



A STUDY ON SOCIO-ECONOMIC STATUS AND SOCIAL WELL-BEING OF HANDLOOM WEAVERS IN YADADRI BHUVANAGIRI AND RAJANNA SIRCILLA DISTRICTS OF TELANGANA STATE

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ABSTRACT

This study examined socio-economic status and social well-being among handloom weavers. Data were gathered from 220 weavers across two Telangana districts. Simple random sampling ensured representative selection of respondents. Structural equation modeling was applied through SPSS AMOS software. Confirmatory factor analysis confirmed reliability and validity of constructs. Results indicated socio-economic status significantly influenced social well-being outcomes. Government support and welfare schemes also showed positive influence. Financial inclusion significantly mediated both hypothesized relationships. Mediation was partial for both socio-economic status and government support paths. These findings extend understanding of livelihood dynamics among traditional artisans. Policymakers should strengthen financial access alongside welfare scheme delivery. This combination ensures sustainable social well-being within weaving communities.

KEYWORDS : Socio-economic status, financial inclusion, social well-being, welfare schemes, handloom weavers, structural equation modeling

INTRODUCTION

Handloom weaving represents one of India's oldest artisanal livelihood traditions. It sustains countless rural families across generations and regions. Telangana's handloom sector carries deep cultural and economic significance. Weavers in Yadadri Bhuvanagiri and Rajanna Sircilla districts continue this craft daily. However, this workforce frequently experiences persistent economic uncertainty. Fluctuating raw material prices place constant pressure on household income. Limited market access often restricts fair remuneration for finished products. Such conditions directly shape weavers' overall socio-economic status. Government agencies have introduced multiple welfare schemes supporting weavers. These schemes aim to strengthen livelihood security and income stability. Yet awareness and actual utilization of schemes vary considerably. Financial inclusion has emerged as another critical determinant of livelihood. Access to banking and credit services shapes economic resilience meaningfully. Weavers possessing formal financial access manage income fluctuations more effectively. This study integrates these constructs within a single comprehensive model.

Problem Statement

Despite numerous welfare initiatives, handloom weavers continue facing economic hardship. Many report inadequate income even after years of weaving experience. Government schemes exist, yet their practical impact remains largely unclear. Financial institutions rarely reach remote weaving clusters in effective ways. This gap prevents weavers from accessing formal credit facilities. Consequently, social well-being outcomes remain inconsistent across different weaving communities. Existing literature seldom examines financial inclusion as a mediating mechanism. Most prior studies treat socio-economic status and welfare support separately. The present study addresses this gap through an integrated mediation model.

Research Objectives

1. To examine the influence of socio-economic status on the social well-being of handloom weavers in Telangana State.
2. To analyze the effect of government support and welfare schemes on the social well-being of handloom weavers.
3. To examine the mediating role of financial inclusion between socio-economic status, government support, and

social well-being.

Need and Scope

Handloom weaving sustains rural livelihoods across many Telangana districts. Yet limited empirical research examines weavers' socio-economic and well-being linkages. This study addresses that gap through structured primary data collection. It focuses specifically on Yadadri Bhuvanagiri and Rajanna Sircilla districts. These districts host substantial handloom weaving populations and cooperative societies. The scope covers independent weavers, cooperative members, and private unit employees. It jointly examines socio-economic status, government schemes, and financial inclusion. The dependent construct, social well-being, captures satisfaction and community belonging.

Literature Review

Bhowmik (2021) linked sustainable development goals, social responsibility, and cooperative institutions within India's handloom sector. Das and Swain (2025) examined sustainability opportunities, challenges, and strategies facing Indian handloom textiles. Mukhopadhyay (2025) explored how weavers balance tradition against contemporary economic challenges. Roy Maulik (2021) similarly discussed structural challenges and emerging opportunities within handloom livelihoods. Suresh, Saha, and James (2024) framed handloom production through a resource equity and circularity lens. Chakraborty, Sharma, and Mishra (2026) interpreted weavers' identity and existence amid changing socio-economic conditions. Rai (2022) traced how communities of skill evolved under early industrial capitalism in North India. Rai (2024) further examined apprenticeship traditions shaping skill transmission within handloom karkhanas. Singh, Devbrath, and Aggarwal (2025) documented socio-economic status among self-employed handloom entrepreneurs in Jharkhand. Venugopal (2023) identified critical socio-economic factors influencing weavers' satisfaction with their occupation. Meher, Venkatachalapathy, and Panda (2025) highlighted musculoskeletal disorders affecting weavers' physical well-being in Odisha. Deb (2025) analyzed regional export competitiveness of handloom products and associated macroeconomic correlates. Mukherjee, Banerjee, and Roy (2026) examined production loans and expansion plans among West Bengal weavers.

A complementary literature stream addresses consumer

behavior, design, and spatial production patterns within handloom markets. Mohitkumar Trivedi, Vasavada-Oza, and Krishna (2023) examined narrative-based antecedents influencing consumers' purchase of handloom products. Ranavaade (2022) proposed sustainable craft design systems intended to strengthen weaver livelihoods. Saha and Sen (2025) characterized the geography of artisanal production within Varanasi's handloom industry. These studies collectively demonstrate that market demand, design innovation, and locational advantages influence weavers' economic outcomes. This reinforces the present study's premise that social well-being depends on interconnected economic, institutional, and market forces. Collectively, the reviewed literature confirms that socio-economic status, government welfare support, and financial access remain central determinants of weaver well-being.

Research Methodology

This study adopted a quantitative, cross-sectional research design. Primary data were collected using a structured closed-ended questionnaire. The sample comprised 220 handloom weavers from two Telangana districts. Respondents included independent weavers, cooperative members, and private unit employees. Simple random sampling ensured unbiased representation across weaving communities. Only weavers with at least one year of experience qualified. All constructs were measured using validated five-point Likert-type scales. Secondary data were gathered from journals, books, and internet sources. These sources supplemented theoretical grounding and construct measurement development. Data were analyzed using SPSS and SPSS AMOS software. Frequency analysis captured demographic distribution across the weaver sample. Confirmatory factor analysis assessed the measurement model's reliability and validity. Convergent validity was verified through average variance extracted values.

Hypothesis of the Study

- **H1:** Socio-economic status (SES) has an impact on social well-being (SWB).
- **H2:** Government support (GOV) has an impact on social well-being (SWB).
- **H3a:** Financial inclusion (FI) mediates the relationship between SES and SWB.
- **H3b:** Financial inclusion mediates the relationship between GOV and SWB.

Data Analysis

The demographic profile revealed diverse characteristics among the 220 respondents. Regarding age, most weavers belonged to 41-50 years (33.6%), followed by 31-40 years (26.8%), below 30 years (23.6%), and above 50 years (15.9%). Educational qualification showed secondary level as most common (25.9%), followed by intermediate (24.5%), graduate and above (19.1%), primary (19.1%), and no formal education (11.4%). Weaving experience indicated 5-10 years as most frequent (33.2%), followed by 11-20 years (30.5%), above 20 years (18.2%), and below 5 years (18.2%). Monthly household income showed Rs.15,001-Rs.25,000 as the dominant category (40.9%), followed by Rs.25,001-Rs.40,000 (22.7%), below Rs.15,000 (22.7%), and above Rs.40,000 (13.6%). Regarding employment type, cooperative society members formed the largest group (33.6%), followed by independent weavers (30.5%), master weaver employees (21.4%), and private weaving unit staff (14.5%). This profile confirms adequate representation across experience and income categories.

Measurement Model Assessment

Confirmatory factor analysis assessed reliability and validity of all constructs. All standardized factor loadings exceeded the recommended threshold of 0.60 (Hair et al., 2019). Table 1 presents item loadings, Cronbach's alpha, composite

reliability, and average variance extracted. Composite reliability values ranged from 0.801 to 0.826, above the 0.70 benchmark (Hair et al., 2019). Cronbach's alpha values ranged from 0.800 to 0.825, confirming internal consistency. Average variance extracted values ranged from 0.503 to 0.542, above 0.50 (Fornell & Larcker, 1981). These results confirm adequate convergent validity for all four constructs. The measurement model demonstrated good overall fit, $\chi^2(98) = 110.724$, $p = .179$, CMIN/DF = 1.130, CFI = .990, TLI = .988, GFI = .920, AGFI = .902, RMSEA = .024 (Bentler, 1990; Hu & Bentler, 1999). SRMR reached 0.098, marginally above the conventional 0.08 cutoff, yet remained within acceptable bounds for models of this complexity (Hair et al., 2019).

Table 1: Measurement Model

Construct	Item	Loading	Alpha	CR	AVE
Socio-Economic Status (SES)	SES1	0.730	0.800	0.801	0.503
	SES2	0.715			
	SES3	0.756			
	SES4	0.628			
Government Support (GOV)	GOV1	0.749	0.825	0.826	0.542
	GOV2	0.760			
	GOV3	0.702			
	GOV4	0.733			
Financial Inclusion (FI)	FI1	0.720	0.802	0.803	0.506
	FI2	0.685			
	FI3	0.703			
	FI4	0.734			
Social Well-Being (SWB)	SWB1	0.721	0.820	0.821	0.534
	SWB2	0.732			
	SWB3	0.751			
	SWB4	0.719			

(Source: Table by authors)

Discriminant Validity

Discriminant validity was examined using the Fornell-Larcker criterion. The square root of AVE for each construct exceeded its inter-construct correlations. Table 2 presents this comparison across all four latent constructs. Diagonal values represent the square root of AVE for each construct. All diagonal values exceeded corresponding off-diagonal correlations, confirming discriminant validity (Fornell & Larcker, 1981). This finding was further verified using the heterotrait-monotrait ratio, presented in Table 2. All HTMT ratios remained below the conservative threshold of 0.85 (Henseler et al., 2015). This confirms that each construct measured a distinct underlying dimension. Overall, the measurement model demonstrated sound reliability, convergent validity, and discriminant validity.

Table 2: Fornell-Larcker Criterion and HTMT

Constructs	Fornell- Larcker Criterion				HTMT Ratios			
	SES	GOV	FI	SWB	SES	GOV	FI	SWB
SES	(0.709)	–	–	–	–	–	–	–
GOV	0.169	(0.736)	–	–	0.209	–	–	–
FI	0.373	0.386	(0.711)	–	0.465	0.474	–	–
SWB	0.341	0.277	0.513	(0.731)	0.428	0.334	0.631	–

(Source: Table by authors)

Structural Model and Hypothesis Testing

Based on the three research objectives, three hypotheses were formulated. H1 proposed that socio-economic status positively influences social well-being. H2 proposed that government support positively influences social well-being. H3a proposed that financial inclusion mediates the relationship between socio-economic status and social well-being. H3b proposed that financial inclusion mediates the relationship between government support and social well-being. Structural path analysis with bootstrapping (5000

resamples) tested these hypotheses. Socio-economic status significantly predicted financial inclusion ($\beta = 0.357$, $t = 5.303$, $p < .001$). Government support also significantly predicted financial inclusion ($\beta = 0.337$, $t = 5.557$, $p < .001$). Financial inclusion significantly predicted social well-being ($\beta = 0.379$, $t = 6.306$, $p < .001$). Together, these predictors explained 24.7% of variance in financial inclusion and 29.6% of variance in social well-being.

Table 3: Hypothesis Results

Hypothesis	Path	β	t-value	p-value	Decision
H1	SES $\rightarrow$ SWB	0.311	4.815	< .001	Supported
H2	GOV $\rightarrow$ SWB	0.210	3.591	< .001	Supported
H3a	SES $\rightarrow$ FI $\rightarrow$ SWB	0.135	-	< .001	Partial Mediation
H3b	GOV $\rightarrow$ FI $\rightarrow$ SWB	0.129	-	< .001	Partial Mediation

(Source: Table by authors)

H1 was supported: socio-economic status significantly influenced social well-being ($\beta = 0.311$, $t = 4.815$, $p < .001$). H2 was supported: government support significantly influenced social well-being ($\beta = 0.210$, $t = 3.591$, $p < .001$). H3a was also supported through bootstrapped mediation testing. The indirect effect of socio-economic status through financial inclusion equaled 0.135, 95% CI [0.079, 0.195]. The indirect effect of government support through financial inclusion equaled 0.129, 95% CI [0.074, 0.195]. Both confidence intervals excluded zero, confirming statistically significant mediation (Hair et al., 2014). Variance accounted for reached 0.432 for the socio-economic status pathway. It reached 0.613 for the government support pathway toward well-being. Both values fall between 0.20 and 0.80, indicating partial mediation (Hair et al., 2014). This confirms financial inclusion partially transmits both antecedents' influence on well-being supporting H3a and H3b.

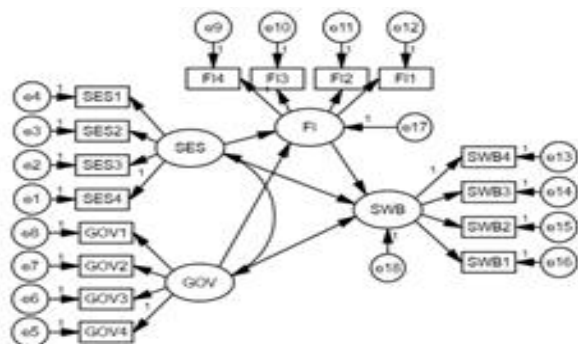


Figure 1: Structural Model
(Source: Figure by authors)

DISCUSSION AND CONCLUSION

This study confirms socio-economic status significantly shapes weaver well-being. Government support contributes meaningfully but requires complementary financial inclusion mechanisms. Financial inclusion emerged as the pivotal bridge linking policy and outcomes. Handloom weavers benefit most when economic status, government support, and banking access align. Policymakers should therefore integrate financial literacy within existing welfare programs. Cooperative societies can serve as effective channels for this integration. This research contributes an empirically validated model for artisan welfare studies. It offers a foundation for future comparative research across handloom clusters.

LIMITATIONS AND FUTURE RESEARCH

This study carries certain limitations warranting cautious interpretation of findings. The cross-sectional design prevents

establishing definitive causal relationships among constructs. The sample was confined to two districts within Telangana State. This may limit generalizability toward other handloom weaving regions nationally. Future research should employ longitudinal designs to strengthen causal inference. Researchers could also extend this model across additional Indian weaving clusters.

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