



# Financial Constraints of Handloom Weavers in Rural Anantapur: A Path Towards Sustainable Livelihoods

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**Abstract**

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The handloom sector in rural Anantapur district of Andhra Pradesh plays a crucial role in preserving traditional craftsmanship and supporting the livelihoods of thousands of weavers. However, handloom weavers face severe financial constraints due to low wages, irregular income, high raw material costs, and heavy dependence on middlemen. The lack of direct market access, limited financial literacy, and inadequate institutional support further exacerbate their economic vulnerability. Women weavers, who form a significant portion of the workforce, face additional challenges like wage disparities and restricted access to credit. Despite the availability of government financial assistance schemes, their implementation remains ineffective due to bureaucratic hurdles. This study explores the financial difficulties faced by handloom weavers in Anantapur, emphasizing the urgent need for direct credit access, fair wages, better market linkages, and policy reforms. Strengthening the financial ecosystem through skill development, affordable credit, and government intervention is critical to improving the economic stability of weavers and sustaining the handloom industry. Promoting self-help groups (SHGs), eliminating intermediaries, and ensuring timely credit facilities could significantly enhance their financial sustainability, fostering inclusive growth in the region.

**Key words:** Handloom weavers, financial constraints, direct market access, economic vulnerability.

## Introduction

Handloom weavers in rural India play a crucial role in preserving the country's rich cultural heritage and traditional art forms. They are engaged in producing a wide range of handmade fabrics, which are known for their unique designs, superior quality, and eco-friendly nature. The handloom sector not only provides livelihood to millions of rural families but also contributes significantly to the economy, especially in rural regions. It promotes local craftsmanship, empowers women, and supports sustainable development. Strengthening the handloom sector through financial assistance, skill development, and market linkages is essential to improve the living standards of rural weavers and preserve the cultural identity of the nation.

Handloom weavers in rural Ananthapuramu district of Andhra Pradesh play a vital role in preserving the region's rich cultural heritage and traditional craftsmanship. The district is well-known for its unique handloom products, especially cotton and silk fabrics, which reflect the traditional weaving skills of local artisans. Handloom weaving provides a significant source of livelihood for many rural families, contributing significantly to their socio-economic development. It also promotes women empowerment and sustainable development in the region. Supporting handloom weavers through financial assistance, market access, and skill development is essential to strengthen their economic stability and ensure the survival of this traditional craft in Ananthapuramu.

Weaving heritage in the district faces severe financial challenges, particularly in rural areas. Despite being a traditional livelihood for thousands of families, financial constraints, low wages, and irregular

income patterns have created an uncertain future for weavers. The majority of weavers in the district are either wage workers or depend on cooperative societies and master weavers for their livelihood. However, the earnings of wage weavers remain meagre, often below subsistence levels, compelling many to seek alternative occupations. The absence of structured wage policies and social security schemes further exacerbates their economic vulnerability. A significant challenge lies in access to affordable credit, as weavers primarily rely on private moneylenders who charge exorbitant interest rates. Government schemes and financial aid, though available, often fail to reach the intended beneficiaries due to bureaucratic inefficiencies, lack of awareness, and inadequate institutional support. Weavers struggle to procure quality raw materials at reasonable prices, as fluctuations in yarn costs and limited financial resources hinder their purchasing capacity. The dependence on middlemen for marketing their products further reduces their earnings, as intermediaries often exploit their lack of direct market access. Additionally, poor infrastructure, inadequate financial literacy, and limited exposure to modern banking services make it difficult for weavers to secure formal loans. Seasonal demand fluctuations also contribute to financial instability, making financial planning challenging. The lack of financial inclusion, coupled with an absence of savings and insurance mechanisms, forces weavers into perpetual debt cycles. Women weavers, who form a significant portion of the workforce, face additional hardships due to wage disparities and restricted access to credit. The integration of technology in financial services and improved banking penetration in rural weaving clusters could offer solutions, but implementation remains slow. Moreover, government financial assistance programs often do not cater to the specific needs of rural weavers, further aggravating their distress. Without targeted interventions, including financial literacy programs, easy loan access, and market linkages, the financial prospects of handloom weavers in Anantapur will continue to decline. The industry, which holds immense potential for rural economic development, requires urgent policy measures to ensure financial stability, better wage structures, and sustainable livelihoods for weavers. Empowering weavers with direct financial aid, eliminating exploitative intermediaries, and ensuring timely availability of credit at subsidised rates could significantly uplift the sector. Encouraging self-help groups (SHGs) and cooperative movements with better financial backing could provide a stable support system for rural weavers. Unless these financial challenges are addressed, the traditional handloom sector in Anantapur, despite its cultural and economic significance, risks gradual decline, leading to further economic distress in the rural areas of the district.

### Review of Literature

**Meher and Panda (2024)** analysed the impact of COVID-19 on informal handloom weavers in Odisha, revealing severe income loss, unemployment, and financial distress. The study found that indebtedness, firm size, and lack of secondary income significantly contributed to income reduction. Weavers relied on government relief packages, but the assistance was insufficient to sustain livelihoods. The research emphasized the need for targeted policy measures, including interest-free credit and improved market access. Findings highlight the vulnerability of rural handloom workers and the urgent need for government intervention to support their employment and income stability.

**Sharma (2022)** highlighted that the handloom sector remains a major source of rural employment, yet weavers face low wages, financial insecurity, and irregular work opportunities. The study found that lack of modern technology and poor infrastructure hinder productivity and income growth.

**Singh (2022)** pointed out that weavers struggle with inadequate credit facilities, forcing them to depend on informal moneylenders. The research suggests that better financial policies, skill development, and direct market access are essential to sustain handloom employment.

### Statement of the Problem

The handloom industry in Anantapur district plays a crucial role in supporting rural weavers, particularly in areas like Syndicate Nagar, Dharmavaram, Yadiki, and Somandepalli. However, financial constraints continue to affect their economic stability. The absence of direct market access forces weavers to rely on intermediaries, who exploit them by taking large profits, leaving weavers with minimal earnings. Additionally, high raw material costs and inadequate financial support push many weavers into debt traps. The lack of institutional credit access compels them to depend on moneylenders who charge exorbitant interest rates, further worsening their financial condition. Market fluctuations and inconsistent demand lead to unpredictable income, making financial planning difficult. Younger generations show less interest in continuing the weaving profession due to its declining profitability. Some weavers, burdened by heavy debt, face severe financial distress. Despite the potential in markets like Dharmavaram and Hindupur, systemic barriers restrict their access. Implementing policy measures such as fair pricing, direct market access, and affordable credit is essential to improve the financial stability of weavers and sustain the handloom industry in the region.

## Objectives

1. To analyze the socioeconomic conditions of handloom weavers in rural areas of the study region.
2. To examine the financial problems affecting the sustainability of the handloom industry in rural regions.

## Hypothesis

1. **H0:** There is no significant impact of financial constraints on the economic stability of handloom weavers in rural Anantapur
2. **H1:** Financial constraints have a significant impact on the economic stability of handloom weavers in rural Anantapur.

## Methodology

The present study aims to examine the financial constraints faced by the handloom weavers in rural areas of Anantapur district. Adopting a mixed-methods research approach, the study utilizes both primary and secondary data. Primary data was collected through a structured questionnaire administered to 240 respondents across rural handloom clusters in Anantapur district, Andhra Pradesh. Secondary data was sourced from government reports, academic journals, magazines, annual publications, and books. The study seeks to provide insights into the financial challenges affecting the economic stability of handloom weavers and explore potential solutions for improving their financial well-being and sustaining the handloom sector.

## Data Analysis

### Gender of weavers

The data reveals that the handloom industry in Anantapur district is predominantly male-driven, with 78.8 per cent of weavers being men, while only 21.3 per cent are women.

table:1- gender of weavers

Gender	Number of weavers	Percentage
Male	189	78.8
Female	51	21.3
Total	240	100.0

**Source:** Primary data

This indicates limited female participation, possibly due to financial instability, lack of market access, or household responsibilities. Encouraging women's involvement through skill development and financial support can enhance gender inclusivity in the sector.

### Age of Weavers

The age distribution of weavers in Anantapur district shows that the majority, 47.1 per cent, belong to the 30-39 age group, indicating that middle-aged individuals dominate the sector. Younger weavers, 18-29 years, account for only 22.5 per cent, suggesting a declining interest among the youth, possibly due to financial instability and lack of career prospects.

table:2 - age of weavers

Age	Number of weavers	Percentage
18-29	54	22.5
30-39	113	47.1
40-49	47	19.6
50-59	26	10.8
Total	240	100.0

**Source:** Primary data

The low participation of older weavers 50-59 years at 10.8 per cent highlights concerns about the sustainability of traditional weaving skills, emphasizing the need for initiatives to attract and retain younger generations in the handloom industry.

## Income of the Weaver

The income pattern of weavers in Anantapur district reflects the financial hardships of the handloom sector, with 20 per cent earning Rs. 5,000 or less, making survival challenging. While 35.4 per cent earn between Rs.10,000-Rs.15,000, a substantial 22.5 per cent remain in the Rs.5,000-Rs.10,000 bracket, indicating unstable earnings.

table:3 - income of the weaver

Income	Number of weavers	Percentage
5000	48	20.0
5000-10000	54	22.5
10000-15000	85	35.4
Above 15000	53	22.1
Total	240	100.0

**Source:** Primary data

Only 22.1 per cent manage to earn above Rs.15,000, underscoring the urgent need for fair wages, direct market access, and financial empowerment to uplift the weaving community.

table:4 - frequency distribution of financial problems affecting the sustainability of handloom weavers

S.no	Particular	SA	A	NA/ND	D	SD	TOTAL
1	Increased Cost of Living	121 (50.4)	85 (35.4)	15 (6.3)	17 (7.1)	2 (0.8)	240 (100)
2	Deprived Earnings leads to Poverty Line	69 (28.7)	97 (40.4)	18 (7.5)	49 (20.4)	7 (2.9)	240 (100)
3	Limited work leads to Unemployment	46 (19.2)	123 (51.2)	10 (4.2)	55 (22.9)	6 (2.5)	240 (100)
4	Shortage of inputs leads to delay and reduced productivity	34 (14.2)	101 (42.1)	36 (15.0)	64 (26.7)	5 (2.1)	240 (100)
5	Seasonal Fluctuations	77 (32.1)	105 (43.8)	16 (6.7)	41 (17.1)	1 (0.4)	240 (100)

**Source:** Primary data

The findings shed light on crucial financial hardships faced by individuals, especially in the handloom sector. With 50.4 per cent strongly affirming, the escalating cost of living emerges as a pressing concern, making everyday survival challenging. The struggle of meager earnings pushing workers below the poverty line is evident, as 40.4 per cent acknowledge this harsh reality. Job insecurity looms large, with 51.2 per cent agreeing that limited work opportunities contribute to unemployment. Furthermore, 42.1 per cent recognize that raw material shortages lead to production delays, hampering financial stability. The impact of seasonal fluctuations is undeniable, as 43.8 per cent agree that inconsistent work and income cycles disrupt livelihoods throughout the year.

table: 5 - descriptive statistics of financial problems affecting the sustainability of handloom weavers

S.No.	Variables	Min.	Max.	Mean	Standard Deviation	Skewness	Kurtosis
1	Increased Cost of Living	1	5	1.73	0.924	1.377	1.438
2	Deprived Earnings leads to Poverty Line	1	5	2.28	1.169	.652	-.744
3	Limited work leads to Unemployment	1	5	2.38	1.110	.658	-.698
4	Shortage of inputs leads to delay and reduced productivity	1	5	2.60	1.089	.269	-1.063
5	Seasonal Fluctuations	1	5	2.10	1.050	.782	-.469

**Source:** Primary data

The statistical analysis highlights the severity of financial challenges in the handloom sector. The mean value for "Increased Cost of Living" is 1.73, indicating that most respondents strongly agree with its impact, further supported by high skewness (1.377) and kurtosis (1.438), showing a concentration of responses toward agreement. "Deprived Earnings leading to Poverty" has a mean of 2.28, with moderate skewness (0.652) and negative kurtosis (-0.744), suggesting diverse opinions but a general inclination toward agreement. Similarly, "Limited Work leading to Unemployment" (mean 2.38) and "Shortage of Inputs affecting Productivity" (mean 2.60) show that most respondents acknowledge these issues, though responses are more spread out, as seen in their lower skewness values. "Seasonal Fluctuations" (mean 2.10) further highlight employment instability, with a skewness of 0.782, indicating that a significant number of respondents consider it a challenge. Overall, the data suggests that economic hardships, work instability, and resource shortages are major concerns in the handloom sector, requiring urgent attention.

### Findings

1. A large number of weavers were men aged between 30 and 39 years.
2. The majority of respondents had a monthly income between Rs.10,000 and Rs. 15,000, while some were extremely poor and could only afford necessities.
3. Most weavers strongly agreed that the cost of living has increased due to various internal and external factors affecting their livelihood.
4. A significant number of respondents acknowledged that seasonal fluctuations create financial difficulties for handloom weavers, impacting their income stability.

### Suggestions

1. In the present scenario, the cost of living is rising every day, but the wages earned by weavers remain insufficient to meet their basic needs. To improve their standard of living, weavers' wages must be increased appropriately.
2. The government should effectively implement existing welfare schemes and ensure that weavers receive all entitled benefits without bureaucratic hurdles.
3. Limited financial opportunities in rural areas have pushed many weavers into low-income activities, requiring government support for financial stability and market access.
4. The government should effectively implement existing schemes and ensure that all benefits reach the weavers without any hurdles.
5. As most weavers rely on banks for financial support, banks should provide subsidies on loans taken by them to reduce their financial burden.
6. Handloom weavers need financial assistance to manage seasonal uncertainties and working capital requirements. Banks should also relax loan policies and offer credit at lower interest rates to support them.
7. The government's minimum guaranteed employment scheme, currently available for agricultural and industrial workers, should be extended to handloom weavers to provide them with stable earnings.

### Conclusions

The handloom sector in rural Anantapur holds immense cultural and economic significance, providing livelihood to many weavers. However, financial constraints such as low income, high raw material costs, and lack of direct market access have significantly impacted their economic stability. Addressing these challenges through improved financial support, easy access to credit, and elimination of middlemen is crucial for the sector's sustainability. Promoting government schemes, enhancing financial literacy, and encouraging cooperative movements can strengthen the weavers' economic position. Therefore, a focused policy framework ensuring financial inclusion and market access is essential to uplift rural handloom weavers in Anantapur.

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