

# Empowering Women Weavers by Up-Gradation of Handloom Industry of Assam through Microfinance

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**Abstract:** Handloom industry is the back bone of various indigenous communities of North East India, particularly Assam. Weaving techniques have been passed on to the next generation by a mother to her daughter in majority households in Assam. However this tradition is almost on the verge of extinction except in a few specific areas where still women consider weaving as a part of their daily work. Due to the better connectivity between urban and rural areas and rising demand for traditional attires, weaving has become a source of income for those people who are still engaged in the age old skill. However scarcity of finance makes them helpless to increase the quality and supply of hand woven fabric in Assam. Microfinance can be highly effective in reviving and upgrading the handloom industry of Assam. The paper tries to analyse the impact of microfinance in enhancing the handloom industry of Assam, particularly in the lower Brahmaputra valley and eventually empowering the women folk socio-economically. Exploratory Factor analysis has been used to find out important factors which contribute to the socio-economic condition of women weavers. To measure whether microfinance has improved the handloom industry of Assam and hereby enhancing the socio-economic condition of the weavers, descriptive statistics has been used. It has been found that women weavers that are benefited under microfinance programme have eventually got empowered socio-economically.

**Key Words:** Self Help Group, Handloom, Power-loom, Weaving, Empowerment

## I. INTRODUCTION

The Handloom Sector is one of the largest unorganized sectors after agriculture and constitutes an integral part of the rural and semi rural livelihood. It is also the country's second largest employment generation sector next to agriculture [1]. In 2014, Planning Commission of government of India has revealed that the handloom sector, being labour intensive, provides livelihood to 4.3 million weavers and ancillary workers.

Assam being one of the backward regions of India has high dependency on this age old profession. Women of Assam used to weave cloths in handlooms initially for their respective households. Later on due to involvement of household women in various other forms of activities for income generation and rapid urbanization, this technique of making hand woven cloths was left to a few. However in recent years due to the increase in purchasing capacity and less supply of hand woven cloths in the markets has increased the demand for hand woven traditional attires in the state. Few people have also been succeeded to make the traditional designs and silk fabrics of Assam popular not only nationally but also globally. However, the revenue generated by this sector in Assam is less than other state. There are various reasons responsible for the slow pace of growth of this sector in Assam viz, unavailability of finance

To expand the production, use of low quality handloom techniques, exploitation of female weavers by the mediators etc. Assam is proud owner of more than 13 lakhs looms out of the total 28 lakhs looms of the country [2].

The National Council of Applied Economic Research (NCEAR) in 2009-10 indicated that there has been decline in total household weaver units 29.9 to 22.6 in last 20 years [3]. Handloom industry faces a serious crisis, owing to competition from cheap power loom cloth from other states, scarcity of quality yarn, price escalation of yarn, dyes, and chemicals and other raw materials, high cost of production, absence of diversified product range [4]. The crisis of weavers has reached a situation where significant numbers of weavers are been forced to give up their traditional skills and take up employment as construction workers, rickshaw-pullers, vendors etc. in urban areas consequently resulting in impoverished urban slums [5].

Uniqueness of design and the texture of the fabric is the main specialty of hand woven products [6]. Hundreds of meters of cloths in power-loom can't compete with the single piece of hand woven product. So the need of the hour is to work on those grounds which can revive the age old tradition in a more sustainable way. Among various factors that are related to negative growth of handloom sector, major hurdle is finance, non up-gradation of skills and absence of organized markets for hand woven products. However in recent times various commercial banks, Regional Rural Banks and Cooperative banks have come forwarded to provide microfinance facilities to the weaver section of the rural and urban areas of India. Government has subsidized the microcredit loans and also has helped in skill up-gradation of the weavers by conducting various training and orientation programmes. Banks have helped them by providing training to enhance entrepreneurship skills in terms of maintaining books of accounts. Banks and government agencies have also helped them by mending the bridge between the ultimate consumer and producers by organizing various trade fairs and exhibitions where they can get better returns of their hard-work and skills.

Bank and Government agencies like District Rural Development Agencies (DRDA) first helps weavers in forming Self Help Groups (SHG) and then link those SHG's to banks and helps in getting subsidized loans under National Rural Livelihood Mission (NRLM). SHG member can easily repay back the loan amount as the burden of interest is distributed equally to all members. Microfinance can help immensely to make the rural women to be empowered socio-economically. Many studies worldwide have addressed the role of microfinance and researchers stressed on the beneficial economic and social impacts of microfinance [7].

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Various studies have tried to analyse the role of microfinance in reviving the age old occupation of handloom industry in India. However so far as the knowledge of researcher goes no such studies has been conducted to find out the impact of microfinance on handloom industry of Assam. Therefore the current study is an attempt to analyse the role of microfinance in making women weavers of lower Brahmaputra valley of Assam socio- economically empowered.

## II. METHODOLOGY

The objective is sought to be fulfilled through the analysis of the primary data. The unit of the study has considered selected members of SHG linked under SHG Bank Linkage Programme (SBLP) whose basic occupation is weaving. A structured questionnaire is used for collecting responses and for drawing conclusions for the study. The samples for the study are selected from five districts namely Barpeta, Baksa, Nalbari, Kamrup (R), Kamrup (M) and of the Lower Brahmaputra Valley. A total of 340 samples are collected from 340 households from 170 SHG. For analysing the objective, data from the questionnaire that is designed to analyse the socio-economic condition of women weavers post joining SHG are used. The socio-economic condition of women SHG beneficiaries are analysed with the help of a few assertions. The respondents are asked to express their opinion (either agreement or disagreement) in a three-point Likert- Scale on the statements (assertions) on socio-economic status. Exploratory Factor analysis has been used to find out important factors which contribute to the socio-economic condition of women beneficiaries. To measure whether microfinance through SBLP has enhanced the handloom industry of Assam and hereby enhancing the socio-economic condition of the weavers' descriptive statistics is used. The percentage of people in agreement to improvement in socio-economic condition due to increased earnings from weaving post joining SHG is given in terms of frequency.

## III. RESULTS AND DISCUSSIONS

For the present study, the basic indicators of socio-economic variable are analysed. An analysis of the socio- economic variables can give us a picture of growth of handloom industries in rural Assam. As such the results for the same are presented in the sections that follow.

Cronbach Alpha ( $\alpha$ ) is estimated to be 0.805 for all the 8 assertions relating to socio-economic empowerment. This can be considered to be in a very good range.

A principal component analysis (PCA) was conducted on the 8 items with varimax rotation. The Kaiser–Meyer–Olkin (KMO) measure confirmed the sampling adequacy for the analysis with KMO = 0.826, which is above the acceptable limit of 0.5. Besides it was also found that all KMO values for individual items were  $> 0.05$ , which is well above the acceptable limit of 0.5<sup>[8]</sup>.

Bartlett's test of Sphericity  $\chi^2 (28) = 846.914, p < .001$ , indicated that correlations between items were sufficiently large to apply factor analysis using Principal Component Analysis. An initial analysis was run to obtain eigen values for each component in the data.

It was found that two components had Eigen values over Kaiser's criterion of 1 and in combination explained 57.862% of the variance. However, the Scree plot had one point of inflexion that justified retaining only 1 component. Given the sample size, and the divergence of the Scree plot and Kaiser's criterion on the number of components to be retained, 2 components were retained in the final analysis based on Kaiser's Criterion.

The items that cluster on the same components suggest that component 1 represents "Livelihood", component 2 represents "Finance".

Based on the results derived from factor analysis Table I summarises the findings on socio-economic empowerment of respondents.

**Table I: Summary of the Factors of socio-economic empowerment**

Components	Variables/Dimensions/Statements	Factor Loadings	Total Variance Explained
<b>C1 Livelihood</b>	Increase in number of handloom machine post joining SHG	0.849	<b>41.201</b>
	Increase in production post joining SHG	0.842	
	Increase in participation in training and awareness programme post joining SHG	0.832	
	Increase in outside village marketing post joining SHG	0.742	
	Increase in ability to market produced goods post joining SHG	0.539	
	Increase in decision making capacity post joining SHG	0.530	
<b>C2 Finance</b>	Increase in monthly income post joining SHG	0.766	<b>16.661</b>
	Increase in monthly expenditure post joining SHG	0.649	

Source: Calculated by the author from Primary data

For socio-economic empowerment, “Livelihood” explains the highest amount of total variance with a total variance of 41.201.

Amongst the six variables comprising of “Livelihood” the variable “Increase in number of handloom machine post joining SHG” has the highest factor loading of 0.849 closely followed by “Increase in production post joining SHG” with a loading of 0.842. Thus it can be inferred that SBLP can

increase SHG member’s production of handloom products as the loan amount can be used in purchasing more handloom machine and raw materials from the profit earned.

**Socio-Economic Empowerment**

The socio-economic empowerment is measured through 8 variables. In table II it is seen that the overall respondents out of 340 who agreed to have been socio-economically empowered post joining SHG stand at 64%.

**Table II: Socio-Economic Empowerment**

Variables/Statements	Disagree	Neutral	Agree	Total	Percentage of empowerment post joining SHG
Increase in number of handloom machine post joining SHG	82	113	145	340	43
Increase in output post joining SHG	87	40	213	340	63
Increase in participation in training and awareness programme post joining SHG	131	50	159	340	47
Increase in outside village marketing post joining SHG	34	4	302	340	91
Increase in ability to market produced goods post joining SHG	147	31	162	340	48
Increase in decision making capacity post joining SHG	112	36	192	340	56
Increase in monthly income post joining SHG	18	13	309	340	89
Increase in monthly expenditure post joining SHG	71	15	254	340	75
Percentage to Total Socio-Economic Empowerment Post Joining SHG					64

Source: Calculated by the author from Primary data

Discrepancy in empowerment variables is observed in table 2. It is seen that 89% of the respondents have agreed that their monthly income by weaving cloths has increased after joining SHG as they have purchased more raw materials and handloom machines from the loan amount. This is closely followed by an increase in outside village marketing post joining SHG where 75% of the respondents have reported an increase post joining SHG. This can be attributed to the fact that bank and government agencies have given the weavers a platform in various trade fairs to display and sale their products.

**IV. CONCLUSION**

Microfinance can be helpful in enhancing weaver’s production and profitability as the SHG loan amount can be used in purchasing more handloom machines and raw materials. Nearly 64% weavers have agreed that microfinance has helped them in earning livelihood by expanding the level of production and increasing sale of handloom products at profitable rate in lower Brahmaputra valley of Assam. However the current study is confined to only role of microfinance in socio-economic empowerment aspects of weavers in lower Brahmaputra valley of Assam. There is a huge scope for researchers to explore impacts of microfinance on other forms of empowerment of women weavers of Assam as well.

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