

CHAPTER III

THE WEAVER AND THE MIDDLEMEN

The Weaver :

As mentioned earlier, the handloom industry only provides part-time activities for the weavers and the time they put in is relatively short. 85% of the weavers in Trengganu work less than five hours a day when weaving is in progress.

Being a spare time trade, the weavers usually have income from other sources like padi cultivation, fishing, other than weaving. 40% of the weavers in Trengganu derive income from other sources and 97% of the households of which weavers are members ^{who} enjoy income from additional sources. Only about 3% of them are solely dependent on weaving as the only source of income. Since the average weaver comes from a poor family with low level of income, earnings of a part-time weaver would make an important and very welcome addition to the total cash income of the household.

The average monthly income per weaver in Trengganu during the working months is estimated at \$16.80. The average income per worker throughout the year will be \$11.20.

(5) RANGE OF MONTHLY PERSONAL INCOMES FROM WEAVING, TRENGGANU

MONTHLY INCOME	NO. OF WEAVERS	PERCENTAGE
less than \$5.00	290	8.8%
5 - 9.50	640	19.5%
10 - 14.50	940	28.6%
15 - 19.50	590	18.0%
20 - 24.50	460	14.0%
25 - 29.50	120	3.8%
30 - 34.50	80	2.4%
35 - 39.50	50	1.5%
40 and above	110	3.4%

Who are the Middlemen :

In the East Coast handloom industry the majority of the middlemen are Malays and very queerly a large proportion of them are women. It is important to note that the weavers are illiterate kampong women who have household and family responsibilities, they possess little capital resources, little technical and business knowledge.

With so many weaknesses, the middlemen are able to lay a hand on many fields of activities and maintain a firm hold and control over the weavers.

First of all the middlemen penetrate into ^{the} industry through the provision of capital. They supply the raw materials on credit, operate equipment of a technical nature for common facility services like warp preparation, dyeing, they give advance to weavers in the course of production and carry stock of finished product. Thus, they are able to keep effective supervision over the weavers through their monopsonist position and enforce the fulfillment of the individual work contracts and to secure the capital involved. Since they have effective control over the supply of raw materials and the purchase of finished product, they are virtual monopolist-monopsonist in the industry.

The middlemen possess sufficient resources, good commercial contact, knowledge and business acumen to enable them to undertake the marketing function. Moreover, it is impossible to expect the individual weaver to carry out sales promotional activities, stock a big inventory or satisfy bulk demand of large consumers like the armed forces. Hence, unless some sort of marketing co-operatives are established for the weavers, marketing of the finished cloth will continue to be in the hands of these middlemen.

MAP SHOWING DISTRIBUTION OF HANDLOOM WEAVERS IN MALAYA:
(Figure in bracket shows the number of weavers)



CHAPTER IV

THE ROLE OF R.I.D.A.

Textile Centre :

R.I.D.A.'s initial move in assisting this industry was the setting up of a small dyeing centre in Trengganu. It was started on an experimental basis to demonstrate and encourage the use of dyes to improve the fastness of the colour against light. The Centre was equipped with a substantial range of chemicals and dye-stuffs and it undertook to dye silk yarn for the weavers for a small payment. Two R.I.D.A. officers were given some basic training in the proper use of these dyes by the expert of the Imperial Chemical Industry Company in their laboratory in Singapore.

Since the Centre operated solely for the improvement of dyeing not much success was achieved. The improved dyeing could not withstand washing and dyeing charges were higher so that the cost exceeded the extra profit for the weavers. It was clear that in order to assist the industry effectively the Centre had to expand its activities into the supply of raw materials, the provision of technical services, capital resources and to undertake the marketing function.

Realising the various needs of the weavers in the industry a bolder and more comprehensive attempt was made in 1958. to help them. The construction and organisation of the East Coast Textile centre was based on the recommendation of Mr. Nunnikhoven. This centre replaced the dyeing operation undertaken by the dyeing centre and it also catered for the other needs of industry and expanded its scale of operation so as to be able to cope with the needs of the handloom industry as a whole.

Services rendered by the Centre

I. Supply of raw materials.

Following studies made by R.I.D.A. (the Economic and Planning Division and the Small Industries Services Institute) pertaining to the qualities and prices of spun silk yarn in many exporting countries, a decision was made to import the silk yarn direct to enable the Textile Centre to carry buffer stock of

sufficient size. The primary objective of such a move is to stabilise the price at which the yarn is supplied to the country via the normal channel through large importing firms. This measure will also help to prevent the few importers from making use of their monopolistic position for their own selfish and causing adverse effects on the weavers.

This attempt is a success and it has effectively controlled the price of yarn in the country and lowers the price and also minimise fluctuation. The only snag of this buffer stock scheme is that the minimum provision of an investment of \$225,000 in stock is needed. At present the average Textile Centre stock and outstanding credit sales represent only 20% of the total. The balance of the investment is met by large importing firms. However, if the price of the silk yarn is kept too low for a long period, these importing firms may find it unprofitable to carry on importing this commodity. Consequently, they may have to curtail or stop their operation in this field. If such be the case, it is inevitable that the Textile Centre undertakes to supply all the requirements of the industry. No doubt, such a measure will only add to the benefit of the weavers but it involves a substantial sum of money to supply all the silk yarn. Furthermore, there are dangers in giving credit provision to large number of small middlemen and weavers whose credit worthiness is unknown. Hence, to undertake such an attempt is very risky. In order to be successful, such measure should be launched gradually co-ordinated with other supplementary moves (in marketing and production) so as to strengthen the economic base of the weavers.

The complete provision of yarn by the Textile Centre must be properly planned and timed so that there is no sudden premature discontinuation of operation by the existing importers which would give rise to disruptions in the industry.

Metallic Thread

There are many types and a big quantity of metallic thread in use. The usual defects on these threads are quick loss of lustre and they tarnish quickly. The industry or rather the consumers requires the metallic thread that is of guaranteed quality which will not tarnish or lose its lustre easily. Research and investigation have been conducted by R.I.D.A. in this direction to satisfy this need and to introduce more colours besides silver and gold. At present the Textile Centre in Kuala Trengganu and the R.I.D.A. centre in Kelantan stock the selected metallic thread which is more suited for the weavers.

Dyestuffs :

Dyeing being an important process upon which the quality of the finished product depend, have caught the attention of R.I.D.A. long ago. Progress over the years as a result of research conducted in the past years is seen in the introduction of a new series of dyestuffs and dyeing processes which improve the fastness of colour against light and washing. The chemists in the Textile Centre has been trained in the I.C.I. Textile laboratory to advise the weavers. The Textile Centre also carries out dyeing on a big scale and its main concern at present is to popularise and to instruct the weavers in the use of the recommended dyestuffs. Wholesaling of this raw material is not required in large scale because the chemical firms are doing a satisfactory job and they charge a moderate price.

II. Technical Services

The Textile Centre also carries out research into the possibility of introducing improved equipments and weaving methods. On the advice of a Dutch expert from Indonesia, a modified type of fly-shuttle loom and a warping machine, with the necessary ancilliary equipment were obtained from Japan and tested in the Centre. The suitability of this machine was ascertained and at present there are ten fly-shuttle looms in use in the Centre.

Meanwhile some modified Trengganu type of loom which incorporated certain improvements are being made locally. Presently, the Textile Centre is handicapped by the lack of expert with wide experience of different type of loom to do research work. The only experts working in the Centre now are skilled local weavers who have experience in local looms only.

Common Facility Services :

This is confined to the dyeing of silk yarn by the new processes, and to the supply of ready-dyed and treated yarn in standard colours from stock. The Centre has also purchased 50 sets of warp-reeds and combs for supply to weavers working on special orders for the Centre. It is also proposed that the Centre can supply prepared warps and set up patterns on the looms as a means of ensuring the accurate fulfillment of pattern specification from the large consumers of uniform sarongs and for overseas markets when they are tapped.

III - Quality Testing and Branding Service

This service is very essential to maintain consumers' satisfaction and consistency of quality. Together with the Small Industries Services Institute the Centre has adopted a trade mark and quality guarantee label (RIDATEX) for handloom fabrics accepted by them.

The services provide for the testing and classification of fabrics according to :-

- (1) fastness of dyes against light and washing
- (2) quality of material and finish
- (3) correctness and uniformity of design.

After approval on testing a quality label trade mark is attached guaranteeing the quality according to the grade indicated by the test and incorporating the appropriate instructions regarding the care and washing of the fabric.

Small Industries Services Institute

The Institute is one of the six main divisions of R.I.D.A. and its main activities are directed at assisting the small industries through the provision of raw materials, finances, technical advice and it helps the producers to market their finished products. It was first set up on a small scale in early 1959 and has since expanded the range and scale of its operations.

The Institute engages in five main fields of operations. First of all it purchases the selected raw materials in bulk and delivers them to the Textile Centre and other R.I.D.A. Centres for storage and distribution. This is to ensure a fair price for the producer and by carrying stock it averts the possibility of disruption in production which may arise due to scarcity of the required raw materials. So as to be able to obtain the material from the right source the Institute keeps in close touch with international price trend and import from the cheapest source.

As regards marketing it conducts market research and liaison service covering local and overseas markets. The local markets are surveyed by mobile market research units visiting village, small towns and through contacts with the wholesalers and retailers. Foreign markets are explored through the exporters and the marketing officer who has contact with the trade representative

of Malayan embassies abroad.

The main difficulties encountered by the handloom industry are the unsatisfactory standard of supervision and entrepreneurship which make it possible to guarantee the fulfillment of any substantial order as regards the date of delivery, the quality in conformity with specifications.

The technical division of the Institute is not fully developed. At present the technical service rendered by the Institute to the handloom industry are mainly carried out by the Textile Centre in matters such as pattern design, exploration of certain finishing processes to improve the quality of the woven cloth.

The financial assistance given to the weavers are varied in form. The supply of raw materials on credit is a good example of R.I.D.A.'s financial commitments. Capital loans are available to the weavers on provision of security at a reasonable rate of interest (7% per annum). In order to facilitate the purchase of essential equipment R.I.D.A. has implemented a hire purchase system. Machinery and equipment are purchased by R.I.D.A. on the recommendation of the Institute and re-sold to entrepreneur or weavers on a hire purchase system (1). The hire-purchaser receives the machinery but does not become its legal owner until he has paid the final instalment of the debt. A cash deposit equivalent to 1/3 of the value of the machinery is required while the instalments may spread from 2 to 5 years.

Finally, the Institute also carries stock of the finished product so as to keep the price stable. Violent price fluctuation owing to change in demand and supply will adversely affect the weavers.

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For a good account of this system refer to the article by T.E. Stepanek on "Hire Purchase Loans for the mechanisation of Small Industry" U.N. Bulletin No. 1, 1958.