

Silk Handloom Entrepreneurship in India: Challenges, Opportunities, And Pathways to Sustainability

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Abstract—Silk handloom entrepreneurship encompasses the creation and management of enterprises centered on handwoven silk products, blending traditional craftsmanship with modern business strategies in India's rural clusters. This article reviews the economic contributions, challenges, and opportunities in the sector, drawing on industry reports and studies. Key findings highlight the sector's role in employment generation and cultural preservation, while underscoring barriers like raw material volatility and market fragmentation. Structured interventions in design innovation, digital marketing, and value chain integration emerge as critical for entrepreneurial sustainability and growth.

Key words—Silk handloom; Entrepreneurship; Handloom sector; Value chain; India; Artisan clusters.

I. INTRODUCTION

Silk handloom entrepreneurship involves small-scale enterprises that produce handwoven silk fabrics, sarees, and apparel, often operating within family-based or cluster models in states like Karnataka, Tamil Nadu, and Assam. India leads global silk production, with handlooms contributing significantly to exports and rural livelihoods, employing over 4 million weavers—predominantly women. This sector sustains cultural motifs like Kanchipuram silk and Banarasi brocades while facing pressures from mechanized competition and shifting consumer tastes.

The article synthesizes literature on silk handloom dynamics, entrepreneurial challenges, and strategies for renewal, with relevance for policy makers, educators, and aspiring entrepreneurs in textile management institutes.

II. LITERATURE REVIEW

Studies position silk handloom entrepreneurship within India's unorganized rural economy, where weavers transition from craft practitioners to micro-entrepreneurs through cooperatives, self-help groups,

and individual ventures. Reports emphasize the sector's labor intensity, with silk-specific clusters like Sirumugai and Kanchipuram demonstrating intergenerational knowledge transfer and family business models.

Research highlights economic vulnerabilities: raw silk price fluctuations, powerloom imitation, and intermediary dominance erode weaver margins, limiting reinvestment in looms or design. Government analyses note that while schemes like Silk Samagra provide subsidies and training, uptake remains low due to poor awareness and bureaucratic hurdles. Emerging literature on sustainable textiles underscores opportunities in GI-tagged products and eco-dyeing, positioning silk handlooms for niche global markets.

Empirical reviews of handloom clusters reveal that successful entrepreneurs leverage e-commerce, branding, and designer collaborations to achieve 20-30% higher realizations compared to traditional sales. However, second-generation involvement often lags due to migration toward urban jobs, signaling needs for skill modernization and entrepreneurial education.

III. FINDINGS AND DISCUSSION

Silk handloom entrepreneurship generates substantial socio-economic value, supporting 35 lakh weavers and contributing ₹60,000 crore annually to India's handloom economy, with silk exports reaching \$200 million in recent years. Family-run units dominate, offering flexible employment but struggling with scalability due to capital constraints and skill gaps in marketing and finance.

Core challenges include raw material dependency on mulberry silk from Karnataka (70% of production), volatile pricing (up 15-20% yearly), and competition from cheaper powerlooms, which capture 80% of the mass market. Fragmented supply chains amplify

risks, with weavers receiving only 30-40% of retail value.

Opportunities lie in digital transformation and sustainability: platforms like Amazon Karigar and government portals enable direct sales, while organic silk and natural dyes attract premium buyers. Findings advocate cluster-based strategies—shared dyeing units, design centers, and export facilitation—to boost competitiveness. Training in entrepreneurship, as per National Handloom Development Programme, can empower youth to innovate, blending heritage with contemporary fusion wear.

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