

A Study of Socio-Economic Status of Power Loom Workers of Malegaon Textile Cluster: A literature Review Analysis

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ABSTRACT

Purpose: The textile industry is a vital contributor to India's economy through employment generation, export promotion, and industrial growth. The Malegaon textile cluster in Maharashtra is one of the major power loom hubs in the country and provides livelihood opportunities to a large number of workers. However, despite its economic significance, workers in this sector often face various socio-economic challenges. This study aims to examine the socio-economic status of power loom workers in the Malegaon textile cluster. **Methodology:** The study is based on secondary data collected from academic journals, government reports, and published literature related to the textile sector between 2015 and 2025. Relevant studies and reports were reviewed to analyse the socio-economic conditions of workers and the broader labour dynamics within the power loom industry. **Findings:** The analysis reveals that although the power loom sector generates substantial employment, workers often experience low and irregular incomes, limited job security, and inadequate access to social welfare benefits. Poor working environments and occupational health risks also remain major concerns. These factors collectively contribute to the economic vulnerability of workers in the textile cluster. **Implications:** The study emphasizes the need for effective policy measures, including technological modernization, skill development initiatives, improved working conditions, and expansion of social security schemes to enhance the welfare of power loom workers. **Originality:** This research provides a comprehensive review of the socio-economic conditions of power loom workers in the Malegaon textile cluster and contributes to the existing literature on labour conditions in textile-based industrial clusters.

Keywords: Power loom workers, Malegaon textile cluster, socio-economic status, textile industry, labour welfare.

INTRODUCTION:

The textile industry is one of the oldest and most important sectors of the Indian economy, contributing significantly to employment generation, industrial output, and export earnings. It is estimated that the sector provides employment to millions of workers across organized and unorganized segments. Among the various segments of the textile industry, the power loom sector plays a crucial role in fabric production and employment generation, (Ministry of Textiles, 2023).

The Malegaon textile cluster located in Maharashtra is one of the major power loom centres in India. The cluster consists of thousands of small and medium enterprises engaged in grey fabric production. The region has around 6,000 power loom units employing more than 60,000 workers, producing over 1.2 crore meters of fabric daily, (Malegaon Textile Cluster Association, 2024). These units primarily operate as micro and small enterprises that rely heavily on manual and semi-mechanized processes.

Despite the large employment opportunities created by the sector, workers in the power loom industry often face numerous socio-economic challenges. These include low wages, long working hours, lack of job security, inadequate health facilities, and limited access to social security benefits, (Ahmed, I. A. I. & Dhande, R. B. 1, 2021); (Ahmed, I. A. I. & Dhande, R. B. 2, 2021). Furthermore, the industry has been affected by economic fluctuations, rising raw material costs, and competition from international markets, which negatively impact worker livelihoods.

For instance, disruptions in the industry have affected thousands of workers due to production slowdowns and rising yarn costs, (Dasgupta, R., 2021). In several cases, power loom units temporarily halted operations, affecting more than 2.5 lakh workers dependent on the industry, (Bhanushali, 2025). These challenges highlight the vulnerability of workers who depend on the textile cluster for their livelihood.

Therefore, understanding the socio-economic conditions of power loom workers is essential for designing effective policies aimed at improving their welfare and productivity. This study examines the socio-economic profile of workers in the Malegaon textile cluster and identifies the key factors influencing their living standards.

Objectives of the Study:

The study aims to analyse the socio-economic conditions of power loom workers in the Malegaon textile cluster. The specific objectives are:

1. To examine the demographic and socio-economic profile of power loom workers.
2. To suggest policy recommendations for improving the socio-economic status of workers.

Literature Review:

The socio-economic conditions of workers in the textile and power loom sector have been widely examined in academic literature. Researchers emphasize that the sector provides employment to millions of workers, particularly in small and medium-sized enterprises operating within textile clusters. Several studies have examined labour conditions and socio-economic characteristics of workers in the textile and power loom sectors.

(Ahmed, I. A. I. & Dhande, R. B. 1, 2021); (Ahmed, I. A. I. & Dhande, R. B. 2, 2021); (Kulkarni, S., 2018), analysed the work culture and socio-economic profile of power loom workers in Maharashtra and found that low wages, long working hours, and lack of social security benefits remain major challenges for workers.

Similarly, (Ahme, S. N. J., Bachhav, N. B., & Suryawanshi, U. P., 2024), conducted a case study of power loom workers in Malegaon and observed that the majority of workers belong to economically weaker sections with limited educational backgrounds. Their study also highlighted poor housing conditions and limited access to healthcare services.

Studies on textile clusters in India emphasize the importance of small-scale enterprises in generating employment and supporting regional economic development, (Kathuria, V. & Raj, R., 2018); (Chaudhary,

M., 2019); (Das, S., 2022). However, workers in informal sectors often lack stable employment and adequate income, (Mehrotra, S. & Parida, J., 2019).

Research on the Indian textile industry indicates that globalization and technological changes have transformed production processes but have also increased competition, affecting small-scale power loom units, (Tewari, M., 2016); (Ghosh, A., 2021); (Gupta, N., 2021). As a result, many workers face job insecurity and fluctuating incomes.

Furthermore, the majority of power loom enterprises operate with outdated machinery, limiting productivity and income levels, (Malegaon Textile Cluster Association, 2024). The prevalence of informal employment practices also reduces access to social welfare schemes, (Sharma, R., 2020); (Singh, P., 2019); (Verma, A., 2017); (Tripathi, R., 2017).

Studies by the International Labour Organization highlight the need for improved labour policies and skill development initiatives to enhance worker productivity and living standards in textile clusters, (ILO, 2019); (International Labour Organization, 2022).

According to (Mehrotra, S. & Parida, J., 2019), informal employment dominates the Indian manufacturing sector, especially in industries such as textiles and garments. Workers employed in these sectors often lack job security, social protection, and stable income, (Mukherjee, S., 2021); (Nagaraj, R., 2017); (Narayan, P., 2022). Similarly, (Bhattacharya, D., 2019), observed that the majority of textile workers in India operate in unorganized segments where wages are relatively low and working conditions are often inadequate.

Studies focusing on textile clusters highlight the importance of regional industrial clusters in promoting employment and economic development. (Kathuria, V. & Raj, R., 2018), found that industrial clusters contribute significantly to local economic growth by encouraging entrepreneurship, technological diffusion, and employment generation, (UNIDO, 2020); (World Bank, 2021); (Asian Development Bank, 2022); (Reserve Bank of India, 2022); (NITI Aayog, 2023). However, they also noted that workers in cluster-based industries frequently face challenges such as limited access to skill development and social welfare programs.

The power loom sector in particular has been examined by several scholars. (Patel, S., 2022), reported that the power loom industry accounts for nearly 60 percent of India's fabric production and plays a vital role in the country's textile value chain. Despite its economic importance, the sector is characterized by low productivity and outdated technology, which limits wage growth for workers, (Reddy, K., 2018); (OECD, 2021).

Research focusing on labour conditions indicates that occupational health hazards are common in textile industries. (Kaur, H., 2019), found that workers in textile manufacturing units are exposed to high levels of noise, dust, and chemical substances, which may lead to respiratory problems, hearing loss, and other health issues. The absence of protective equipment and safety standards further increases health risks.

Another significant issue is wage inequality and income instability. (Deshpande, A., 2018), highlighted that wage disparities are widespread in informal manufacturing sectors, where workers are often paid on a piece-rate basis. This system leads to income fluctuations depending on production levels and market demand.

Migration also plays a crucial role in the labour dynamics of textile clusters. (Shukla, R., 2020), observed that many workers migrate from rural areas to urban industrial centres in search of employment opportunities. While migration increases employment prospects, it also creates challenges related to housing, social integration, and access to public services.

Technological transformation is another important theme in the literature. (Joshi, S., 2020), emphasized that technology adoption can significantly improve productivity and competitiveness in the textile industry. However, small-scale power loom units often lack the financial resources to upgrade machinery, which limits their ability to compete in global markets.

Studies specifically focusing on the Malegaon textile cluster indicate that the region is one of the largest power loom hubs in India. (Ahme, S. N. J., Bachhav, N. B., & Suryawanshi, U. P., 2024), reported that a large proportion of workers in Malegaon belong to economically weaker sections and depend entirely on the textile industry for their livelihood. Their study also highlighted issues such as overcrowded housing, limited education, and irregular income.

Similarly, (Ahmed, I. A. I. & Dhande, R. B. I, 2021), found that power loom workers in Malegaon experience long working hours and limited access to welfare schemes. The informal nature of employment prevents workers from receiving benefits such as health insurance, pensions, and paid leave.

Economic shocks and market fluctuations also affect the livelihoods of power loom workers. According to (Dasgupta, R., 2021), rising yarn prices and declining demand for fabric forced several power loom units in Malegaon to suspend operations temporarily, affecting thousands of workers. Such disruptions demonstrate the vulnerability of workers who rely on a single industry for employment.

International organizations have also studied labour conditions in textile industries. (International Labour Organization, 2022), emphasized the need for stronger labour policies, improved workplace safety, and skill development programs to enhance worker welfare in textile-producing countries.

Overall, the existing literature indicates that while the textile sector plays an essential role in employment generation and industrial growth, workers in the power loom industry continue to face socio-economic challenges. Addressing these issues requires coordinated efforts from government agencies, industry stakeholders, and labour organizations to improve working conditions, wages, and access to social security.

Discussion:

The findings of this study provide important insights into the socio-economic conditions of power loom workers in the Malegaon textile cluster. The results show that most workers belong to economically weaker sections and depend heavily on the textile industry as their primary source of livelihood. The power loom sector is largely characterized by small and informal enterprises, which often provide limited job security and modest income levels. These characteristics are consistent with previous studies that describe the textile industry as a labour-intensive sector dominated by informal employment structures.

One of the key findings of the study is the relatively low educational attainment among power loom workers. A significant proportion of workers have only primary or secondary level education. Limited education restricts their opportunities for better employment and reduces their ability to adapt to technological advancements in the textile industry. As a result, workers often remain confined to low-skill and low-income occupations within the sector.

Income levels among workers were also found to be relatively low and unstable. Many workers earn modest monthly wages that are often insufficient to meet the growing cost of living. In several cases, wages are determined through piece-rate payment systems, where income depends on the quantity of fabric produced. This system makes earnings highly dependent on production levels and market demand. When the industry experiences fluctuations such as rising yarn prices or reduced demand, workers immediately face income instability.

Long working hours represent another major challenge for power loom workers. Many workers report working between ten and twelve hours a day to meet production requirements. Extended working hours are

common in small-scale power loom units where production targets and operational costs influence work schedules. Such working conditions not only lead to physical exhaustion but also reduce the time available for family life and social participation.

Occupational health problems are also prevalent among workers in the power loom industry. Exposure to dust, noise, and repetitive mechanical operations contributes to various health issues such as respiratory problems, hearing loss, eye irritation, and musculoskeletal pain. In many cases, workplaces lack proper ventilation, safety equipment, and protective measures. These conditions increase health risks and negatively affect workers' overall well-being.

Migration patterns also influence the labour dynamics of the Malegaon textile cluster. A large number of workers migrate from nearby districts and rural areas in search of employment opportunities. Although migration improves access to jobs, migrant workers often face difficulties related to housing, access to public services, and social integration. These challenges further contribute to the socio-economic vulnerability of workers in the textile cluster.

Another important factor affecting workers is the structural nature of the power loom sector. Many units operate with outdated machinery and limited financial resources, which reduces productivity and limits income growth. Small enterprises often find it difficult to invest in modern technology due to high costs and uncertain market conditions. As a result, productivity improvements remain limited and workers continue to earn relatively low wages.

Economic fluctuations also affect the stability of employment in the textile industry. Rising yarn prices, declining demand, and temporary production shutdowns can significantly disrupt the livelihoods of workers who depend entirely on the sector. These challenges highlight the vulnerability of workers in cluster-based industries.

Overall, the study emphasizes the need for policy interventions aimed at improving the socio-economic conditions of power loom workers. Measures such as skill development programs, modernization of machinery, improved workplace safety, and expansion of social security coverage can significantly enhance worker welfare. Strengthening institutional support and promoting better labour practices will help ensure sustainable development of the textile sector while improving the living standards of workers.

Policy Recommendations:

Based on the findings of the study, the following policy recommendations are suggested:

1. Skill Development Programs:

Government agencies should introduce specialized skill development and training programs to improve worker productivity and income levels.

2. Technological Modernization:

Power loom units should adopt modern weaving technologies to enhance productivity and reduce physical strain on workers.

3. Occupational Health and Safety:

Factories should implement proper ventilation systems, protective equipment, and noise reduction measures to protect workers from health hazards.

4. Social Security Coverage:

Workers should be included in government welfare schemes such as health insurance, pension schemes, and accident insurance programs.

5. Wage Regulation:

Establishing minimum wage standards for power loom workers can improve income stability.

6. Housing and Infrastructure Development:

Authorities should provide affordable housing facilities and basic urban services for migrant workers.

7. Worker Cooperatives:

Encouraging the formation of worker cooperatives can improve bargaining power and income opportunities.

8. Access to Financial Services:

Workers should have better access to banking facilities, credit programs, and financial literacy initiatives.

9. Formalization of Employment:

Efforts should be made to formalize employment relationships by introducing written contracts and labour protection mechanisms.

10. Cluster Development Programs:

Government and industry associations should strengthen cluster-based development initiatives to support the long-term sustainability of the Malegaon textile industry.

CONCLUSION:

The textile industry is a vital component of India's economy, playing a significant role in employment generation and industrial development. The Malegaon textile cluster, in particular, has emerged as a major centre for power loom production and provides livelihoods to a large number of workers. Despite the economic importance of this sector, the findings of the present study indicate that workers in the power loom industry continue to face a range of socio-economic difficulties.

The analysis reveals that the majority of workers belong to economically disadvantaged backgrounds and possess relatively low levels of education. Limited educational attainment restricts their opportunities for higher income and better employment prospects. In addition, workers frequently experience long working hours, irregular wages, and inadequate safety measures within their workplaces. Such conditions contribute to various occupational health problems, including respiratory ailments, hearing issues, and musculoskeletal disorders, which arise from prolonged exposure to dust, noise, and repetitive mechanical work. Migration from rural regions also contributes significantly to the labour force in the Malegaon textile cluster. Although migration provides employment opportunities, migrant workers often encounter challenges such as poor housing conditions, limited access to healthcare services, and insufficient social support systems.

Another major concern identified in the study is the structural nature of the power loom sector. The industry is largely dominated by small-scale and informal enterprises that operate with outdated machinery and limited financial resources. These constraints restrict productivity improvements and limit the potential for wage growth among workers. Furthermore, the industry remains highly vulnerable to economic fluctuations. Factors such as increasing raw material costs, particularly rising yarn prices, and changes in market demand can disrupt production and affect the income stability of workers who depend heavily on this sector for their livelihoods.

Addressing these challenges requires a comprehensive and coordinated policy approach. Government initiatives should focus on encouraging technological modernization within power loom units to enhance productivity and efficiency. At the same time, skill development and training programs can help workers acquire new competencies that improve their employability and income potential. Strengthening labour regulations and expanding social security coverage, including health insurance and welfare schemes, are also essential to safeguard workers' rights and well-being. In addition, improving workplace safety standards and ensuring access to healthcare facilities can significantly reduce occupational health risks faced by workers.

In summary, the Malegaon textile cluster continues to play a crucial role in supporting regional employment and industrial activity. However, improving the socio-economic conditions of power loom workers is essential for ensuring sustainable development within the sector. Enhancing institutional support, promoting fair labour practices, and facilitating technological advancement can contribute not only to better living standards for workers but also to the long-term growth and competitiveness of the textile industry.

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