

HANDLOOM SECTOR IN UTTAR PRADESH: CURRENT REALITIES AND EMERGING OPPORTUNITIES

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ABSTRACT

The handloom sector is more than just an industry and a living embodiment of cultural heritage that sustains millions of rural artisans through skilled employment. In an era increasingly dominated by Artificial Intelligence, where machines are taking over roles traditionally performed by humans, handloom remains a powerful symbol of human craftsmanship and resilience. Despite being viewed by some as a sunset industry, with many young people from weaving communities seeking alternative livelihoods, handloom continues to be a critical source of rural employment. Far from being obsolete, it remains a vibrant and vital sector that should not be allowed to fade away. Although government initiatives demonstrate a solid understanding of the sector's core challenges and potential, their effectiveness has often been hindered by poor implementation. This paper, based entirely on secondary data, aims to evaluate the scale and importance of the handloom industry in the state of Uttar Pradesh, examine the primary barriers to its growth, and propose actionable strategies for its revival and sustainability. It advocates for a blended approach—combining structured planning with adaptive, learning-based methods—to promote the handloom sector as a viable and enduring livelihood option.

Keywords: Handloom Sector, Employment, Sustainability, Uttar Pradesh, Weavers

INTRODUCTION

At the dawn of the 18th century, India held the distinction of being the world's largest economy and leading manufacturing hub, contributing nearly a quarter of global industrial output. This dominance was fueled by its flourishing handloom and handicraft sectors. However, with the advent of colonial rule, these traditional industries saw a sharp decline, leading to the erosion of India's manufacturing supremacy. Yet, there is renewed optimism today. The handloom sector—once the engine of pre-industrial growth—holds promise for inclusive development and sustainable livelihoods, even in an era shaped by Artificial Intelligence and Machine Learning. Encouragingly, the Fourth All India Handloom Census (2019–20) reported a rise in

handloom worker households in Uttar Pradesh to 1.3 lakh, up from 1.1 lakh in the previous 2009–10 census.

Despite numerous challenges—ranging from fierce competition with mechanized looms, limited access to credit and raw materials, low productivity and wages, entrenched middlemen, and recent disruptions like demonetization, GST implementation, and the COVID-19 pandemic—the handloom industry has shown remarkable resilience. This is not a dying sector; rather, it is transforming and adapting. In a world driven by mass production, handloom offers a unique alternative rooted in manual craftsmanship and cultural richness. It provides consumers with exclusive, customized apparel and appeals strongly to designers seeking authenticity and creativity. Unsurprisingly, India's

top fashion designers and institutes such as NIFT and NID are increasingly engaging with the sector.

The digital revolution has opened new frontiers for handloom. Social media platforms are building awareness, while e-commerce has emerged as a powerful distribution channel. Innovative startups like Fabindia and Dastkar Andhra are introducing fresh business models, and major corporations are also stepping in to source and promote handloom products. As a result, there's a growing demand for handloom in premium markets, signaling a promising future for this timeless craft.

REVIEW OF LITERATURE

Although the Fourth All India Handloom Census (2019–2020) offers important insights into India's handloom sector, including developments in Uttar Pradesh, there has been limited research on the subject since its release. This section presents a brief review of some key studies conducted so far:

Ghosh (2023) observed that the revival of the textile industry in Uttar Pradesh after 2017, along with the government's claim of doubling the per capita income of handloom workers between 2016 and 2020, stands in contrast to the findings of the Fourth All India Handloom Census (2019–20) published by the Ministry of Textiles. She critically examined the shortcomings of the 2017 Uttar Pradesh textile policy, arguing that it has failed to significantly improve the economic conditions of handloom workers.

Ahmed and Sheereen (2022) investigated the socio-economic conditions of handloom weavers in Uttar Pradesh and found that the workforce is predominantly composed of men, Muslims, OBCs. Most weavers live in kutcha houses, earn low incomes, face high levels of debt, and have limited access to education. However, a positive finding is the widespread possession of Aadhar cards. In terms of market engagement, the majority of weavers sell their products primarily to the local market (46.1%) and to master weavers (43.3%).

Brickworks Analytics (2021) analyzed the effects of COVID-19 on the handloom industry in Uttar Pradesh, examining both domestic and export markets. The study found that the pandemic, coupled with the economic slowdown, rising unemployment, reduced consumer spending, and lockdown measures, had a severely damaging impact on the sector. The report concluded with a set of recommendations aimed at fostering the growth and development of the handloom industry in the state.

The study conducted by Bankers Institute of Rural development (BIRD) (2016) examined the challenges and potential of the handloom sector in generating employment within a globally competitive context, focusing on three key states: Uttar Pradesh, Andhra Pradesh, and West Bengal. In addition to economic aspects, the study explored the health and working conditions of weavers, noting that the physically demanding nature of handloom weaving—often performed in various harmful postures/positions on traditional looms and tools—leads to physical strain and adverse health effects.

Shaw Tanusree (2015) highlighted that India's push toward industrialisation has significantly impacted the handloom weavers of Varanasi. The decline of the handloom sector can be attributed to several factors, including the growth of capitalist production, the introduction of power looms, rising yarn prices, meagre wages, and difficulties in attracting workers. Additionally, weavers face harsh financial conditions due to limited access to credit and mounting debt, which hampers their ability to sustain their livelihoods. She urged policymakers to provide targeted financial support to help revive and sustain the handloom weaving industry.

OBJECTIVES & METHODOLOGY

The main objectives of the paper are:

- To assess the current status of the handloom industry in Uttar Pradesh.
- To highlight the economic and social significance of the handloom industry.

- To identify the main challenges faced by the sector, including issues related to production, marketing, and sustainability.
- To suggest some practical solutions to overcome these obstacles.
- To explore strategies for the promotion of the handloom sector as a sustainable, rewarding, and dignified livelihood option for rural communities, especially the youth.

DATA AND METHODOLOGY

The study is based entirely on secondary data gathered from a range of credible sources, including government reports, academic books, journals, and industry publications. To capture recent developments and emerging trends, relevant media reports have also been reviewed. This comprehensive data collection enables a thorough understanding of the sector's current dynamics and challenges, forming the basis for informed recommendations.

SIZE & SIGNIFICANCE OF THE HANDLOOM INDUSTRY IN UTTAR PRADESH

The handloom sector is deeply embedded in the cultural and economic fabric of Uttar Pradesh. In many households, embroidery and stitching are not just skills but family traditions passed down through generations. According to the UP Nivesh Mitra Portal (2021), the state is home to over 2.5 lakh weavers operating more than 1.1 lakh handlooms, concentrated in natural clusters that have evolved over centuries. Varanasi and Mubarakpur (Azamgarh) are globally known for their exquisite silk sarees. Other centers like Farrukhabad, Bareilly, and Lucknow are famed for intricate hand embroidery. Regions such as Amroha, Agra, Barabanki, Etawah, Fatehpur Sikri, Ghaziabad, Gorakhpur, Hathras, Kanpur, Mau, and Sitapur also serve as key production hubs. These centers create a wide range of handloom goods—silk sarees, bed linens, dress

materials, cutwork textiles, and home furnishings. Notably, the Mirzapur-Bhadohi region hosts India's largest handmade carpet-weaving cluster. Varanasi is also recognized as one of India's eight Mega Handloom Clusters. Coupled with its rich production heritage, Uttar Pradesh has the country's largest domestic market for textiles and handlooms, supported by a population of over 200 million.

ISSUES AND CHALLENGES

Handloom Census report reveals that between 2010 and 2020, there has been a decline in the number of handloom weavers and allied workers in Uttar Pradesh from 257783 to 190957-in line with the all-India trend, which Basole (2017) and Himanshu (2018) attribute to migration of the rural population to alternative employment opportunities, owing to the impact of the economic slowdown. Recent media reports indicate that the handloom sector, which was already stressed, has been hit hard by demonetization and consequent worsening of India's growth story, so much so that a significant number of weavers are forced to sell their looms and find employment opportunities elsewhere, like construction, agriculture and petty services (eg, doing unskilled manual works, selling vegetables/fruits, working as security guards and so on). The irony is that at a time when the government is talking about skill development as a priority, these highly skilled artisans are turning into deskilled manual labor.

Handloom is decreasing in demand as only the higher class can purchase expensive fabrics. The cost disadvantage of handloom vis-a-vis powerloom and mill sectors is intrinsic. In 2001, quantitative restrictions on silk imports were abolished. This led to the market being flooded with considerably cheaper Chinese silk. Chinese silk works well on power loom. So, there was a surge in these sarees, dealing a further body blow to the already stressed Banarasi Saree trade. This, coupled with the boom in man-made fabric from Surat (synthetic sarees, including the 'Banarasi' kind) severely hit the handloom trade. Though the geographical indication

(GI) tag was given to Banarasi saree in 2009, it didn't provide any kind of relief to the handloom weavers of Varanasi (Jamal-Sen, 2018). Powerloom products are often presented as handloom products and the average consumer is unable to distinguish between them.

The handloom industry in Uttar Pradesh is also constrained by low labor productivity, which results in low income for an average weaver in the state. The 4th Census data reveal that the average production of major fabric per weaver per day (i.e., labor productivity) in UP is just about 35-40% of that in urban Haryana (the highest in the country). It is, therefore, logical, though not legitimate, that 60% of handloom households (HH) in the state earn less than Rs 5000 per month from handloom-related activities, while another 39% earn between 5001-10000. At the all-India level, the handloom sector appears to perform well if weavers come together and organize themselves as a society. The state in which the maximum number of weavers earn more than Rs 5000 per month is Goa, where 95% of the weavers are organized under a cooperative society or other non-household units. Hence there is a correlation between the proportion of organized weavers and their earnings (Bhowmik, 2019). In Uttar Pradesh 52% of handloom workers work as independent weavers, 41% under master weavers, and less than 7% under cooperative/SHDC/KVIC. So, in UP, weavers are poorly organized, which is a significant factor in keeping their earnings suppressed. Due to the improper functioning of cooperatives, the weavers are not keen on joining them and are forced to work either independently or under master weavers. As many as 324 weavers' cooperative societies in UP are not even active (Ministry of Textiles, PIB Delhi, 2019).

One of the flagship programs of the Narendra Modi government has been to offer loans to small business enterprises at relatively low interest rates under the MUDRA (Micro Units Development and Refinance Agency) scheme. Mudra came as a path-breaking initiative in the area of finance for micro-enterprises, whereby commercial banks provided low-volume unsecured loans.

Handloom weavers are also eligible for MUDRA loans. However, a large pool of weavers in UP, without any access to banking, cannot avail of such loans because the scheme is envisaged as a direct cash transfer to the beneficiary's bank accounts. In UP, only 36.5% of handloom workers have a bank account as per the last handloom census report. The other 63.5% are therefore, axiomatically excluded from MUDRA. In actual practice, however, there were only 2,243 beneficiaries in the state under Weavers' MUDRA Scheme as per the 4th All India Handloom Census, 2019-20. The scheme should be amended to make it accessible to all the weavers and other micro-entrepreneurs who are left behind. If implemented effectively, the MUDRA scheme can help revive India's growth story by unleashing the vast, untapped latent entrepreneurship that goes to waste in the absence of capital and required mortgage.

Further, the insurance coverage of weavers is grossly inadequate. Only 7% of weavers in UP are enrolled under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY) and less than 6% under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)/Pradhan Mantri Suraksha Bima Yojana (PMSBY). The MGBBY, launched in 2005, was a dedicated life insurance cover for handloom weavers which was, however, degraded since 2017, when new enrolment under the scheme was stopped. The scheme has now been subsumed under the two newly launched schemes-PMJJBY and PMSBY. In effect, from 2017, there has been no dedicated life insurance scheme for handloom weavers. As the PMJJBY/PMSBY are meant for the general public, they do not talk about the issue of occupational disability, which had been the case with the earlier version of the MGBBY (Bhowmik, 2019). Given the high risk of occupational health hazards that the weavers face, it is necessary to restore MGBBY, and its coverage should be extended to all the handloom weavers.

Most of the weavers are uneducated, based in rural pockets, with little access to smartphones and internet. Documentation, which is needed to access bank loans and government schemes is a problem for many. The effectiveness of government

measures can be understood from the dismal fact that 65% of the weavers at all India level are unaware of them, according to the 4th Handloom Census.

REVIVING THE LOOM: STRATEGIC INTERVENTIONS AND THE ROAD AHEAD

History suggests that state patronage is essential for handloom to survive and thrive. Such patronage is entirely justified, not just on socio-economic grounds (like employment, gender empowerment and making growth more inclusive), but also on cultural-spiritual grounds (like preservation of age-old skills and tradition, aesthetic pleasure and so on). Since 99% of the handloom households in UP earn less than Rs 10000/month, which is grossly inadequate for an average household size of 5.07 (Joint Census of Handlooms & Power looms, 1995-96), it is suggested that income support, in the form of a Universal Basic Income (UBI) scheme be put forward to supplement their incomes. This will help boost aggregate effective demand in the state's economy. A handloom sector-specific UBI may also serve as a pilot project for the launch of a general country-or-state-wide UBI scheme in the future-an idea which is gaining global advocacy by many renowned economists as a superior alternative to existing government welfare measures.

As per the 4th handloom census report, for the majorly produced products in Uttar Pradesh, exports and e-commerce account for only 0.05% and 0.04% of the total sales respectively. Hence, efforts should be made to promote handloom as unique product that can command premium prices in both domestic and export markets. Recently a revival of interest in the Banaras Weaves among the fashion community is visible. They are not just reviving the handloom but also taking it beyond its traditional form. A fusion of classic and contemporary is what gives handloom a cherished possession for the rich. The niche market for the handloom needs to be effectively tapped. It must, however, be ensured

that the benefit of such development trickles down to the common weaver.

Apart from promoting high-end handloom products, it is also essential to develop the market for mass consumption of handloom products, because that alone can give the kind of scale that this sector needs to make itself a viable economic pursuit. Towards this end, the state should devise a public procurement policy for the handloom sector, including features such as direct government purchase, eg, for distribution of uniforms in government-run schools/colleges etc. (This will also help towards the commitment to education expenditure to the tune of 6% of GDP under the National Education Policy, 2020).

Besides the government, the corporate sector and the NGOs (Non-Governmental Organizations) should also extend a helping hand to the weavers in the form of developmental and welfare interventions. Expenditure on the development of the handloom sector should be counted towards mandatory contribution by the corporate sector under its CSR (Corporate Social Responsibility). Norms for the participation of corporates and the social sector should be such that foster transparent, participatory, flexible and mutually beneficial structures. The youth of the weaving community need to be supported and trained, not just in their hereditary skills but also for launching their own start-ups. The regulatory framework needs to be conducive to this.

Finally, what this sector needs is not just a blueprint approach to its development (which envisages prior planning, from the top, 'for' the people), but a blend of this with what is called a learning process approach (which envisages planning 'with' the people/stakeholders, that too, during the process of implementation of a plan). Such a blended approach will ensure the formulation of need-based, realistic and feasible policies, as well as their easy and effective implementation.

CONCLUSION

The handloom sector in Uttar Pradesh, despite its rich heritage and cultural significance, is in steady decline. It employs over 4.43 lakh workers—2.91 lakh weavers and 1.52 lakh allied workers—and contributes nearly 14.6% of the national handloom workforce, yet its economic sustainability is eroding. Between 2009-10 and 2019-20, the number of handloom workers in the state fell by over 58%, exposing the sector's growing vulnerability. A staggering 76.6% of weaver households earn less than ₹5,000 a month from weaving, and just 7.2% have access to formal credit. Key welfare programs like the Mahatma Gandhi Bunkar Bima Yojana (MGBBY), which once covered 9.26 lakh weavers in 2015–16, have now become defunct. Despite these setbacks, clusters like Varanasi, Mubarakpur, and Barabanki highlight untapped potential, especially as GI-tagged products from Varanasi saw exports rise from ₹51.5 crore in 2020–21 to ₹109.6 crore in 2022–23. However, revival cannot hinge on branding and promotion alone. There is a pressing need for comprehensive state support—reviving welfare schemes, improving access to MUDRA loans, enabling digital sales channels, and formalizing weaver groups for better bargaining power. Without this structural support, the handloom sector may collapse under the weight of neglect, endangering both livelihoods and centuries of textile artistry. Handloom must be treated not as a relic of the past but as a resilient, eco-friendly rural industry capable of driving inclusive growth—provided the right policies are put in place and consistently implemented.

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