from local retail-
ers or large enterprises. They subscribe to design specification
to reduce market risk, as the popularity of designs keeps
changing. The OAEs receiving looms, yarns, or both have little
bargaining power, with those outsourcing the production
process determining the piece rate. Even if the prices of fabrics
are higher in the market, they are bound to deliver their entire
production to the outsourcing unit at a price fixed well in
advance. Most households operating such enterprises are BPL
households, thereby indicating their precarious existence.

Despite working under a subcontracting system, such enterprises
bear the cost of electricity and repairing of the dobby machine.5
Only one-fifth of them report that outsourcing enterprises cover
the cost of repairing machine.
Nearly 37% of enterprises’ owners are master weavers who operate their looms by hiring weavers. These are relatively large enterprises that, on an average, hire six workers and operate seven looms. Hired weavers operate looms in worksheds provided by the master weavers.

**Contractual Relations between Weavers**

Master weavers hire weavers on a piece-rate basis. Among the hired weavers, although both male and female weavers get the same piece rate for the same designed fabric, the overall income earned by females (₹4,924 per month) is less than that of male (₹5,822 per month) by 15%. Such differences in income may be attributed to the lesser time female weavers spend on weaving, as they also have to do household work and look after children and the elderly. Employers prefer single women, as they do not carry such burden.

The identity of hired weavers shapes the contractual relation between master weavers and hired weavers. Such relations, to a great extent, affect the living and working conditions of hired weavers and earnings of the owners. There is a gender dimension to such relation as well, with almost 90% of master weavers being males, whereas 70% of hired weavers are females.

Nearly 60% of hired weavers are migrants and 80% of them are females. More than 50% of master weavers belong to the general category. In contrast, about one-third of the migrant weavers belong to the OBC category, hailing mainly from the Bodo and Rabha communities in tribal-dominated areas of Assam. One-fourth of the migrant weavers belong to the OBC category, such as Koch–Rajbongshi. Employers prefer migrant weavers because of their weak bargaining power. They typically work for more hours than locally hired weavers and are thought to be docile and obedient. Employers find it easy to monitor and control their work effort. Migrant tribal women are also traditionally skilled weavers, thereby making them a preferred choice for employers.

Migrant weavers cited lack of employment opportunities and poor landownership status at the place of origin as the main factors behind their outmigration. These are circular migrants who keep visiting and maintain a close tie with their place of origin. Social network plays a crucial role in facilitating this migration. More than 90% of migrant weavers reported that their decision to migrate was influenced by their acquaintances and family members who had already migrated to Sualkuchi. One-third of the migrant weavers migrated in cohorts with family members or other kinsfolk. They learn the required skills through this social network as they work together.

Debt-induced tied contracts are a pervasive feature of labour relations in Sualkuchi. Employers make advance payments to hired weavers as a mechanism to bind them. Hired weavers have to clear debt advances before they take up another employment opportunity or change their employer. Interestingly, employers prefer to offer advance payments to such weavers instead of giving them proper working and lodging facilities.

Contractual relations between master weavers and hired weavers impoverish the latter. Migrant weavers have to stay in rented houses. Their migrant status does not entitle them to ration cards to avail subsidised foodgrains, which further increases their cost of living in Sualkuchi. They face various health problems due to working long hours on looms. However, they have to bear most of their medical cost by themselves. High cost of living, coupled with low earnings that weavers make on a piece-rate basis, means that their advance payments are never settled, thus reflecting a situation that Breman (2010) referred to as “neo-bondage.”

**Working Conditions**

The working conditions of hired weavers are harsh and precarious. Workers, on an average, work for nine hours in the shed provided by master weavers. During the summer, they face numerous difficulties working in a congested environment because employers typically prefer not to make provisions for fans, as wind spoils the yarn. In the absence of anyone at home, female weavers with infants take them to the workplace. The workplace is, however, devoid of facilities such as a crèches for the care of children. Within the worksites, there is no separate place to breastfeed the infants. Most hired weavers work for the entire week. Paid on a piece-rate basis, the question of holidays or off-days, or payment for overtime work is not relevant. Thus, most hired weavers self-exploit themselves—working for long hours in difficult conditions, with the expectation of earning a higher amount.

The OAES go through a similar or even a more stringent work regime. In such enterprises, family workers, on an average, operate looms for nine hours in a day. The OAES typically do not have any fixed time of work. Family workers consider weaving as a regular household activity, often making it difficult to draw a distinction between commercial and regular household activities.

The OAES survive through the exploitation of the entire family, particularly women and children. In an attempt to reduce costs of production, they intensify the use of their own unpaid labour rather than purchased inputs. The productive and reproductive work burden is generally shared by all members, but it is the women who disproportionately bear the burden as they work both at the households and the looms, in the absence of any fixed working hours. The work burden is also shared by children of the households.

Thus, labour relations in both kind of enterprises—those involving hired labour and those relying on family labour—are based on “conjoint oppression,” where multiple marginalities based on class, caste, ethnicity, and most importantly gender locations, tend to affect conditions of the workers (Lerche and Shah 2018). As females take on the burden of reproductive work so that male members have enough time to be involved in productive activities, such activities are “crucial to the structuring of processes of labour surplus extraction; expand rates of exploitation and hence build (exchange) value” (Mezzadri 2019: 38).

**Social Context of Market Transactions**

Most owners of handloom enterprises have no control over the input and output market, because of their weak bargaining power in both input and output markets. They also lack
access to formal credit and rely mostly on informal sources, part of which is used to meet their consumption needs. The high price of yarn is a major cause of concern among enterprise owners. It is ironical that in the midst of such a yarn crisis, 80% of muga yarn produced in Assam is exported to other places, and consumption of muga in Assam is limited to only 6.27% (GoA 2017). Lately, there has been an increase in use of tussar yarn, which has the same colour as muga. More than 50% of enterprises weave tussar fabric, which mainly comes from Kolkata. As much as 40% of enterprises use mulberry silk, which mostly comes from Karnataka (GoA 2017). However, Karnataka has witnessed a gradual decline in the area under mulberry cultivation due to rapid urbanisation, industrialisation, and shortage of agricultural labour (Agarwala 2013). This has resulted in an increase in the price of mulberry silk with adverse implication for weaving mulberry silk fabric in Assam.

However, many enterprises lack resource to purchase expensive silks and instead weave fabric using polyester as warp and mulberry silk or tussar as weft to reduce their cost of production. It gives the look of silk fabric at a lower price. As much as 16% of enterprises weave polyester-mixed fabric. The propensity to use polyester is higher among resource-poor enterprises with lesser numbers of looms. This probably indicates that in a globalised economy, we may see “transformation rather than disappearance of the artisan community” (Korovkin 1998: 126).

Enterprises buy yarn from local suppliers. Some retailers of silk yarn also sell silk fabric. Prices of yarn vary slightly depending on its quality. Large-scale enterprises buy yarn in bulk on credit. However, such options are unavailable to those operating on a small scale. They produce fabric with a small amount of yarn, and the small proceeds thus earned by them are used to start another round of production.

Marwari traders, with their merchant capital, play an important role in the supply of mulberry and tussar silk yarn. They work as a conduit of expensive silk because of their control over merchant capital and the social network, which they use to source yarn from different parts of India.

The prices of silk fabric mainly depend on the design, quality of fabric, and season. Intricately designed fabric are highly priced, as their production requires a longer time. Master weavers also need to pay high piece rates to weavers for such fabric. In Assam, both the price and sale of silk fabric increase during the festive season, with prices showing a sharp fall during the flood season that runs from May to August. Yarn prices also reflect the same seasonal pattern. Needless to say, it is the larger enterprises that can afford to wait longer to ride with seasonal price hikes. Thus, the seasonality of demand and the control over yarn supply act as important nodes in the control over the production process. Interlinked transactions, involving credit, inputs (yarn and design), and output markets were observed to be the norm rather than the exception. The production relations in such a context get intertwined with the exchange relations.

The important marketing agents involved in the sale of silk fabric are local traders, wholesalers, middlemen, and cooperatives (Figure 1). Enterprises sell their produce to multiple agents. Local traders, who have retail outlets of Assamese silk fabric in Sualkuchi, are the most popular marketing agents. As much as 59% of enterprises sell their produce to local traders. More than 30% of enterprises, mostly owned by women and operating on a small scale, sell their products to middlemen. Middlemen also buy polyester-blended fabric. They come to the doorstep of households to collect fabric and sell it to local traders.

Wholesalers, who are mostly Marwari traders from outside Sualkuchi, generally buy products from local traders. They also source fabric from relatively large enterprises. Such enterprises are fewer in numbers, accounting for approximately 13% of the total enterprises. Wholesalers supply fabric thus sourced to the retailers from different parts of Assam. They also have showrooms of Assamese silk dresses in the Guwahati metropolitan area and in other cities of Assam. Therefore, price received by a weaver for a typical fabric varies widely from the price paid by the final customers (Table 1).

Marwari traders play a vital role in the continuation of production in handloom household enterprises in Sualkuchi. They generally try to ally with the dominant actors in the sphere of production of handmade silk fabric in Sualkuchi, to ensure an uninterrupted supply of the fabric. This class consists of local traders of Sualkuchi and owners of enterprises operating on a large scale. They have controls over the production process, extract and appropriate the surplus labour from direct producers, and bring it into the sphere of circulation. At times, large enterprises also operate as traders as they source finished products from small enterprises.

Given the largely informal nature of production carried out by enterprises, there is no proper documentation of the final destination of their produce. In general, fabric produced in Sualkuchi are mostly for consumers in Assam. The use of silk fabric such as mekhela sadar, gamocha, etc, in marriages

<table>
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<tr>
<th>Table 1: Price Movement of Fabrics at Different Stages in the Value Chain</th>
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<td>Stages of Value Chain</td>
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<td>---------------------------------------------------------------</td>
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<tr>
<td>Direct producers</td>
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<tr>
<td>Agents who buy at the local level</td>
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<tr>
<td>Wholesalers outside Sualkuchi</td>
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<tr>
<td>Retailers</td>
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HH = Handloom household. Source: Authors’ Primary Survey, 2017.
and festivals is part of the Assamese culture. In Sualkuchi, the cooperatives are mostly marketing cooperatives, but their importance as marketing agents is insignificant. Only 5% of enterprises sell through such cooperatives. Among the 150 enterprises, owners of only eight enterprises reported to be members of such cooperatives. Most of them are owners of large enterprises operating more than six looms. The membership is conferred hereditarily. Cooperatives do not have the reputation of timely payment, as they take a long time to settle payments, which further constrains the participation of small enterprises that need cash to buy raw materials to begin their next cycle of production. Given their preference to keep only simply designed fabric, cooperatives are also not a preferred channel for large enterprises, which mostly produce intricately designed fabric.

Value Addition in Enterprises

Analysis of value addition in handloom enterprises underlines the precarious existence of the majority of such enterprises. We have calculated the monthly value addition in enterprises to estimate the gross earnings accruing to workers and owners of enterprises. The value added has been calculated by deducting the costs of raw materials and other non-labour variable inputs such as transports, electricity, rent, etc, from total receipts. Expectedly, enterprises operating higher number of looms record higher value addition on average compared to those operating smaller number of looms.

The OAEs, on an average, record a much lower monthly value addition as compared to enterprises using hired weavers. The average monthly value addition in the latter is ₹32,511, compared to only ₹5,674 reported by the former. The average monthly value addition per worker also reveals the same trend. In enterprises using hired weavers, it is ₹5,359, compared to ₹3,409 reported by the OAEs. The higher value addition per worker, however, bears no relation with the piece rate that weavers get.

Value addition per worker in the OAEs is actually the income of the family member working in the enterprise. When it is compared with the NFLMW, it is noticed that the average daily value addition per family worker is ₹131, which is much lower than the NFLMW of ₹176 per day in 2017 (MOLE & E 2017). In fact, nearly 72% of the OAEs reported a daily value addition per worker that is less than the NFLMW, indicating that they cannot even earn minimum income to sustain their livelihoods. Such a finding points to the impoverishment of unpaid family workers and the subsistence nature of household enterprises engaged in silk–fabric production.

As mentioned earlier, poor economic conditions compel owners to be indebted. Approximately 79% of enterprises are indebted. One-third of them had taken loans to buy silk yarn. Nearly 9% of indebted households take loans for consumption. Access to formal sources of credit is extremely limited with only 11% reporting taking credit from such sources. More than 90% of them are the large enterprises hiring weavers. Almost 85% of the indebted enterprises take loans from microfinance institutions. Moneylenders are also an important source of credit.

Across enterprises, the monthly value addition varies depending on their characteristics. We analysed determinants of such variation by running a log-linear regression. The result indicates that factors, such as number of operating looms, working hours, membership in cooperatives, and marketing agents are significant determinants of variation of monthly value addition across enterprises (Table 2).

There is a positive relation between value addition in enterprises and the number of operating looms. The positive relation between working hours and value addition indicates that those owners of enterprises that allow more exploitation of labour by lengthening working hours can record higher value addition. Marketing agents is also an important determinant; enterprises that supply their products to local traders in Sualkuchi earn more value as compared to those who do not have access to such marketing agents. Membership in a cooperative is also an important determinant.

Living Conditions

The living conditions of the households operating handloom enterprises vary depending on their scale of operation. Monthly consumption expenditure per such household is ₹13,711. However, a typical OAE records a consumption expenditure of ₹8,585, which is lower than the overall average. In contrast, enterprises hiring weavers spend, on an average, ₹20,365 per month on consumption.

A comparison of per capita consumption expenditure of households with the poverty line gives some insightful findings.

Table 2: Determinants of Variation in Monthly Value Addition in Enterprises

| Independent Variables                      | Co-efficient | P>|t|
|-------------------------------------------|--------------|------|
| Operating looms                           | 0.10***      | 0.02 |
| Total family workers                      | -0.05        | 0.68 |
| Working hours                             | 0.17***      | 0.05 |
| Ownership (RC—male)                       | -0.31        | 0.24 |
| Female proprietary                        | 0.78         | 0.08 |
| Partnership with the members of same household | 0.09        | 0.21 |
| Level of education (RC—illiterate)        | 0.09         | 0.72 |
| Literate without going to school           | 0.02         | 0.84 |
| Primary                                   | 0.19         | 0.07 |
| Medium                                    | 0.21         | 0.64 |
| Secondary                                 | 0.27         | 0.11 |
| Above high school, including diploma holder| 0.04         | 0.84 |
| Working under contract                    | -0.23        | 0.37 |
| Social group (RC—others)                  | -0.17        | 0.49 |
| SC                                        | 0.57         | 0.23 |
| OBC                                       | 0.07         | 0.76 |
| Formal source of loan                     | 0.19         | 0.05 |
| Formal source of other                    | 0.37         | 0.55 |
| Cooperative membership (RC—yes)           | -1.26**      | 0.02 |
| Local trader as a marketing agent         | 0.41*        | 0.08 |
| Direct consumer                           | 0.06         | 0.83 |
| Middleman as a marketing agent            | -0.08        | 0.75 |
| Constant                                  | 8.1          | 0.81 |

Number of observations = 124, Prob> F = .00, Adj R squared = .38, RC = reference category.

Numbers in parenthesis represent standard errors.

* * * denote significance at 10%, 5%, and 1% levels respectively.

Source: Authors’ Primary Survey, 2017.
Nearly 10% of the households’ daily per capita consumption expenditure is below the urban poverty line of ₹53.50 and another 10% record per capita consumption expenditure marginally higher than the poverty line (Table 3). The extent of poverty is very high among the OAEs. All the 15 households recording per capita consumption expenditure below the poverty line are OAEs. Housing conditions of most households operating handloom enterprises are very poor, with only 34% reporting living in pukka houses. These are enterprises operating at a relatively larger scale. In kacha dwelling units, weavers face difficulties in operating looms in rainy season. Their design cards and yarn get spoiled.

Table 3: Distribution of Households Operating Handloom Enterprises across Different Levels of Daily Per Capita Consumption Expenditure

<table>
<thead>
<tr>
<th>Daily Per Capita Expenditure (₹)</th>
<th>Share of HH Enterprises</th>
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<tbody>
<tr>
<td>Less than 53.50</td>
<td>10 (15)</td>
</tr>
<tr>
<td>53.50–65</td>
<td>10 (15)</td>
</tr>
<tr>
<td>65.01–85</td>
<td>21 (32)</td>
</tr>
<tr>
<td>85.01–100</td>
<td>14 (21)</td>
</tr>
<tr>
<td>100.01–250</td>
<td>35 (53)</td>
</tr>
<tr>
<td>250.01–500</td>
<td>9 (13)</td>
</tr>
<tr>
<td>500.01–700</td>
<td>0.67 (1)</td>
</tr>
</tbody>
</table>

Numbers in parenthesis represent sample size. HH = Handloom household. Source: Authors’ Primary Survey, 2017.

The living conditions of hired weavers, particularly those of migrant weavers, are deplorable. More than half of the hired weavers, most of whom are migrant weavers, stay in rented rooms. Nearly 22% of migrant weavers live in the shed provided by the employer in the workplace, for which they do not need to pay any rent. Such provisions, however, suit the owners who can extract maximum labour by controlling the working hours.

Most renting accommodations lack basic facilities. More than 80% of migrant weavers access common toilet facilities. Almost three-fourths of the migrant weavers stay with their family. Among all migrant weavers, 5% stay with co-workers and 20% stay alone. A few master weavers try to attract more weavers by providing lodging and other facilities to the weavers. Nearly 45% of weavers report the source of drinking water being away from their accommodation. They always have to carry water two times a day.

There are 7% of weavers who still use kerosene lamps and one-third still use kerosene to cook their food, indicating poor living conditions. The situation is even worse for migrant weavers, with more than 40% of them using kerosene for cooking. Because of their migrant status and low level of education, many migrant weavers fail to manage documents to access the liquefied petroleum gas (LPG) facility.

Despite a long history of migration that dates back 15–20 years in many cases, migrant weavers continue to consider their native place as their primary residence, thus indicating their lack of entitlement in their workplace. Such circular migration is only a way of subsistence existence in contrast to the argument made by mainstream development economists that the decision to migrate is voluntary, driven by higher actual or expected earnings in the destination.

Conclusions and Policy Implications

The Sualkuchi silk cluster is characterised by the existence of both OAEs and large enterprises, which can also be referred to as petty capitalists. The existence of OAEs subsidises the monitoring costs of these petty capitalists as they outsource their production to them either by providing raw materials or by specifying the designs. They also purchase fabric from OAEs and supply to wholesalers who prefer to purchase in bulk.

Social norms play a vital role in regulating the whole informal process of silk fabric production. Kinship, gender, and caste act as regulative forces that control the form and scale of production, ownership, contract, and exchange relations.
Merchant capital, exploitation of labour, and social hierarchy based on identity interplay with each other to sustain the whole production and marketing process of handmade silk fabric in the cluster. This study indicates that such pre-capitalist modes of production cannot be considered as the relics or remnants of the pre-capitalist past, waiting to be destroyed by the onward march of the classic forms of capitalist production. Rather, the production condition is that of petty commodity production, without capitalist accumulation and expansion. This helps in the accumulation of merchant capital, and the subsequent growth of the capitalist class in Assam. This class, mainly composed of Marwari ethnic element, has to limit themselves to trade and big mercantile operations due to limited scope for industrial pursuits in the state (Nag 1994).

Government initiatives for the handloom sector are also not based on the ground reality of the sector. These measures are just bureaucratic prescriptions involving massive public funds. At times, there are instances of ministers using government programmes as a platform to promote their own or their party’s political interest. A case in point is the Raw Material Bank, which was set up in Sualkuchi as a policy initiative to distribute yarn on a credit basis among self-employed weavers. However, silk procured under such initiatives were distributed free of cost by the local politician to garner votes (CAG 2011: 138). It was also observed that the fashion institute established in Sualkuchi (SIFT) has almost no interaction with local weavers. Initiatives taken by the state government for the welfare of handloom weavers are only implemented through cooperatives, which are dominated by relatively wealthy members, thus limiting their impact. This has aggravated the crisis faced by the handloom sector.

Initiatives should be taken to encourage a collective production process among oates in order to improve their bargaining power both in the input and output markets. The government should make provisions for affordable and quality health and education facilities. Migrant weavers should have basic entitlements, such as public distribution system coverage, and their children should be allowed to access to local anganwadis, which are at times denied because of their migrant status.

NOTES
1 A cluster is “a socio-territorial entity which is characterised by the active presence of both a community of people and a population of firms in one naturally and historically bounded area” (Becattini 1992: 28).
2 The national floor level minimum wage is fixed at ₹160 per day in 2015 (MoL&E 2017).
3 The weaving tradition in Sualkuchi could be traced back to the Pala dynasty of the 11th century. It took the shape of a weaving village in the Ahom kingdom in the mid-17th century (Goswami 2006).
4 A handloom household enterprise is defined as the one that is engaged in weaving by operating handloom for the purpose of sale whether fully or partly owned and operated by a single household or jointly by several households.
5 Electricity is required in the workplace to operate looms at night in order to hasten the production process and meet the stringent deadlines.
6 Marwari traders emerged all over India as the most prominent group of traders in the 19th century. Even in recent times, their significance as big merchants is very prominent in many parts of India because of their basic characteristics, such as joint family system and a credit network across the country (Timberg 1978).
7 The average number of working days in handloom household enterprises in Sualkuchi is 26 in a month.
8 We did a T-test to see the difference between the number of operating looms five years ago and the same at the time of survey, and the result showed insignificant difference.
9 The poverty line for Sualkuchi town is estimated for June 2017 as ₹53.59 based on the urban poverty line recommended by the C Rangarajan Committee in 2014, adjusted with the Consumer Price Index for Industrial Workers.

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