Lyceum India Journal of Social Sciences || ISSN: 3048-6513 (Online)
Volume: 2 Issue: 7 || December 2025 || DOI: 10.5281/zenodo.18052160

Sustainability Problem in Handloom Sector in India: An Analytical Perspective

Kiran Soibam[1]

ABSTRACT

The handloom industry stands at the heart of India's cultural identity and supports the rural economy, directly and indirectly employing thousands of weavers. It fuels export revenue, brings in foreign exchange, and pushes rural development forward. Yet the industry faces a serious sustainability crisis that threatens its future. This crisis is not just about competition from power looms and mills though that's a big part of it. The sector also struggles with outdated marketing practices, tangled supply chains, unreliable infrastructure, rising raw material costs, and the fragile socioeconomic status of its weavers. This paper puts together the existing research to build a theoretical framework for tackling the sustainability challenge. The analysis highlights a major gap in how we compare cooperative and private sector models. It's clear the industry needs integrated strategies that address its deep-rooted problems only then can the sector secure lasting growth and protect the wellbeing of its artisans.

KEYWORDS: *Handloom, sustainability, cooperative sector, private sector, weaver welfare, marketing challenges.*

1. Introduction

The handloom sector in India is not just about weaving cloth it is where culture, skill, and different ways of working all come together. When one looks at policy papers and academic studies, one will see that handloom is the biggest source of rural jobs outside agriculture. Most of the people who work in this sector are women from poor backgrounds (Ministry of Textiles, n.d.). What stands out about handloom is how sustainable it is: low carbon footprint, barely any energy use, and everything's biodegradable. That fits right in with the global push for ethical buying and slow fashion (EXIM BANK, 2018). But for all that, the sector faces a crisis that goes deeper than what meets the eye. The real threat is not whether handloom

[1] Research Scholar, Department of Economics, Mizoram University

matters it does but whether it can hold up under pressure. Can it keep providing stable work, shift with the market, and preserve its traditions, even as bigger forces push against it?

This paper tries to go past just listing the sector's problems. Instead, it builds a framework to really understand what's at stake with sustainability. Drawing from a wide range of research history, economics, local case studies it argues that the crisis isn't just about money or jobs. It runs through economic realities, how organizations are set up, and the social and cultural fabric holding it all together. At the center of this argument is organization: how the sector is structured shapes everything. There is a real split between the cooperative model and the private model (run by independent or master weavers), and each brings its own set of challenges. By probing into these issues, the paper lays out a way to spot where interventions might actually work, and it points to the need for more research in overlooked but important places like Manipur.

2. Foundations of Vulnerability: Historical and Structural Aspects

To really grasp the current sustainability crisis, it would be wise to trace back in history. Roy (2018) challenges the old conception that colonialism simply destroyed local industry. Instead, he shows how artisans adjusted but got pushed into unstable, informal work what he calls "peasantization" (p. 152). This is not some random accident. Today's informality and weak institutions in the sector trace straight back to those colonial days. When colonial powers broke apart production networks (Wielenga, 2020) and then failed to rebuild things like formal credit systems, property rights, or technical education, they left behind a lasting structural gap (Roy, 2018, pp. 120135). That gap is still there. The handloom sector now is located mostly in the informal economy, without the stability, access to capital, or support for innovation you'd find elsewhere. It's exposed and vulnerable.

After independence, people treated the handloom sector as a sign of cultural resistance and a way to provide rural jobs (Venkataraman, 1937; Krishnamurthy, 1969). But as Rao (1973) points out, the sector never really escaped the grip of caste and community networks. These ties preserved traditional techniques but also limited how the sector could adapt to modern markets. The government tried to step in launching cooperatives and new policies to bring some order and collective power to this scattered, informal world. Sometimes these efforts worked, sometimes not. The mixed results from Madras (Salai, 1956) to Odisha (Mahapatro, 1985) show that it is difficult to impose a one size fits all solution on such a diverse, locally rooted sector. This result shows that the handloom sector remains incredibly resilient in its craft, yet deeply fragile in its economic structure.

3. Organizational Dichotomy: Cooperative vs. Private Models and Their Sustainability Implications

Making a scrutiny of the sustainability problem calls for finding out how organisations are set up. Scholars usually split the sector into two camps: cooperative societies on one side and private units think independent weavers or those working for master weavers on the other. Each group operates differently, and each comes with its own set of sustainability challenges.

On paper, cooperatives promise a way out of the chaos and fragility that come with informality. The idea is simple: pool resources, stand together, and share the rewards fairly. Evidence from Kerala (Sarngadharam, 1987) and Andhra Pradesh (Dev et al., 2008) shows that when cooperatives work, they really work. Members get better access to raw materials, reliable credit, and actual markets. Their incomes become more stable, and they're less likely to be exploited. The theory behind this is all about collective action and bringing weavers together as real partners in their own enterprise not just isolated laborers.

However, the story does not end there. In practice, cooperatives often fall short of this vision. The problem is not just bad luck; it's institutional failure. Das (1986) and Singh & Kumar (2018) point to recurring issues: political meddling, clumsy bureaucracy, weak leadership, and members who don't really participate. Instead of thriving, these cooperatives end up limping along, propped up by government subsidies and unable to respond to the market or run efficiently. Governance is at the heart of the problem. Without real transparency, accountability, or professional management, even the best policy support can't make these organizations truly sustainable.

Flip to the private sector especially in places like Manipur, where more than 70% of weavers work on their own (Singh, 2022) and you see a different logic at play. Here, there is flexibility and entrepreneurship. Weavers can adapt quickly, follow their own artistic instincts, and don't need much formal structure to get started (Ali, 1998). This model fits the idea of micro entrepreneurship: it's nimble, responsive, and easy to join.

Yet, this freedom comes at a cost. Market failure is a constant threat. Independent weavers, without collective bargaining power, often end up at the mercy of master weavers and middlemen who control both supplies and market access (Mohan, 2013). The primary producers the weavers themselves barely see any profit (Tanusree, 2015). They're also left exposed to the full force of market swings, rising raw material prices, and a lack of formal credit, which often pushes them into debt (Sharma, 1980; Sarkar, 2016). The sustainability challenge here is about power and risk. The same informality that lets them be flexible also shuts them out from security and scalability, which are essential for lasting success.

So, sustainability is not built into either model by default. Everything comes down to fixing what's broken: governance failures in cooperatives and exploitative market structures in the private sector. That's where the real work lies.

4. Multidimensional Challenges and Sustainability

Beyond organisational structure, the converging challenges that directly impact sustainability are as follows:

4.1. Economic and Market Challenges: Power looms churn out cheap copies, threatening traditional weavers at their core (Arulanandam, 1980; Varghese & Salim, 2015). The market's supposed safeguards and efforts at product distinction keep falling flat. Add to that tangled, inefficient supply chains middlemen everywhere (Goswami & Jain, 2014) and weavers lose out, left without fair pay or real insight into what buyers want. This strangles any hope of real innovation.

4.2. SocioEconomic Conditions: For weavers, life means low, unpredictable earnings and constant health risks on the job (Sadanandam, 2016; Mishra, 2018). Women face even more carrying the weight of both work and home (Premsundar & Kannan, 2013). What's happening here is more than hardship; it's a crisis, draining away vital skills and the wellbeing of entire communities.

4.3. Policy and Implementation Gaps: On paper, government schemes like the National Handloom Development Programme (NHDP) and others look promising. In practice, they stumble. Studies highlight a mess of problems: people don't even know these schemes exist, bureaucracy ties everything up, and support from institutions comes scattered and weak (Sarkar, 2017; Rao & Rao, 2015). The results never reach the people who need them most.

5. Toward an Integrated Understanding

The sustainability crisis in the handloom sector breaks down into three big, tangled problems. First, there is a long history of informality and weak institutions holding everything back. Second, the sector struggles with poor governance cooperatives aren't working well, and independent weavers don't have much power. Third, one will see all this come together in daily operations: markets fail, livelihoods are shaky, and policies just do not get to the people who need them.

If the handloom sector wants genuine sustainability economic, social, and cultural then change has to hit all three areas at once. Piecemeal fixes do not cut it. One needs to go after the core problems. That means

making cooperatives actually work for their members, not just on paper. Independent weavers need more tools and direct ways to reach buyers robust ecommerce platforms, for instance, as Khatoon pointed out in 2016. As for the policy, there is a need to focus on weavers themselves and adapt to what's actually happening on the ground.

In Manipur's case, handloom is not just a business it is part of rural life and women's identity (Victoria, 2013). Any intervention has to respect that complexity. A one size fits all approach only misses the mark.

In the end, making the handloom sector sustainable means shifting how we think and act. This is not about saving a relic from the past. It's about building a future where artistic tradition, entrepreneurship, fair markets, and solid institutions all pull together. Only then do the weavers whose work holds so much of the country's heritage get the respect, security, and prosperity they deserve.

References

Ali, A. (1998). *Economic History of Manipur 18011951* [Doctoral dissertation, Manipur University].

Arulanandam, M. A. (1980). *A study of Handloom Industry in Tamil Nadu* [Doctoral dissertation, Madurai Kamaraj University].

Das, N. C. (1986). *Development of Handloom Industry: Organisation, Production, Marketing*. Deep & Deep Publications. New Delhi.

Dev, S. M., Galab, S., & Reddy, P. P. (2008). *Organisation of handloom industry in Andhra Pradesh: A study*. Centre for Economic and Social Studies. Hyderabad.

EXIM BANK. (2018). *Indian Handloom Industry: Trends and Prospects* (Report No. 76). ExportImport Bank of India.

Goswami, B., & Jain, R. (2014). Supply Chain Inefficiencies in the Indian Handloom Sector: A case study of Varanasi silk sarees. *International Journal of Supply Chain Management*, *3*(3), 112125.

Khatoon, S. (2016). Role of Social Media in Promoting Handloom Products of India. *International Journal of Scientific and Research Publications, 6*(10), 400404.

Krishnamurthy, O. S. (1969). *The Handloom Industry in South India*. University of Madras.

Mahapatro, P. C. (1985). *Handloom Industry in Odisha: A Study*. Discovery Publishing House. New Delhi

Ministry of Textiles. (n.d.). Schemes for Handloom Sector. Government of India. Retrieved from https://www.ministryoftextiles.gov.in/policies

Mishra, S. (2018). *Health and socioeconomic status of handloom weavers in Odisha* [Doctoral dissertation, Sambalpur University].

Mohan, R. (2013). Economic Development of the North East Region: Some Reflection. *RBI Bulletin*, (12), 925937.

Premsundar, B., & Kannan, M. (2013). SocioEconomic Conditions of Women Handloom Weavers: A study in Tamil Nadu. *International Journal of Development Research*, *3**(8), 15.

Rao, A. V. (1973). *The Handloom Industry in Andhra Pradesh: A Study*. S. Chand & Company. New Delhi.

Rao, S., & Rao, P. V. (2015). Evaluating the Institutional Framework of Handloom Sector in Andhra Pradesh. *Journal of Rural Development, 34*(4), 567582.

Roy, T. (2018). *Craft Economies and Colonialism in South Asia*. Cambridge University Press.

Sadanandam, P. (2016). Occupational health hazards among handloom weavers. *Indian Journal of Labour Economics, 59*(3), 445460.

Salai, B. (1956). *The Handloom Industry in Madras State*. University of Madras.

Sarkar, D. (2016). Poverty and Indebtedness Among Handloom Weavers: A Study in West Bengal. *Economic & Political Weekly, 51*(15), 6774.

Sarkar, D. (2017). Policy Implementation and Weaver Awareness: A Study of Government Schemes in West Bengal. *Indian Journal of Public Administration, 63*(2), 234250.

Sarngadharam. (1987). Social Conditions of the Handloom Weavers in Kerala. *Research Bulletin of the Institute of Cost and Works Accountants of India*.

Sharma, D. S. (1980). *Problems of Handloom Weavers in India*. Chugh Publications. Prayagraj

Singh, R., & Kumar, A. (2018). Challenges and Opportunities in the Indian Handloom Sector. *Journal of Rural Development, 37*(2), 4560.

Singh, V. K., & Gautam, A. (2022). Structural Investigation of Export Assistance and Performance of Handloom Exporters. *Metamorphosis, 21*(1), 7–18.

Tanusree, P. (2015). *Market accessibility and livelihood of handloom weavers: A study in Assam* [Doctoral dissertation, Gauhati University].

Varghese, T., & Salim, A. (2015). Survival of the fittest: A study on the impact of power loom sector on handloom industry in Kerala. *Journal of Economic and Social Development, 11*(1), 7889.

Venkataraman, K. S. (1937). *The Handloom Industry in Madras Presidency*. University of Madras.

Victoria, L. (2013). *Weaving a future: The handloom industry and women in NorthEast India*. Niyogi Books. Kolkata.

Wielenga, K. D. (2020). *Weaving Histories: The Transformation of the Handloom Industry in South India, 1800–1960*. Oxford University Press.