

Economic Insecurity of Sambalpuri Handloom Weavers: A Study

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Abstract

The paper aims to analyse the impact of financial and marketing issues on the economic insecurity of Sambalpuri handloom weavers. The study is based on primary data collected from the handloom weavers of Sambalpur district of Odisha province through a structured questionnaire. The study is based on 104 weaver households. We have used binary logistic regression. The results show that problems like borrowing from private money lenders and transportation issues have a significant impact on the economic insecurity of the handloom weavers. There are also other determining factors of economic insecurity but their impact is not significant. The study will help the policymakers, weavers and the government in decision-making regarding the growth and development of the handloom weavers.

Keywords: Financial issue, Economic insecurity, Sambalpuri handloom weavers

1. Introduction

One of the most significant cottage industries in India is handloom, which is found all over the country (Paul, 2019). After agriculture, it is the largest unorganised sector. The handloom business has maintained a strong cultural legacy and has long dominated the textile industry (Divya et al., 2020). It is observed that a significant portion of the world's handloom products is produced in India. With 15% of the nation's total fabric production, this industry helps India's export revenues (Das, 2021). The handloom sector of our economy is

distinctive. The handloom business provides a livelihood for many people in Odisha. According to the Government of India's Fourth Handloom Census, 2019, there are 117836 weavers in the state, of which 53,472 weave and 64,364 are allied workers. This industry is labour-intensive and a large number of people are earning their living through weaving activities. But in recent years, there has been a sharp decline in the production of handloom products (Gowreeswari & Bama, 2019) for which it is important to study problems associated with the weavers like economic insecurity, financial issues etc.

The industry can flourish in a more successful manner only when the weavers are satisfied with the work and the reward associated with it. But in reality, it is challenging for handloom weavers to cover their daily expenses because of the disturbing state of their livelihood (Das, 2021), low income (Rao & Sreedhar, 2017), and community-wide acute scarcity and extreme poverty (Tiwari, 2017). At the same time, there is a lack of awareness of government benefits among weavers (Khatoon & Iffat, 2021). Power looms also made it difficult for weavers to compete, and as a result, their business revenues have been steadily declining (Malarkodi et al., 2020). Many studies also found that handloom weavers face several financial and marketing issues (Jain & Gera, 2017; Barik & Behera, 2017).

In Odisha, Sambalpuri handloom weavers play a significant role. Their contribution to the handloom industry is remarkable as Sambalpuri sarees and dresses are liked all over the world. But here also the weavers are facing many kinds of problems in earning their livelihood (Das, 2021). Considering all the above points, this study focuses on analysing the impact of financial and marketing issues on economic insecurity of Sambalpuri handloom weavers. The study also investigates the relationship between government schemes and income level of the weavers. This study is first of its kind as impact of the said issues has not been explored by the previous studies. Our study has important implications. It will be

helpful in understanding the issues relating to financial and marketing that can be resolved to reduce the economic insecurity of the Sambalpuri handloom weavers.

The remaining of the paper is structured as follows. Section 2 discusses the review of literature and research gap. The third segment deals with the methodology. Section 4 is for results and discussion and the last part of the paper draws conclusion and policy implications.

2. Review of Literature

The weavers have been facing many problems and the covid pandemic compounded the problems, and just a few weavers are benefiting from various government programmes (Khatoon & Iffat, 2021). The social status of weavers has been declining over time, both generally and in terms of education level (Panda & Sharma, 2022). In recent years, the production of handloom goods has drastically decreased (Gowreeswari & Bama, 2019). Varghese & Salim (2015) examined the struggles and obstacles faced by the handloom sector in Kerala and discovered that it primarily competes with the power loom sector. Bari et al. (2015) tracked down the weavers who had given up weaving because they lacked schooling and other revenue sources. According to Prathap & Naidu (2015), the handloom weavers in Vontimitta Mandal in Andhra Pradesh's Kadapa area are extremely underprivileged. Panda & Bhuwania (2022) also found Indian handloom weavers who have historically worked as weavers are in a terrible situation as a result of their poor

socioeconomic circumstances, health concerns, and business difficulties. Similarly, Patra (2019) found that in Odisha, handloom products face numerous challenges, such as inadequate and inappropriate infrastructure, a lack of raw resources, antiquated technology, etc., which makes them less competitive with machine-made goods.

D'Costa, (2022) studied the employment sustainability in handloom sector and suggested an alternate strategy that is based on cultural valorization of artisanal craft and involves increasing demand for handloom products through commercial branding. Tarai (2020) observed that though there are various government schemes for the upliftment of the weavers in Odisha, none of them have registered themselves as an entrepreneur. So, there is great opportunity to improve the economic condition by developing entrepreneurial attitude. Ghosh & Jena (2018) studied the entrepreneurial aspect of Sambalpuri handlooms and found that the financial situation of artisans is significantly influenced by innovation in indigenous knowledge, yet it does not provide an immediate way out of poverty. According to Mishra & Mohapatra (2021), the majority of the issues are caused by the ignorance of the opportunities and benefits available to weavers. Therefore, educating the weavers about their rights and opportunities is crucial for the development of their economic condition.

Tanusree (2015) conducted research on the state of handloom weavers in

Varanasi, India, and came to the conclusion that the development of the power loom, rising yarn prices, poor pay, and labour issues, among other factors, led to the decline of this respected traditional industry. Bhagavatula et al. (2010) assessed the impact of human and social capital on the acquisition of resources and the discovery of opportunities in the Indian Handloom sector. The researchers discovered that human capital influences opportunity identification and resource acquisition both directly and indirectly. In their analytical research, Jain and Gera (2017) identified several issues specific to the handloom industry, including a lack of reliable data, poor yarn quality, a financial crisis, a lack of education, inadequate infrastructure, skills-based training, and research, a scarcity of inputs and their rising costs, and a working capital issue.

Though there are a number of papers in the area of handloom weavers, very few of them have focused on Sambalpuri handloom. Moreover, there is no such study in the context of Sambalpur district that explores the impact of marketing and financial issues on the economic insecurity of the weavers. Hence, it is important to explore such impact in the context of Sambalpur handloom weavers.

3. Data & Methodology

The study is based on primary data collected from the handloom weavers of Sambalpur district of Odisha province through a structured questionnaire in Odia language for a better understanding of the participants. This is a census study

consisting of 104 weaver households. The respondents are from different blocks of Sambalpur district.

As per the objectives, we have used binary logistic regression to trace the impact of marketing and financial issues on economic insecurity of the weavers. For measuring economic insecurity, we have considered one variable i.e. ‘Anxiety of shortage of money in an emergency.’ Similarly, for marketing issue we have framed variables like ‘no design issue’, ‘high profit’ and ‘Transportation problem’. For Financial issue, variables like ‘The problem of arranging a loan,’ ‘Forced to move to private money lenders,’ ‘Fewer sales because of higher prices’ and ‘Due to the high cost of raw materials, the cost of production is high’ are framed.

We first run the Omnibus test of model significant. When determining if the independent factors have any effect on the dependent variable, the omnibus test is helpful. It’s a representation of incremental fit. The null hypothesis for this test is that the model does not exhibit incremental fit. The null hypothesis is disproved in this case. Given that the chi-square value is 25.074 and the “P” value is less than.05, the model’s fit to the null model has significantly improved.

The values of the Nagelkerke R-square and the Cox & Snell R-square are pseudo-R-squares. An altered form of the Cox and Snell pseudo-R-square, the Nagelkerke pseudo-R-square has a range of 0 to 1. This Nagelkerke pseudo-R-square indicates that the independent

variables may account for a 34.1% change in the dependent variable.

We have also run the Hosmer & Lemeshow test. it tests the ‘estimated model to one that has perfect fit’ (Pituch & Stevens, 2016). For this test, the model’s perfect fit is the null hypothesis. As the results of the Hosmer and Lemeshow test are not statistically significant [$\chi^2 (7) = 7.728, p=.357$], the null hypothesis is not rejected in this case.

The classification also showed a favourable result. Here the percentage of accuracy in classification has improved from 81% in block 0 to 83.8 % in block 1 by adding the independent variables. The specificity of the model is 50% and the sensitivity is 91.8%. Overall, the accuracy is 83.8% which is very good. Good sensitivity is exhibited by the model.

4. Results and Discussions

Table 1: Impact of Marketing Issues (MI) and Financial Issues (FI) on Economic Insecurity

Variables	B	S.E.	Wald	df	Sig.	Exp(B)
I have no design issue for my product (MI)	-1.286	.773	2.768	1	.096	.276
I earn a high profit (MI)	-.528	.629	.705	1	.401	.590
Transportation problem (MI)	-1.26	.676	3.502	1	.061	.282
The problem of arranging a loan (FI)	.634	.689	.845	1	.358	1.884
Forced to move to private money lenders (FI)	1.82	.700	6.803	1	.009	6.203
Fewer sales because of higher prices (FI)	1.10	.695	2.507	1	.113	3.005
Due to the high cost of raw materials, the cost of production is high (FI)	-.149	.677	.049	1	.82	.861
Constant	1.40	1.0	1.94	1	.16	4.057

Source: Compiled Output

Note: Dependent Variable; Anxiety of shortage of money in an emergency (Economic Insecurity)

Borrowing from private money lenders is a positive and significant predictor of the anxiety faced by weavers like shortage of money at marriage time or hospital cases ($b=1.82$, $s.e.=.700$, $Wald \chi^2(1) = 6.803$, $p=.009$). The Exp(B) or odds ratio is 6.203 which indicates that for every unit increase in the borrowing from private money lenders, the probability of facing anxiety increases by 6.203 times. Having no design issue is a negative and significant (at 10%) predictor of the anxiety faced by weavers ($b=-1.286$, $s.e.=.773$, $Wald \chi^2(1) = 2.768$, $p=.096$). The Exp(B) is 0.276 which indicates that for every unit increase in the no design issue, the probability of facing anxiety decreases by 72.4% ($1-0.276*100$). Similarly, transportation problem is a negative and significant (at 10%) predictor of the anxiety faced by weavers ($b=-1.264$, $s.e.=.676$, $Wald \chi^2(1) = 3.502$, $p=.061$). Earning high profits and high production costs are also negative and insignificant predictors of anxiety. The problem of arranging loans with Exp(B) of 1.884 ($p=0.358$) and fewer sales with Exp(B) of 3.005 ($p=0.113$) are positive predictors but the impact is insignificant.

Table 2: Canonical Correlation

Root No.	Eigenvalue	Percent	Cumulative Percent	Canonical Correlation	Squared Correlation	Wilks L.	Sig.
1	0.75983	87.4336	87.4336	0.65709	0.43176	0.51229	0.000
2	0.10921	12.5664	100.000	0.31377	0.09845	0.90155	0.177

Source: Self compilation

The table 2 explains the correlation shared between increase of income and benefits derived from government schemes with income level and level of education. The correlation between the two variables is found to be 0.657. Thus, it is inferred that government schemes can enhance income level of the weavers.

5. Conclusion

In this study, we find that financial issues like borrowing from private money lenders has a positive and significant impact on economic insecurity. So, attempts should be made to resolve the problem of arranging loan so that the economic insecurity can be minimized. Similarly, having no design issue is a negative and significant predictor of the anxiety faced by weavers. So, more focus on the improvement design can minimize the economic insecurity. Moreover, if problems with technology, lack of raw materials, power outages, low productivity, unorganised market, wide range in the skill levels of weavers, weak market ties, the dominance of master weavers, etc., are properly addressed and resolved, the condition of handloom weavers will be strengthened appropriately. In addition, it is traced that education is not a factor in availing or not availing of government

schemes. Income level has no impact on marketing and financial issues. It has also no impact on economic insecurity and social insecurity.

6. Policy Implications

To address economic insecurity exacerbated by private money lending, policymakers should prioritize accessible and affordable loan options. Implementing transparent regulations and fostering competition in the lending sector can protect borrowers and promote financial stability. Simultaneously, recognizing the link between design issues and weavers' anxiety underscores the need for targeted interventions. Investing in design education, supporting artisan cooperatives, and incentivizing innovative design practices can enhance product value and market competitiveness, thereby mitigating economic insecurity among weavers. Comprehensive policies addressing both financial access and design concerns are vital for fostering economic resilience and reducing anxiety in vulnerable sectors. To address marketing and financial challenges irrespective of income, tailored support mechanisms and skill-building initiatives can enhance economic resilience. Advertisement of the handloom product can also be improved which can attract more customer (Kewat et al., 2023) and can also help in overcoming marketing issues. A holistic approach, beyond education and income considerations, is crucial for effective and equitable policy formulation. The government needs to develop a variety of policies and

programmes to deal with the changing environment and problems, including schemes like technology advancements, design improvements, and raising weavers' pay levels.

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