

An Empirical Analysis On Prevalence Of Poverty Among The Handloom Weavers-A Case Study Of Bhavani Sagar Taluk In Erode District

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Abstract

Poverty is one of the major problems that the world is facing today. There are billions of people in the world today that struggle to even meet their basic needs. According to the recently released 2022 Global Multidimensional Poverty Index (MPI) report, there are about 1.2 billion people in the world across 111 countries that fall below the poverty line. Even though the situation of poverty in the world has improved over the years. There is still a lot more work that needs to be done to eradicate the problem of poverty globally. This present study is based on poverty among the handloom weavers in Bhavani Sagar taluk in Erode district. Nearly 117 samples are randomly collected. In order to analyze poverty Mainly Sen Index and Cini Coefficient and Lorenz Curve are used with other statistics tools like percentage analysis and Regression etc. Finally the researcher finds that majority of the respondents are under sever income poverty in the study area.

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I. Introduction About Poverty

“Poverty is Pronounced deprivation in Well-being”, The poor are those who are do not have enough income or consumption to put them above some adequate minimum threshold” Poverty may also be tied to a specific type of consumption for example people could be house-poor or food-poor or health poor-World Bank

Amartya Sen defines poverty as “capability deprivation,” (he also refers to it as “unfreedom” which means hindering people's chances to improve their station in life. According to Sen, poverty is a complex and multidimensional concept which needs to take into consideration people’s diverse characteristics and circumstances. The poor generally lack not only income, but education, health, justice, credit and other productive resources, and opportunities. Thus, poverty should be seen as deprivation of capabilities, which then limits the freedoms to achieve something, rather than lowness of income. Sen argues that social evaluation should be based on the extent of the freedoms that people have to further the objectives that they value. Poverty in this framework becomes a ‘capability failure’ – people’s lack of the capabilities to enjoy key ‘beings and doings’ that are basic to human life. The concept is inherently multidimensional.

Poverty is one of the major problems that the world is facing today. There are billions of people in the world today that struggle to even meet their basic needs.

According to the recently released 2022 Global Multidimensional Poverty Index (MPI) report, there are about 1.2 billion people in the world across 111 countries that fall below the poverty line. Even though the situation of poverty in the world has improved over the years. There is still a lot more work that needs to be done to eradicate the problem of poverty globally.

Inequality remains unacceptably high around the world. 2020 was a turning point, when global inequality rose for the first time in decades, as the poorest people bore the steepest costs of the pandemic. Income losses of the world’s poorest were twice as high as the richest. The poorest also faced large setbacks in health and education which, if left unaddressed by policy action, will have lasting consequences for their future income prospects.

Inequalities of income, education, and opportunity are all interconnected and must be addressed together. Reducing inequalities of opportunity and of incomes among individuals, populations, and regions can foster social cohesion and boost general well-being.

Importance of Handloom Sector

Indian Handloom dates back to the Indus valley civilization. Even in ancient times, Indian fabrics were exported, Rome, Egypt and China. There are different styles of weaving in different parts of the country, and sometimes in the same region there could be as wide a range as 20- 30 varied styles. From simple plain fabrics, Tribal motifs, geometric designs, tie and dye, to exhaustive art on muslin, our weavers had been master craftspeople. No other country can boast of such exclusive wide range of rich textile art, even today.

India has a rich tradition of handloom weaving since time immemorial with the earliest evidences going back to the Indus Valley civilisation. Various written treatise pertaining to the Rigveda, Ramayana, Mahabharata, Thalia (by Greek historian Herodotus) and Kautilya have mentioned not only spinning and weaving but also the high quality of silk and cotton. Export of handloom products, as early as the fifteenth century was reported, followed by Vasco da Gama's visit to India thereby opening of trade routes for Europe. Further, Jean-Baptiste Tavernier's memoirs from the seventeenth century mention Burhanpur in Madhya Pradesh as hub for international trade with exports to Egypt, Poland, Russia and the Gulf region.

However, since 1985, and especially post 90's liberalisation, handloom sector had to face competition from cheap imports, and design imitations from powerlooms. In addition government funding and policy protection also declined drastically. In addition, the cost of natural fibre yarn has increased tremendously. In comparison to artificial fibre, the cost of natural fabric has gone up, making it unaffordable for the common people, even while wages of handloom weavers have remained frozen for the past more than 10 years. Unable to compete with cheaper poly-mixed fabrics, many weavers are quitting weaving and going for unskilled labour work. And many have been under extreme poverty.

II. Review Of Literature

ICMR (1958), It is the first study to measure the poverty line in India. Without considering geographical differences, the Group established distinct poverty thresholds for rural and urban areas, which are 20 and 25 per capita per month, respectively, in terms of 1960–1961 prices. The cost of health and education was not included in the poverty threshold because it was expected that the state would cover both of these expenses. They were commonly used in the 1960s and 1970s to estimate the poverty rate at the national and state levels, even though they were not official poverty lines

H. B Ferguson & S.Bovaird, M.P Muller (2001), studies the impact of Poverty on educational outcomes for children. According to this study, persistent socio-economic disadvantages harm the life outcomes of many Canadian children.

S Mahendra Dev, C Ravi (2007), This paper examines the trends in Poverty and inequality in the pre- and post-reform periods.³ Published consumption data based on uniform MRPs for 1983, 1993-94, and 2004-05 were used for estimating all-India and state-specific poverty measures. Specifically, the paper examines, Using the URP data, changes in Poverty are discussed, Removal of hardcore Poverty.

Roarina (2013), used Multidimensional Poverty Index to measure poverty in India. The study shows that All the poverty indicators show India is in a difficult situation. Also, India must be more forward than other Western and Far East countries. They suggest that the govt should take decisive and immediate measures to reduce poverty in India.

Sharath. A.M. (2020), in his research titled "Rural Poverty of India," based on the objective of Causes of Rural Poverty and the Anti-Poverty Program to Examine why India is still a poor nation. To find out the goals, he used only secondary data resources. The researcher finds that In India, most needy individuals live in provincial areas. A large portion of these individuals are children. Many children live on heaps of rubbish, passing on starvation.

R.S.Balakumar (2020). In fish's Article "Indian Handloom Industry Issues and Challenges in Recent Times," he finds that the Indian "country's economy," the handloom sector is vital. Over 68 lakh people are directly employed in weaving and related operations, making it one of the most important financial acts. This industry has been able to resist competition from the power loom and mill industries due to the Government's financial backing and implementation of many progressive and well-being programs

Objectives

- 1.To Study the Socio-Economic Status of the Respondents
- 2.To know about the consumption and Expenditure pattern of the respondents
- 3.To Analyze the income Inequality among the respondents
- 4.To find out the Income Poverty Position among the respondents

III. Research Design And Sampling Method

The present study has been conducted in Bhavani Sagar Block of Erode District where weaving industry is concentrated. This present study is mainly based on Primary data. The data was collected through the structured

Interview Schedule. A total sample of 117 weavers was selected by using stratified random sampling method. Percentage analysis and correlation analysis One Way ANOVA, Chi-Squared, Regression analysis and Sen Poverty Index with Gini Coefficient and Lorenz Curve are used to analyze the data.

IV. Analysis And Interpretation

Table.1. Socio-Economic Condition of the Respondents

S.No	Variable	Category	No of respondents	Percentage
1	Gender	Male	48	41.03
		Female	69	58.97
2	Age	20-30	2	1.7
		31-40	3	2.5
		41-50	62	52.9
		Above 50	50	42.7
3 3	Educational Status	Illiterate	1	2
		Primary	61	18.4
		Middle	45	13.5
		Higher Secondary	10	32.2
4	Size of Family	Below 3	3	2.5
		3 to 4	20	17.0
		4 to 5	49	41.8
		Above 5	45	38.4
55	Nature of House	Pucca	14	20
		Kuchaa	34	17
		Tiled	40	15.6
		Tiles	29	13

Source: Primary Source 2024

This data provides insights into the socio-economic characteristics of the respondents, including their demographic profile, educational status, family size, and housing conditions. The majority of respondents are female and The majority of respondents are between 41-50 years old. The majority 51% of respondents have a primary level education. The majority 41% of respondents have a family size of 4-5 members.

Table .2. Distribution of Economic Status of the Respondents

S.No	Variable	Category	No of respondents	Percentage
1	Nature of Business	Primary Occupation	112	96.0
		Secondary occupation	5	4.0
2	No.of years of experience	>10 years	3	2.6
		11-20 years	89	76.1
		21-30 years	25	21.3
3	Type of Loom used	Throw Shuttle Pit loom	100	85.4
		Fly Shuttle Pit loom	12	10.2
		Frame Loom	4	3.4
		Semi-Automatic Loom	1	1.0
4	Reason for enter this work	Hereditary	84	71.8
		Less capital	19	16.2
		Only work known	14	12.0
5	Type of Cloth Produced	Karpet	47	40.2
		Cotton	33	28.2
		Bed sheet/	2	1.7
		Bed spread	6	5.1
		Towels & Pillow Covers	29	24.8

Source: Field Survey 2024

The majority (96.0%) of respondents reported that weaving is their primary occupation. Only 4.0% of respondents reported that weaving is their secondary occupation.

No. of Years of Experience:- Most respondents (76.1%) had 11-20 years of experience in weaving. 21.3% of respondents had 21-30 years of experience.- Only 2.6% of respondents had more than 10 years of experience.

Type of Loom Used:- The majority (85.4%) of respondents used the Throw Shuttle Pit loom. 10.2% of respondents used the Fly Shuttle Pit loom. Only 3.4% of respondents used the Frame Loom, and 1.0% used the Semi-Automatic Loom.

Reason for Entering This Work:- The majority (71.8%) of respondents reported that they entered the weaving profession because it was hereditary. And 16.2% of respondents reported that they entered the profession because it required less capital, 12.0% of respondents reported that they entered the profession because it was the only work they knew.

Type of Cloth Produced:- The majority (40.2%) of respondents reported producing Karpent cloth. 28.2% of respondents reported producing cotton cloth. 24.8% of respondents reported producing towels and pillow covers. -Smaller percentages of respondents reported producing bed sheets, bed spreads, and other types of cloth.

A above table clearly explain the Economic conditions of the respondents in Bhavani Sagar Taluk. Majority (59%)of the respondents are belong to female.

Hypothesis H1: There is a significant impact between the age and income of the respondents

H0: There is no significant impact between the age and income of the respondents

Table 3. Regression on Impact between the Age and income of the Respondent

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.124 ^a	.015	.014	.782
a. Predictors: (Constant), Annual income				

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.045	1	7.045	11.524	.001 ^b
	Residual	453.620	742	.611		
	Total	460.665	743			
a. Dependent Variable: Age of the respondents						
b. Predictors: (Constant), Annual income						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.463	.092		37.512	.000
	Annual income	-.113	.033	-.124	-3.395	.001
a. Dependent Variable: Age of the respondents						

The ANOVA table is used to evaluate the goodness of fit of the regression model.

The sum of squares is a measure of the variation in the dependent variable (Age of the respondents).

The sum of squares due to the regression model (7.045). This represents the variation in Age explained by the predictor variable (Annual income).

The sum of squares due to the residuals (453.620). This represents the variation in Age not explained by the predictor variable.

The total sum of squares (460.665). This represents the total variation in Age.

The p-value (Sig.) is used to determine the significance of the F-statistic.

Sig.: 0.001, which indicates that the regression model is significant at the 0.1% level.

The regression model explains a significant portion of the variation in Age (F = 11.524, p < 0.001).

The predictor variable (Annual income) is significantly related to Age.

-he model has a good fit, with a small residual mean square (0.611).

Table .4. Distribution of Consumption and expenditure Pattern of the Respondents

S.No	Variable	Category	No of respondents
1	Expenditure on Rice	Below 2000	21
		3000-4000	92
		5000-6000	4
2	Expenditure on Cloth	Below 1000	73
		1001-1500	19
		1500-2000	25
3	Expenditure on Education	Not Applicable	59
		Below 5000	38
		5001-10000	19
		>10000	1
4	Expenditure on Cereals	Below 3000	98
		3001-5000	19

3	Expenditure on milk	Below 500	41
		500-1000	4
		1000-1500	60
		Above 1500	12
4	Expenditure on non-veg	Below 1000	67
		100-1500	38
		1500-2000	11
		>2000	1
5	Expenditure on Medical	<1000	103
		1000-2000	14

Source: Field Survey 2024

The table presents the expenditure patterns of respondents across various categories.

The majority of respondents (92) reported spending between ₹3000-₹4000 on rice, while 21 respondents spent below ₹2000, and only 4 spent between ₹5000-₹6000.

Most respondents (73) spent below ₹1000 on cloth, followed by 25 respondents who spent ₹1500-₹2000, and 19 respondents who spent ₹1001-₹1500.

Interestingly, 59 respondents reported that education expenditure was "Not Applicable", suggesting that they may not have incurred any education-related expenses. Among those who did, 38 spent below ₹5000, 19 spent ₹5001-₹10000, and only 1 spent above ₹10000.

A significant majority (98) of respondents spent below ₹3000 on cereals, while 19 spent ₹3001-₹5000.

Most respondents (60) spent ₹1000-₹1500 on milk, followed by 41 who spent below ₹500, and 12 who spent above ₹1500.

The majority (67) of respondents spent below ₹1000 on non-vegetarian items, while 38 spent ₹1000-₹1500, and only 1 spent above ₹2000.

A significant majority (103) of respondents spent below ₹1000 on medical expenses, while 14 spent ₹1000-₹2000.

Overall, the table provides insights into the expenditure patterns of respondents across various categories, highlighting areas where they allocate their resources.

Inequalities of Income and Expenditure

An attempt is made in this section to study the extent of inequalities in the distribution of Income and Expenditure. The Gini coefficient of inequality and the Lorenz curve measure the inequality.

Income distribution

The distribution of the study group's Average household income is depicted in the table below.

Table -5-Average Annual Income Distribution of the Household

Income	<25000	25001-45000	45001-60000	60001-80000	80001-100000	>100000	Total
No.of respondents	95	14	8	-	-	-	117

Source: Field Survey 2024

As per the above table, Majority of the respondents are come under the income group less than Rs.25,000 and 14respondents are come under 25001 -45000 income group. No one with a higher income is noticeable in this taluk.

In this case, the Gini Coefficient for the average monthly income distribution in Bhavani Sagar Taluk is 0.2457.

A Gini Coefficient of 0.2457 indicates a relatively low level of income inequality in Bhavani Sagar Taluk.

The Gini Coefficient is just one measure of income inequality, and it has its limitations. Nevertheless, it provides a useful snapshot of the income distribution in Bhavani Sagar Taluk.

The Gini coefficient indicates income disparity, which reveals that the study area shows the highest level of inequality with a Gini coefficient of 0.2457, signifying a pronounced income gap.

Measurement of Poverty

The handloom sector is among the wealthiest and most vibrant aspects of the Indian cultural heritage. Weavers are keeping the traditional crafts from different states alive. The artistry and intricacy of handloom fabrics are unparalleled, with certain weaves and designs still beyond the scope of modern machines. Handloom weaving is largely decentralized, with the weavers mainly belonging to vulnerable and weaker sections of society.

The lack of orders, the rise in consumption of foreign materials, the increase in the price of input costs, and the long time required to create handcrafted products are some of the primary reasons slowly killing the handloom sector.

An attempt is made to estimate and assess the extent of poverty among the selected sample households. The intensity of poverty is measured in terms of income. Income is a simple way to define poverty. The per capita income of the weaver's households is calculated as a first step to classify the samples under various income groups

Table-6-Distribution of the Household Based on Annual Percapita Income

Per capita Income	Bhavani Sagar	Percentage
≤10000	68	58.11
10001 to 20000	31	26.4
20001 to 30000	16	13.6
30001 to 40000	2	1.7
40001 to 50000-	-	0
≥50001	-	0
Total	117	100
Annual per capita income	10873.3	-
Gini Coefficient	0.0285	-

Source: Field Survey 2024

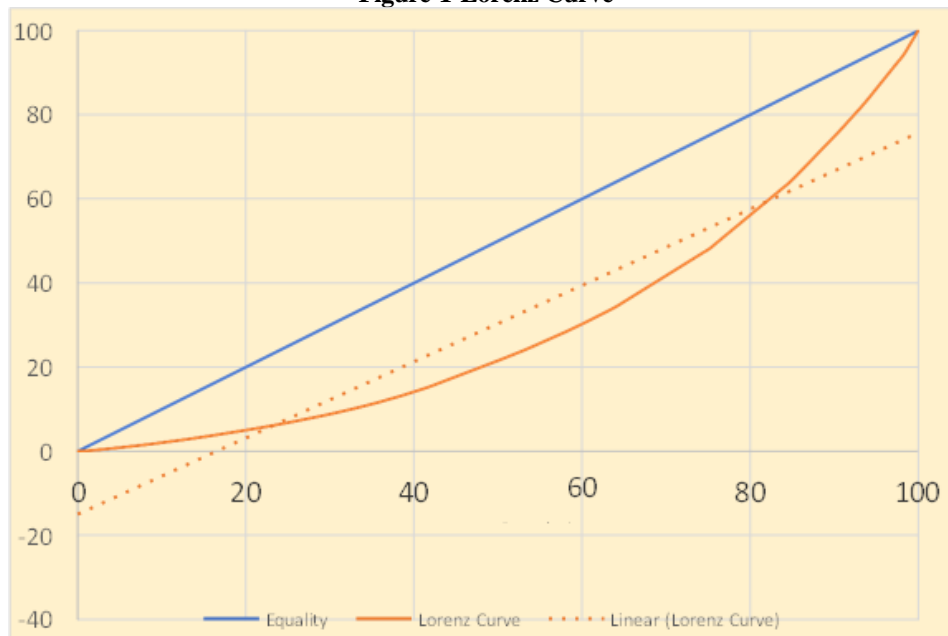
The above table clearly explains majority of the respondents in bahavani sagar taluk Comes under≤10000 level of Annual Percapita Income group. - he majority of the population (58.11%) has a relatively low per capita income (≤10,000).

There is a significant gap between the richest and poorest segments of the population, as indicated by the Gini Coefficient (0.0285). However, this value is extremely low, suggesting that the income distribution is relatively equal.

The per capita income is ₹10,873.3, which is relatively low compared to national or international standards.

Note that the Gini Coefficient value of 0.0285 seems unusually low. Typically, Gini Coefficient values range from 0 (perfect equality) to 1 (perfect inequality). A value of 0.0285 would suggest an extremely egalitarian society,

Figure-1-Lorenz Curve



In Bhavani Sagar taluk, the Lorenz Curve Shows that 70% of the Population shares 40% of the Income. Only 30% of the sample respondents come under the Income group. The majority of the population in this taluk comes from poverty.

According to the above figure, a vast income inequality prevails in this taluk.

Further, it states a severe income shortfall among low-income peopleA Lorenz Curve is a graphical representation used in economics to display the distribution of income or wealth among a population. It's a useful tool for visualizing income inequality.

Table-7-Distribution of the Household based on Different Income Groups

Taluk/ Category	Extremely poor	Poor	Marginally Poor	Vulnerable	Middle income	High Income	Total
Bhavani Sagar	75 (15)	23 (14.5)	7 (14.89)	10 (34.48)	0 (0)	2 (100)	117 (100)

In the above table, (15%) of the sample households fall under the inferior income group, and majority 34.48% come under the vulnerable income group. Nearly 15% of the respondents come under the poor income category.

Estimation of Poverty

The following table gives the estimated income poverty measurements using the headcount ratio, poverty gap ratio FGT and SST poverty index.

Table-8-Estimation of Income Poverty

Name of the Block	Head Count Ratio	Poverty Gap Ratio	Squared Poverty Gap Ratio	Sen- Shorrocks Thon Index
Bhavani Sagar	0.6496	0.2176	0.0085	0.9238

Source-Estimated

The headcount ratio calculates the population percentage in each block that is considered to be living in poverty.

Bhavani Sagar has a high headcount (64.96%) and a relatively high poverty gap (21.76%), indicating a sizeable section of the populace living in poverty and a substantial income gap among them.

Table-9-Decomposition of the SST Index

Block	Sen- Shorrocks Thon Index	Decomposition Level		
		Head Count Ratio	Poverty Gap Ratio	One + Gini Coefficient
Bhavani Sagar	0.9238	0.6496	0.2176	1.0285

Source-Estimated

Income poverty is a multidimensional issue requiring a comprehensive understanding to formulate effective policies and interventions. Table 2 decomposes the Sen-Shorrocks Thon (SST) Index across

The Bhavani Sagar block has the highest SST Index (0.9238), indicating severe income poverty. The decomposition shows that the headcount ratio (0.6496) and the poverty gap ratio (0.2176) contribute significantly to this high SST Index. The 1 + Gini coefficient (1.0285) is slightly above 1, suggesting a potential role of income inequality in exacerbating poverty in this block. Bhavani Sagar faces the most acute income poverty. Many of its population is in poverty, and these individuals also experience substantial income gaps. Addressing both poverty prevalence and income inequality is critical in Bhavani Sagar.

Major Suggestions

1. Bhavani Sagar stands out as the most severe income poverty block. This block requires immediate attention and comprehensive poverty alleviation strategies that tackle poverty prevalence and income inequality. Such interventions include job creation, access to education, and social safety nets.
2. Mostly, Older adults and women are engaged in weaving. Because wages are meager. So, Only less level of Young Population is involved in this occupation. It shows the declining trend of the handloom industry in future. Hence, the government should raise the wage rate for handloom products to improve the living conditions of weavers. Only then will the industry be sustained in the future.
3. In the study area, most respondents only completed Primary education. Education is the premier characteristic and dynamic approach of the person who enters society to survive and gain knowledge. The weaving community requires an educational background to improve economic patterns to the next level. During the personal observation, the researcher found that most of the respondents lacked knowledge about the latest welfare schemes provided by the government because of their illiteracy. So, the government has to increase awareness of the schemes by conducting periodic meetings with weaver members in society.
4. After the GST implementation, there has been a sharp increase in the total cost of production of handlooms. Due to this, there has been a challenge in the selling process. It is further worsened by the industry's problem in marketing its products.
5. The Handloom Reservation Act (1985) should be strictly implemented to protect the handloom weavers.
6. There is a need to provide institutional credit to the weavers to protect them from exploiting the money lenders.
7. To see that the fruits of the welfare programs and schemes launched by the State and Central Government should reach the weavers promptly.

V. Conclusion

Poverty is one of the major problems that the world is facing today. There are billions of people in the world today who struggle even to meet their basic needs. The states included in the 2022 Global Multidimensional Poverty Index (MPI) report show that about 1.2 billion people worldwide across 111 countries fall below the poverty line. Even though India is one of the fastest-growing economies in the world, poverty is still a significant issue that the country has been struggling with. This is due to the inequality gap between the nation's rich and poor. Handloom weavers face severe livelihood crises because of adverse government policies, globalisation and changing socio-economic conditions. Welfare programs and schemes launched by the Government should reach the weavers promptly it will help to reduce the poverty in little..

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