

Corporate Social Responsibility in Textile Industry – A Study of Rajanna Sircilla Powerloom Weavers

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Abstract:

Corporate Social Responsibility is an ethical way of contributing towards the society. It invokes one's conscience and realises the need towards the development of society by not merely taking profit maximisation as sole objective. Almost all types of industries are realising the benefits of social responsibilities and textile industry is no exception from this. Clothing, next to food is one of the basic necessities of human existence. Its existence is from the time of human civilization. It occupies a sacred position and satisfies the most inherent need of human being. The textile industry is diverse with different segments and Powerlooms are a part of it contributing approximately 60 percent of total cloth production in the country and provides employment to millions of weavers. The study is undertaken with an objective to analyse the Corporate Social Responsibility of Rajanna Sircilla Powerloom industry towards its weavers. The study concludes that the social security measures taken by the Government and unit owners were effective in controlling the suicides of the weavers and resulted in the development of their social and economical life.

Keywords: *Corporate Social Responsibility, Textile Industry, Powerlooms and Socio-economic*

1. Introduction

Social responsibility is not a new concept but awareness and realisation about it is a matter of concern to discuss. It is an obligation of organisations towards the society in a best manner to create a positive environment for the welfare of the society. Social responsibility can be taken by an individual, Government and organisations. If an organisation takes a social responsibility then it becomes a Corporate Social Responsibility (CSR). The textile industry, especially in India's decentralized areas like the powerloom clusters of Rajanna Sircilla in Telangana, plays a crucial role in creating rural jobs and supporting the local economy. Despite its importance, the industry faces ongoing challenges such as labor rights issues, environmental damage, and workplace safety concerns. This makes Corporate Social Responsibility (CSR) vital for sustainable growth. CSR efforts in the textile sector can help powerloom weavers by ensuring fair wages, improving worker health and safety, promoting environmental care, and supporting community development. Rajanna Sircilla, known for its many small powerloom units, is an important example for studying how textile businesses use CSR and how it affects the welfare of weavers. This research looks at how CSR is part of the textile value chain in this area and examines its role in improving social and economic conditions and encouraging ethical business practices. By connecting local CSR efforts with national policies and global sustainability goals, the study aims to provide useful insights into responsible and inclusive industrial growth (Singh & Sinha, 2021; Sarkar & Searcy, 2022).

2. Corporate Social Responsibility in Textile Industry

Corporate Social Responsibility goes beyond the framework of regulation. It is a strategy based on ethics not on profit maximization. Business organisations are realising the importance of contributing towards the society and environment and the Textile industry is no exception from this. When organisations or Industries are doing business with society, then it is their responsibility to contribute towards the society at large. If an organisation commits its voluntarily services towards human being and environment than half of the sustainability race is won. The Corporate Social Responsibility in textile industry is related with environment and workers rights. Almost every type of industry uses natural resources and extinction of resources creates imbalance in the environment. Textile industry largely depends on natural resources in the form of production of cotton to transportation of finished products. The use of water, chemicals and pesticides for large scale cultivation of cotton may adversely affect ecosystem. The processing of the cloth is subjected to washing, dyeing, sizing and printing which causes contamination in environment and the harmful effects of chemicals are passed on to the weavers and customers. With respect to the human responsibility paying the appropriate wages as per Minimum wages act and providing social protection ensure the welfare of workers. According to Universal declaration of Human Rights “Everyone has the right to work, the right to equal pay for equal work, to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection has the right to form and to join trade unions for the protection of his interests” (United Nations 1948).

3. Rajanna Sircilla Powerloom Industry

Rajanna Sircilla comes under new addition of District in Telangana, the newly formed 29th State of South India. Sircilla is a major Powerloom centre which derived its name from Sirishala, which means ‘Centre of Wealth’, and majority of the people living there belongs to Padmashali caste. Sircilla was predominantly a Handloom industry. The growth of Handloom industry can be traced back to 1920’s after some enterprising people went to Sholapur in search of the work. With family and friends support they were exposed to the art of weaving for livelihood. Handloom weaving quickly spread in and around Sircilla town. Apart from weaving numerous allied activities were also developed. Over the time weavers of Sircilla have developed unique designs and a niche market for their product. The up-gradation of technology has not spared this small town and in order to continue with the survival weavers started migrating to major Powerloom centres to learn the art of Powerloom weaving. This phase has laid foundation of Powerlooms in Sircilla. Later on some entrepreneurs from Sircilla had procured second hand powerlooms on large scale and established Powerloom units in Sircilla. Over the years handloom units have been converted to powerloom units.

The phenomenal success of the powerloom sector can be traced to certain distinct advantages it possesses. The comparatively low costs, the flexibility and adaptability of production techniques and heterogeneous production structure of the industry have enabled it to supply large and small quantities as per requirements. The Textile town Sircilla started providing ample work to the weavers, so much so that it was called the ‘Sholapur of Andhra Pradesh’. As per the Directorate of Handloom and Textile (H&T) Andhra Pradesh, there are about more than 30,000 power looms in Sircilla which account for about 40 percent of

the total power looms in the state. There are three types of cloth produced on these looms using Natural fiber (Cotton), synthetic fiber (Polyester) and mix of these two fibers. According to the department records there are 20,000 power looms manufacturing polyester cloth, 8000 looms producing cotton and rest of 2000 looms producing suit cloth. The Power loom sector in different parts of India has faced crisis and Telangana is not left out from this situation and it is pertinent to note that a substantial number of weavers have committed suicides in traditional power loom industry of Sircilla. This indicates deep-rooted distress among the weaving community and has been reported time and again in 1998, 2001 and in 2008 in Sircilla. It is quiet astonishing to note that the sector which emerged as cloth producer in the country have to face a grim situation and it is evident from analysis that suicides are more confined to hired worker segment as indebtedness is high among them.

Sircilla crisis can be classified from individual and industrial point of view. Reason of suicides: (Individual): Low wages; Family disputes; Domestic violence; Addiction to alcohol; Health conditions. Industry crisis reasons: Poor technical know-how; Lack of marketing skills; Dependency on Master Weaver for work; Lack of creativity; Lack of value addition services Over the last 20 to 25 years, government policies have focused on the liberalization, modernization and globalization of the textile industry and have steadily marginalized the weavers of both traditional handlooms and power looms. It is suggestive to note that the problems of the weaver can be solved provided the stake holders address the root cause of a worker plight in the current setup. If they realise their responsibilities towards the weavers community then the suicides of weavers could have been controlled. A substantial number of weavers continue to commit suicides. The numbers may vary but have not reduced to zero. Realizing this, the Government took initiative by implementing various developmental and welfare schemes for the benefits of the weavers year after year but the suicide rates in the weavers community is only showing an increasing trend. The State and Central Government and Powerloom unit owners responded positively to the plight of the weavers and took up massive rehabilitation and relief measures for the development and upliftment of weavers.

4. Need and Importance of Study

Powerloom industry contributes to highest cloth production among various other industries of Khadi, Wool, Hosiery, Mills and Handlooms etc. However, this decentralized industry has faced crisis situation in various parts of the country and Telangana was not let out, Rajann Sircilla District stands testimony of the crisis. In recent years the weavers have to face vulnerabilities due to weak organisation structure, poor infrastructure, outdated technology, lack of marketing facilities, financial debts, low wages, chronic illness and addiction to liquor. The Government has taken rehabilitation measures as a part of social responsibility for the upliftment of weavers. It is in this phase the present study is undertaken to understand the impact of social responsibility on Socio-economic development of Rajanna Sircilla Powerloom weavers.

5. Research Problem

India is rich in culture and heritage and so with the varieties of textiles. Indian textiles are famous for its unique and creative art. Indian Textile industry is diverse with hand woven handloom sector at one end and machine based capital intensive mill sector on the other

end. Powerlooms can be included between Mill sector and the handloom sector and there are approximately 25 lakh Powerlooms giving employments to 64 lakh persons and 60 percent of total cloth production in the country comes from Powerlooms. Rajanna Sircilla Powerloom industry provided ample work to the weavers but in the recent years it is noted that substantial number of powerloom weavers in Sircilla were in crisis and have committed suicides. The weavers are downtrodden segment of the society and are ignored by the industry dominators. The owners and Government have recognised their social responsibility and have acted accordingly and their efforts have reaped a fruitful result and which went a long way in stopping the suicides of weavers.

6. Review of Literature:

Dr. Rashmi Govindjiwala (2024) focused on the development in the powerloom sector, production of cloth and schemes and policies of the Government in supporting the powerloom sector in India. Powerloom is the important decentralised sector of Indian textile industry. 60 percent of the Indian cloth production comes from this sector and it is one of the important source of employment generation. It is for this reason, the Government of India is framing sound policies for the upliftment of this sector in every possible aspect.

Lingabathini Mallaiah (2024) described the scenario of textile industry in Telangana by focusing more on handlooms sector. This sector flourished at weavers home itself and it is to weave the cloth by hand on pitlooms or frame looms. From 1985 to till date, Government has implemented many comprehensive policies for enhancing productivity either through co-operatives and corporations. The policies were an efforts to modernise the sector by way of technological improvements, maintaining yarn availability, quality standards and through various welfare measures. Many committees were set up to know the modes operandi of the sector and one such committee i.e. Abid Hussain Committee suggested welfare schemes for weavers and to decentralised the sector. Apart from this committee also suggested for area based promotion for improving weaver's productivity and earnings.

Vangala Rama (2021): The author through the article "Socio Economic Conditions of Handloom Weavers in Telangana State" has highlighted the scenario of textile industry in India and more specifically about Telangana. It is that industry which gives employment to artistic people in rural areas and as such develops the country economically. The study is an attempt to analyse socio-economic profile of handloom weavers in Telangana State. Handloom industry is one of the oldest industries and is a part of cottage industry in India. Weavers mostly utilise the space in their homes and set the industry and weaves both cotton and silk cloth. The process of handloom industry involves weaving, bleaching, dyeing, finishing, embroidery, reeling and twisting etc, is all done by the weavers and it is their source of livelihood.

Haque and Farooqui (2017): The study titled "Current Trends of CSR Practices in Indian Firms" has highlighted the rolled played by CSR in developing the Indian economy. The authors through the article attempted to throw the light on CSR for Indian firms which are helpful both socially and economically. It concludes that building of trust is more important than utilising assets for running the business.

Laskar and Maji (2017): The authors in the article titled “Corporate Social Responsibility Performance and Firm Performance: A Cross Country Analysis from Asia”, attempted to analyse the Corporate Social Responsibility and the firms performance in the context of four countries i.e India, Indonesia, Japan and South Korea. The analysis is done by using Content Analysis Technique within the framework of Global Reporting Initiatives (GRI). The study concludes that CSR disclosure is very significant for enhancing firm value but in the context of Indonesia the study fails to disentangle any significant impact of CSR on firm performance.

Mishra and Sarkar (2017) outlined the Social and Environmental issues. The paper also presented the social risk management concept and explained that CSR programs are the means to achieve the social risk. The paper explored that CRS is a tool to address environmental risk in hazardous sector with a focus on oil and gas sector. Singh and Verma (2017) have analysed and synthesize the findings of previous studies to arrive at a concrete conclusion on nexus of CSR and Brand Equity (BE). The methodology of the study is based on Systematic Literature Review and findings of the study is that CSR could fetch positive rewards for the firm with improved brand image, loyalty and purchase intention which strengthen the brand performance.

Patro and Pattanayak (2017) studied the relationship between earnings and Corporate Social Responsibility (CSR) for all the listed firms in India. The empirical study was undertaken by incorporating Corporate Governance and Financial Performance Indicators to test the proposed hypotheses. It was found a positive impact of CSR disclosure on earnings management (EM) practices.

Monika Szewczyk (2016) presented the importance of corporate social responsibility activities in the textile and apparel industry. The objective of the study is to investigate the barriers and challenges to CSR in textile and apparel industry in the global context. The sensitivity of CSR in the areas of labour conditions, workers’ rights and environmental issues is being analysed and it was found that the main barrier for implementation of CSR in textile industry is caused by geographical distance.

Sravanthi and Bharathi (2015) highlighted the Swachh Bharat Abhiyaan campaign started by the Government of India for making clean and green India. On Prime Ministers invitation both private and public enterprises had extended their support for the campaign by way of constructing toilets and keeping the surroundings clean. The main objective of the paper is to bring out various activities of Indian Corporate towards Swachh Bharat Abhiyaan. The study concludes that the biggest challenge is to change the mentality of people for any campaign to be successful. Kumar (2015) examined CSR mechanism through which corporate organisations have executed their Philanthropic visions for social welfare. The author has analysed the CSR practices of three nationalised banks i.e ICICI Bank, HDFC Bank and Axis Bank and found that the selected Banks have been engaged in CSR activities in the areas of rural development, health, education, women and children welfare.

Gulsevrim and Suleyman (2009) explained the concepts of CSR and the firms sensitivities to CSR. Textile sector is strong in Turkey due to low labor costs and abundant availability of raw materials. CSR practices of the textile firms that are quoted in Istanbul Stock

Exchange were analysed to know the sensitivities to their internal and external stakeholders and the environment. Nasreen and Rao (2014) explored CSR and the way in which Indian textile industry is accepting it. The top five companies of India Textile Industry were analysed to know their CSR towards the society and environment and their view point's regarding CSR.

7. Research Methodology

The study is in the form of empirical analysis where the objectives are evaluated by using both Primary and Secondary source. The primary data was collected from Powerloom workers (Hire worker/Employees) who weave and process cotton and polyester cloth. The information was taken through a structured questionnaire with good reliability. Furthermore discussions, observation and personal interviews were carried out with weavers, owners of powerloom units, Master weavers and other stake holders as the Rajanna Sircilla Powerloom industry is highly un-regularized. The primary data is supported by secondary data. The secondary sources of data pertaining to the study was gathered from the records published by the Ministry of Textile Industry Government of India, Department of Handlooms and Textiles Karimnagar, Powerloom Service Centre of Sircilla and Hyderabad, Trade Unions office in Sircilla, CESS Sircilla, and RDO office Sircilla. Further the information from well-equipped libraries, articles from News Papers and Leading journals and Text Books on concerned topics and from web resources is taken.

Sampling Plan: Sircilla Powerloom industry is three tier industry and the main players are Master Weavers, Asami and Worker weavers (Employees). A detail diagnosis has revealed that the crisis is more confined to the hired worker segment of the Powerloom Industry in Sircilla. The study has targeted only hire worker segment i.e. worker weavers as they are daily wage earners and more suicides are reported from this segment because of deteriorated and distress life which resulted in their low socio-economic position.

Sampling Method: The Empirical study has adopted Simple Random Sampling Technique in selection of weavers sample from Sircilla textile town.

Sample Size: Out of 20000 weavers a random sample of 500 which is 2.5 percent of the population is selected for the study. Hence, the sample size for the present study is 500.

Objective of the Study: To analyse the development of weavers through Social support received from the Government and unit owners

Hypothesis of Study

H₀: There is no significant effect of Social support received from Government and Unit Owners (Organisational) on Socio-economic development of powerloom weavers

H₁: There is a significant effect of Social support received from Government and Unit Owners (Organisational) on Socio-economic development of powerloom weavers

8. Data Analysis

The hypothesis is being analysed by using statistical tools of Correlation and Regression. The analysis is done to find the impact of social responsibility measures taken by Government and unit owners (Organisations) on weaver's socio-economic life.

- **Correlation Analysis**

Table No. 1 Correlation Analysis

Variables		Socio-economic position
Socio-economic position	Pearson Correlation	1
	Sig. (2-tailed)	
	N	500
Financial assistance	Pearson Correlation	.910*
	Sig. (2-tailed)	.025
	N	500
Good Working Conditions	Pearson Correlation	-.155**
	Sig. (2-tailed)	.001
	N	500
Developmental programs	Pearson Correlation	.106*
	Sig. (2-tailed)	.017
	N	500
Government Support	Pearson Correlation	.720**
	Sig. (2-tailed)	.000
	N	500
Rehabilitation measures	Pearson Correlation	.822**
	Sig. (2-tailed)	.000
	N	500

Source: Field Survey Data

Interpretation: The above analysis of correlation shows the strength of relationship between the variables. There is high degree of positive correlation between financial assistance, Government support and rehabilitation measures with Socio-economic development of weavers and are statistically significant. With the support received from the unit owners and Government, weavers are able improve their social and economic positive which was helpful in controlling suicides to a large extent. With stable financial position weavers are able to make a better living and take care of their family.

- **Regression Analysis**

In the following analysis, the relationship between the social support received from Government and unit owners (Organisation) is studied and their effect on Socio-economic development is seen. It was found that the social support has made variability in Socio-economic Position of Powerloom weavers. The model summary of the analysis is shown in Table.No.2

Table No. 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	.688	.684	2.441

a. Predictors: (Constant), Financial assistance, Good working conditions, Developmental Programs, Government Support, Rehabilitation measures

Source: Field Survey Data.

The above table shows the results of Predictive variable in linear regressions model. The model summary shows the R² value as 0.688 or 69 percent of the variance in criterion variable (Socio-economic Position) is explained by the predictor variables. Since R value of 0.829 or 83 percent is close to 1, Socio-economic position of weavers has high positive relationship with financial assistance, Good working conditions, Developmental Programs, Government Support and Rehabilitation measures.

Table No. 3 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6476.821	5	1295.364	217.453	.000 ^b
	Residual	2942.747	494	5.957		
	Total	9419.568	499			

a. Dependent Variable: Socio-economic Position

b. Predictors: (Constant), Financial assistance, Good working conditions, Developmental Programs, Government Support and Rehabilitation measures.

Source: Field Survey Data

The above table gives the Sig. (P) Value as 0.000 which is less than 0.05, as such the social and economic measures taken by the Government and unit owners as a part of corporate social responsibility have played a significant role in Socio-economic development of Powerloom weavers. Analysis is done between the predictive variable and the dependent variable by assigning coefficients to the predictive variable.

Table No. 4 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	4.714	1.553		3.036	.003
Financial Assistance	.084	.029	.077	2.844	.005
Good Working Conditions	-.074	.045	-.042	-1.642	.101
Developmental Programs	-.006	.025	-.006	-.247	.805
Government Assistance	.104	.028	.098	3.671	.000
Rehabilitation measures	1.080	.035	.815	31.130	.000

- a. Dependent Variable: Socio-economic Position
Source: Field Survey Data.

The analysis of Table No.4 shows the beta weights and statistical significance. Detail analysis shows that financial assistance in the form of economic benefits and increase in wages have significantly affected the Socio-economic position of weavers. Government support has proved to be effective in improving the Socio-economic position of weavers and rehabilitation measures taken by Government and unit owners have played a significant role in Socio-economic position of weavers. The Sig. (p) values of all variables are less than 0.05 and the calculated 't' values are more than the table value at 0.05 level irrespective of signs. Whereas the working conditions and programs for the development of weavers have significant value greater than 0.05 which implies that the effect of these variables are negligible and hence can be ignored.

Regression Equation based on the above data is:

Socio-economic position = 4.714 + 0.084 (financial assistance) – 0.074 (Working Conditions) – 0.006 (Developmental Programs) + 0.104 (Government Support) + 1.080 (Rehabilitation measures)

9. Findings of Study

1. There is high degree of positive correlation between financial assistance, Government support and rehabilitation measures with Socio-economic development of weavers.
2. As per model summary the value of R² is 0.688 or 69 percent of the variance in Socio-economic Position is explained by the predictor variables (financial assistance, good working conditions, developmental programs, Government support and rehabilitation measures).
3. Financial assistance, Government support and rehabilitation measures were significant in bringing a positive change in Socio-economic position of weaves as the Sig. (p) values of all these variables are less than 0.05 and the calculated 't' values are more than the table value at 0.05 level irrespective of signs.

10. Conclusion

The Textile town of Telangana has recorded highest number of Powerlooms weavers' suicides following the crisis in the sector. The industry plunged into crisis with the closure of Powerloom units and its allied industries. Unemployment and inadequate wages resulted in food insecurity, malnutrition and high drop rate of children from schools. Added to this health related problems such as anaemia, tuberculosis, asthma and gynaecological illness among women became common. To overcome this, weavers came under the vicious circle of indebtedness and have to face constant harassment from lenders and micro finance institutes. To escape all this they took to alcoholism which has further deteriorated their living conditions and in extreme cases some of the weavers have resorted to suicides. In response to the situations the social security measures taken by the Government and unit owners in the form of financial assistance, developmental programs, good working conditions and rehabilitation measures were proved to be effective in controlling the suicides of the weavers and resulted in the development of their social and economic life.

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