

Estimating a Demand Function for Handloom Textiles in Calcutta: 1987-88

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This paper attempts to make an appraisal of the Bengal handloom market in Calcutta. The objective is to identify and observe the characteristics of that segment of consumers who purchase handloom the most. If the right set of consumers can be identified it will be convenient for the weavers to cater to the tastes of that particular section. To build up a homogeneous set of consumers out of a heterogeneous lot through the process of elimination is the main focus of our study. The process of elimination begins with the correct specifications of variables which will jointly determine the desired set.

There have been a few enquiries in the field of demand for cotton textiles in India. On the national level the Market Research Wing (MRW) of the Textile Committee, Government of India (1972-1987), has been estimating annually, starting from 1974, the income and price elasticities of textiles on the basis of consumer panel data for various fibres and modes of manufacture. In 1964, Krishnan estimated price and income elasticities of demand for mill cloth. Rama Rao and Anjaneyulu studied the demand for cotton textile industry for the period 1952-1969. Sastry (1979) estimated time series demand functions for mill cloth for the period 1951-1972. Ormkar Goswami (1985) analysed the demand and supply of the Indian textile industry with focus on the mill product. At the regional level Dr. Sulabha Brahme (1965) conducted a survey on the distribution and consumption of cotton cloth in the city of Pune. Shah (1970) studied the marketing of cotton cloth in the Akola district of Maharashtra in 1970. The Ahmedabad Textile Industries Research Association (ATIRA) made a study (1988) of the consumption behaviour of *Janata* cloth for the poorer sections of the society in and near Ahmedabad in 1988.

Very few economic investigations have been made in the field of demand for handloom produced cloth. Separate estimates of elasticities are available for mill, handloom and khaddar cloth by Iyengar (1967) and National Commission on Agriculture (1976). And there is the annual MRW Report. V.V. Divatia (1990) used MRW data from 1972-1987 to examine trends in household consumption of textile of all fibres from all sectors of manufacture. But there has been no independent study regarding the demand for handloom textile neither on a national nor on a regional basis.

The present study is based on primary data that had been collected to investigate the consumer behaviour of handloom textile users in Calcutta and throw some light on the marketing aspect of handloom textiles in the city. Although there are various other issues in the area of handloom marketing in Calcutta that require research effort, there are two important areas that we have inquired here. First, we have attempted to explain "substantially" the behaviour of the expenditure per head of handloom on some economic and socio-cultural characteristics of households some of which are quantitative and some

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