

## An Empirical Analysis of the Socio-Economic Status of Handloom Workers in Himachal Pradesh

Akshay<sup>1</sup>, Babburu Venkateshwarlu<sup>2</sup>, Manish<sup>3</sup>, Vijay<sup>4</sup>

<sup>1</sup>At Central University of Himachal Pradesh, India-177101.

<sup>2</sup>Associate Professor, Department of Economics, Central University of Himachal Pradesh, India-177101

<sup>3,4</sup>PhD research scholar at Central University of Himachal Pradesh, India-177101.

Email Id: [2babburu.venkat@hpcu.ac.in](mailto:2babburu.venkat@hpcu.ac.in)

### Abstract

The Handloom sector of Himachal Pradesh is one of the important parts of the state economy. It employs 13,688 households in the state. The central as well as state governments launched several schemes to improve the status of the handloom sector. According to the fourth handloom census (2019-20) 31.45 lakh households engaged in handloom activity across India. The present study mainly focused on the socio-economic condition of handloom works in Himachal Pradesh. To achieve the objective of the study fourth-handloom census data have been used. It is found that most of the handloom workers live in rural areas. Awareness of government schemes is very less among handloom workers because only 3.63% of workers studied till Graduation and above. Percentage of the highest earning group (20000-250000 from the handloom activities is 0.02. Data shows that the handloom sector works as a secondary source of income for the workers.

**Keywords:** Handloom, Socioeconomic, workers.

### 1. INTRODUCTION

Before the Industrial Revolution, the handloom sector is one of the oldest livelihood-providing sectors till the 19th century. This sector primarily accounted for the production of clothes. It ranks second in terms of employment only behind the agriculture sector (Raju & Rao, 2014). This sector provides direct and indirect employment to 35.22 lakhs weaver & allied workers in rural and semi-rural areas (Annual report 2021-22). According to the 4th Handloom census, 31.45 lakh households participated in handloom activities out of which SCs (14.3%), STs (19.1%), OBCs (33.6%) & others (33%). The number of adult females and adult males engaged in the handloom industry is 72.3% & 28% respectively. Therefore, this sector is playing an instrumental role in increasing the income of women, which in turn, helps in the direction of women's empowerment. The 28.2 lakhs handlooms were located all over India out of which 25.2 lakhs & 2.9 lakhs were in rural & urban areas respectively. This shows that the most of handlooms are located in rural areas. Consumption of less power & eco-friendly inputs makes this sector sustainable (Annapoorni 2021). Vocal for local programmes helped handloom weavers to sell their products in the market (Saad 2020). The sector has an important place in export, in the year 2020-21, Rs. 1644.78 crore handloom items were exported to a different country. The centre as well as the state government implemented various schemes for the growth and development of the handloom sector such as the Cluster Development Programme, Handloom Marketing Assistance, Urban Haats, Handloom Awards, Mega Handloom Cluster, Weavers MUDRA Scheme, National Handloom Day, Handloom Mark Scheme, India HANDLOOM Brand.

Himachal Pradesh is a hilly state in India and approximately 90% of the population lives in rural areas. Due to its geographical condition, there is very less scope for industrialization. In rural areas, a large portion of the population is engaged in agriculture and allied activities for livelihood. According to the Economic Survey, 2020-21 Agriculture & Horticulture directly provides 70% of employment in the state. Due to its geographical and cultural conditions most of the households are rearing goats and sheep for wool. The governments of India as well as Himachal Pradesh have introduced several schemes to increase wool production, such as Pashmina Wool Development Scheme under Integrated

Wool Development Programme, Sheep and Wool Improvement Scheme, and Woolfed. As a result of these schemes wool production in the state has witnessed a positive trend. Handloom and agriculture are complementary to each other because the output of the agriculture sector is used as input in the handloom sector. However, both are dependent on each other. Apart from that handloom sector plays a very significant role in the enhancement of cultural tourism. Many scholars and policymakers had studied the handloom sector on different dimensions e.g., (Nirajana&Vinayan 2001) studied the growth and prospects of the handloom industry. The study revealed that the handloom industry can be developed via local markets and decentralized cloth production.(Kaushik& Jain 2015) analysed the impact of government schemes on Handloom Weavers in M.P. It was found that less than 15% of the weaver population get benefited from government schemes and one-fourth of the weaver population was not aware of centre and state schemes. (Jain& Ratan 2017) found that for sustainable growth of the silk handloom industry strong NGO intervention is required, apart from that tourism is also helpful for the growth of the handloom industry. (Attri 2017) studied handloom industries in Himachal Pradesh. It was observed that the economic condition of weavers, artisans, and craftsmen was not satisfactory and marketing is the most crucial problem. (Paul 2019) analyses the major problem in the handloom industry in DakshinDinajpur of West Bengal. The study highlighted several obstacles in the handloom sector that directly affect the growth of the sector such as raw material, low wages, labour crisis, competition with the power loom sector, marketing middleman, and collapse of primary weavers cooperative societies. All these obstacles are responsible for the growth and development of the handloom industry. (Mishra 2020) has undertaken study sustainability of handloom. The paper found out that to bring sustainability to the handloom sector focus should be made on marketing skills, building marketing information channels, and timely availability of all required input at affordable cost. (Singh & Gautam 2021) reveals that many constraints in the handloom industry may be responsible for the continuous decline in revenue from handloom export. The paper highlighted that there is an immediately needed to create awareness of the export assistance programme among handloom weavers. To create awareness among beneficiaries government should conduct seminars, and meeting for increasing awareness of government schemes.

**OBJECTIVES OF STUDY**

- 1) To study the socio-economic status of handloom workers in Himachal Pradesh.
- 2) To give appropriate suggestions for the development of the handloom sector in H.P.

**2. RESEARCH METHODOLOGY**

The present study is mainly based on secondary data, published in various reports and journals. The fourth handloom census (2019-20) is the main source of data in this study. The analysis of data average and percentage scores has been used.

**3. RESULTS AND DISCUSSION**

Table1. Distribution of handloom workers' households by type

<b>Location of households workers</b>		
<b>Rural</b>	<b>Urban</b>	<b>Total</b>
13260	312	13572
97.7%	2.29%	100%

Source: Handloom census 2019-20

The maximum population (89.97%) of Himachal Pradesh lives in rural areas & 71% of the state population directly depends on employment in agriculture (Economic Survey 2021-22). Handloom weaving is the primary source of livelihood after agriculture. 97.7% and 2.29 % of handloom workers live in rural and urban areas respectively (4th Handloom Census). The majority of households in rural areas are rearing goats & sheep for milk and wool which provides inputs for the handloom sector. This can be the reason behind the existence of the handloom sector in rural areas.

Table 2.Total workforce-wise distribution of handloom households

Location	Male		Female		Total
	Weavers	Allied workers	Weavers	Allied workers	
Rural	3420 25.57%	91 0.68%	9502 71.05%	360 2.69%	13373 100%
Urban	112 35.55%	6 1.90%	177 56.19%	20 6.34%	315 100%
<b>Total</b>	<b>2583</b> <b>18.87%</b>	<b>716</b> <b>5.23%</b>	<b>6172</b> <b>45.09%</b>	<b>380%</b> <b>2.77%</b>	<b>13688</b> <b>100%</b>

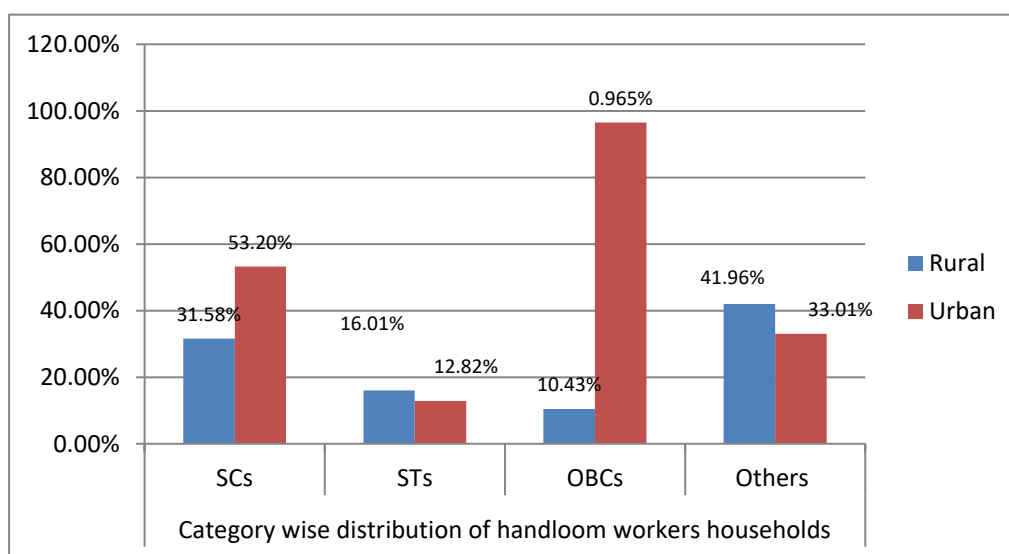
Source: Handloom census 2019-20

Gender is a socially constructed definition of men and women. In every country, the budget and policies were made based on gender. So it is important to analyse the gender status in the handloom sector of H.P. The study reveals that the majority of 71.05% of female weavers, 25.57% of male weavers and 0.68% of allied workers worked in the handloom sector. The scenario is the same in urban areas 56.19% female weavers, 35.55% male weavers 6.34% female allied workers and only 1.90% male allied workers. It is found that the majority of weavers are female in both rural & urban areas, and most of the handloom work is done at home, so females easily participated & regulate the handloom industry. It provides a female platform to enhance their skills and knowledge.

Table 3. Distribution of handloom workers' households by social group

Location	Category-wise distribution of handloom workers' households				Total
	SCs	STs	OBCs	Others	
Rural	4188 31.58%	2124 16.01%	1384 10.43%	5564 41.96%	13260
Urban	166 53.20%	40 12.82%	3 0.965	103 33.01%	312
<b>Total</b>	<b>4354</b> <b>32.08%</b>	<b>2164</b> <b>15.94%</b>	<b>1387</b> <b>10.21%</b>	<b>5667</b> <b>41.75%</b>	<b>13572</b> <b>100%</b>

Source: Handloom census 2019-20



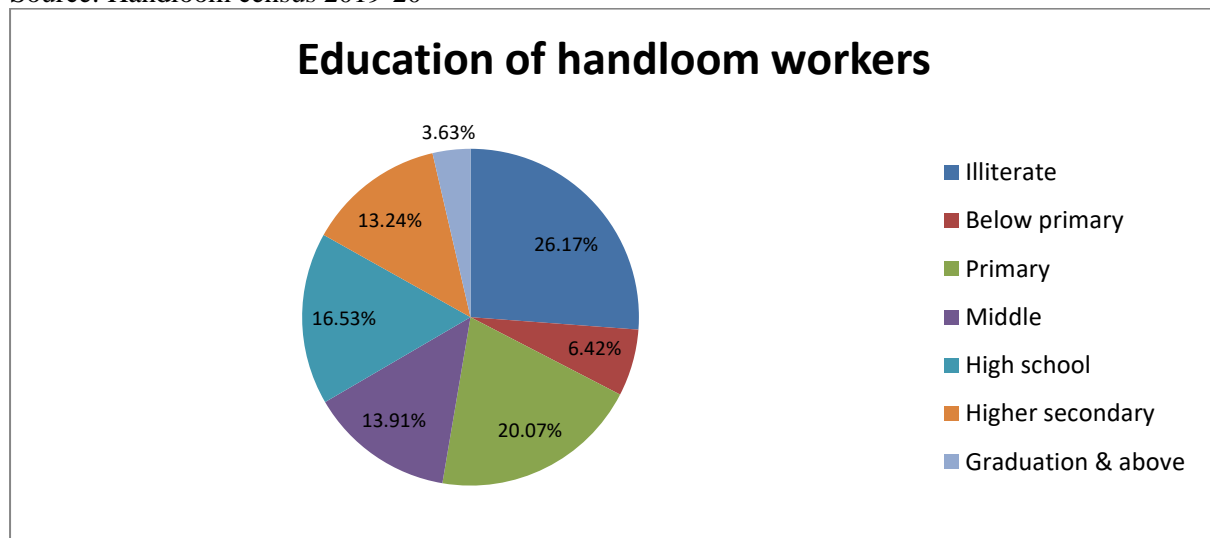
Indian society's social category is one of the important factors that influence occupations as well as the social status of households. Social categories are broadly divided such as General, SC, ST and

OBC. The distribution of handloom workers by social group in this study reveals that 41.75% of workers belong to the others category followed by SC 32.08% ST 15.94% and OBC 10.21%. As per the 2011 census, 50.72% of the Himachal population belongs to the Upper caste. The state is dominated by the upper caste.

Table4. Distribution of handloom workers by education

Location	Illiterate	Below primary	Primary	Middle	High school	Higher Secondary	Graduation & above	Total
Rural	3559 26.61%	857 6.40%	2674 19.99%	1843 13.78%	2184 16.33%	1770 13.235%	486 3.63%	13373 100%
Urban	24 7.61%	22 6.98%	74 23.49%	62 19.68%	79 25.07%	43 13.65%	11 3.49%	315 100%
<b>Total</b>	<b>3583</b> <b>26.17%</b>	<b>879</b> <b>6.42%</b>	<b>2748</b> <b>20.07%</b>	<b>1905</b> <b>13.91%</b>	<b>2263</b> <b>16.53%</b>	<b>1813</b> <b>13.24%</b>	<b>497</b> <b>3.63%</b>	<b>13688</b> <b>100%</b>

Source: Handloom census 2019-20



Education is one of the important factors that influence the social economic status and the growth of any economy. It is also helpful to understand the market condition that changing day by day. Apart from that it creates awareness among workers regarding government schemes and incentives. The present study reveals that 26.17% of handloom workers are illiterate, the majority 20.07% of workers have education up to primary level and only 3.63% of workers have education up to Graduation and above.

Table 5. Distribution of household by income from handloom-related activities

Location	Income from handloom-related activities								Total
	<5000	5001-10000	10001-15000	15001-20000	20001-25000	25001-50000	50000-100000	>100000	
Rural	12956 97.70%	253 1.90%	36 0.27%	12 0.09%	3 0.02%	0 0%	0 0%	0 0%	13260 100%
Urban	310 99.35%	1 0.32%	1 0.32%	0 0%	0 0%	0 0%	0 0%	0 0%	312 100%
<b>Total</b>	<b>13266</b> <b>97.74%</b>	<b>254</b> <b>1.87%</b>	<b>37</b> <b>0.27%</b>	<b>12</b> <b>0.08%</b>	<b>3</b> <b>0.02%</b>	<b>0</b> <b>0%</b>	<b>0</b> <b>0%</b>	<b>0</b> <b>0%</b>	<b>13572</b> <b>100%</b>

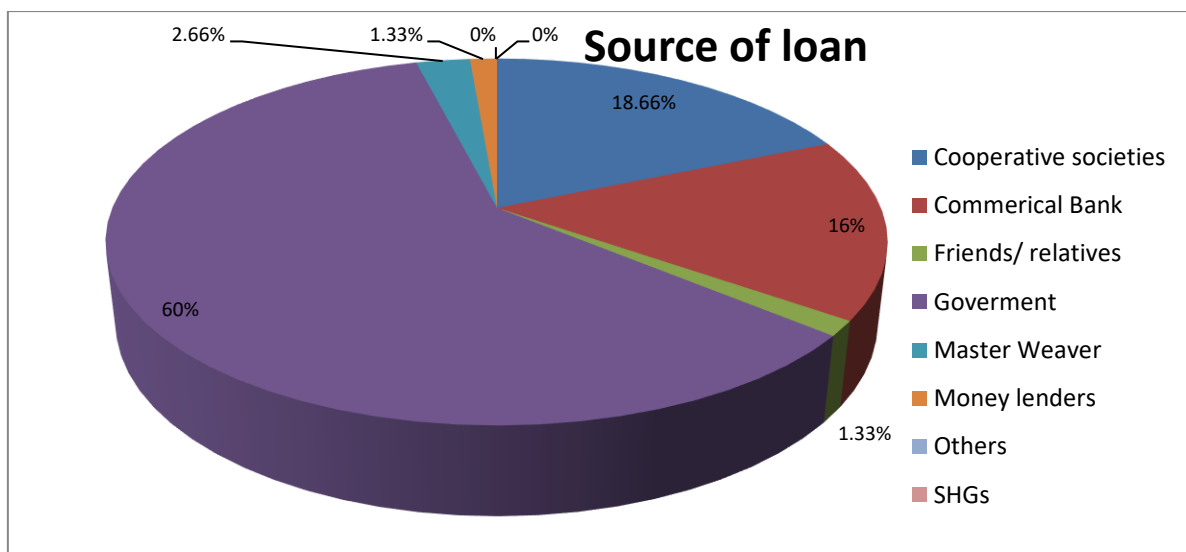
Source: Handloom census 2019-20

The annual income of households determines the living standards & financial status, all over the world many policies are drafted based on income. As per the table, 3 majorities 97.70% of households fall into less than 5000 income slabs in rural areas and only 2.3% of workers fall into another income slab. The picture is similar in urban, 99.35% of households fall in the less than 5000 income slab, and only 0.65% fall in another category. It shows income from handloom activities is not enough for survival.

Table6. Distribution of handloom households by the source of loan

Location	Source of income								Total
	Cooperative societies	Commercial bank	Friend / relatives	Government	Master weaver	Money lender	Others	SHGs	
Rural	14 22.58%	12 19.35%	1 1.61%	32 51.61%	2 3.22%	1 1.61%	0 0%	0 0%	62 100%
Urban	0 0%	0 0%	0 0%	13 100%	0 0%	0 0%	0 0%	0 0%	13 100%
<b>Total</b>	<b>14</b> <b>18.66%</b>	<b>12</b> <b>16%</b>	<b>1</b> <b>1.33%</b>	<b>45</b> <b>60%</b>	<b>2</b> <b>2.66%</b>	<b>1</b> <b>1.33%</b>	<b>0</b> <b>0%</b>	<b>0</b> <b>0%</b>	<b>75</b> <b>100%</b>

Source: Handloom census 2019-20



The majority 51.16% of households look for loans from the government followed by 14% from cooperative societies, 12% from commercial banks, 3.22% from master weavers and only 2% from friends/ relatives & money lenders. In urban areas, households took a loan from the government. It shows that the majority of households depend on the government for a loan. The Central as well state governments launched various schemes for the development of handlooms such as the Weaver MUDRA scheme, Support in indigent circumstances to awardees/ workers, and Concessional Credit to the Handloom Sector. The rate of interest in the informal credit market is very high compared to the formal market. It has been experienced that money lenders charge very high interests ranging from 24 to 48 per cent (Rajuet, al 2014). It may be the reason why handloom households do not take a loan from the informal sector.

Table 7. The total and average number of days worked by handloom workers

	The total and average number of days	
	Total number of working days	Average working days
<b>Rural</b>	3751063 97.78%	280
<b>Urban</b>	85060 2.21%	270
<b>Total</b>	<b>3836123</b> <b>100%</b>	<b>280</b>

Source: Handloom census 2019-20

The total and average working days of any person directly influence the income and employment status of households. As per the table, there is a huge difference in rural and urban total days of working, on the other hand, 280 average working days in rural areas and 270 average working days in urban areas.

#### 4. CONCLUSION

It is evident from the study that the role of the handloom sector is very vital in Himachal Pradesh. The study further shows that the reason behind the location of the handloom sector in a rural area is the structure of Himachal's Economy where 89.97% of people reside in rural areas. The majority 45.09% of female weavers and the majority 18.87% male weavers are worked handloom sector in rural and urban areas. As per table 3 majority 41.75% others category 32.08% SCs, 15.94% STs and only 10.21% were OBC category workers engaged in the handloom sector. Awareness of government schemes is very poor among handloom workers because only 3.63% of workers studied Graduation and above. Himachal Pradesh State Handloom and Handicrafts Corporation limited Shimla, Himachal Pradesh State Handloom & Handicrafts Development Cooperated Federation Ltd, The Himalayan Weavers Handloom, Handicrafts Industrial Cooperative Society Ltd are the main promoters of the handloom sector. It is also found that the majority of workers earn less than Rs. 5000 thousand per year from handloom-related activities. Nobody earns up to Rs. 25001 to above Rs. 100000 income from handloom-related activities. The further study highlighted that government is the main source of loans for handloom households. The average working days in the handloom sector in approximately the same in both rural & urban areas.

#### SUGGESTIONS & POLICY IMPLICATIONS

1. All the schemes are focused on Weavers, not on allied workers and workers. Apart from that there are various obstacles faced by handloom workers such as the unavailability of raw materials, traditional technology and the high cost of production. Build an appropriate supply chain of raw materials and traditional and modern technology.
2. There is huge potential in the handloom sector for the economic growth of the state if government & NGOs promote handloom products as well as increase awareness among all the stakeholders.
3. Government should design curriculum-related handloom. It should be offered as a vocational or skill development programme at schools and college levels.
4. Create awareness among all the stakeholders via mass media and social media such as Radio, TV, Facebook, Instagram etc.
5. Government should provide grants for creating a new handloom industry.
6. Government should provide loans to the handloom sector at a minimal rate of interest.

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