

An Analytical Study of the COVID-19 Pandemic's Impact on the Carpet Industry in Bhadohi

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Abstract

The COVID-19 pandemic had a profound impact on India's traditional industries, with Bhadohi's carpet sector being among the worst affected. As a hub of artisanal craftsmanship and global exports, the sudden halt in production and trade disrupted the entire ecosystem of weavers, traders, exporters, and daily-wage workers. The lockdowns created unprecedented challenges—ranging from unemployment and income insecurity to disrupted supply chains and halted exports. Workers in rural areas faced social and economic uncertainty, while small manufacturers struggled to revive operations. Though government schemes were introduced for relief, their outreach remained limited due to lack of awareness and accessibility barriers. Despite these difficulties, some resilience emerged through cooperative models, digital platforms, and skill-based recovery efforts. This study explores the multidimensional effects of the pandemic on Bhadohi's carpet industry and provides insights into its vulnerabilities, adaptations, and the way forward for sustainable revival.

Keywords: COVID-19, Carpet Industry, Handicrafts, Employment, Exports.

Introduction

Bhadohi, popularly known as the “Carpet City of India,” holds a prominent place in the nation's traditional handicraft sector. With a rich legacy of carpet weaving that dates back to the Mughal period, the district has grown into an internationally acclaimed center for hand-knotted and tufted carpets. The fusion of Persian weaving

methods with indigenous craftsmanship has given rise to intricate patterns and fine artistry, earning Bhadohi the Geographical Indication (GI) tag. Carpet weaving here is not merely a source of livelihood; it represents a cultural legacy handed down across generations.

From an economic perspective, Bhadohi plays a pivotal role in India's handmade carpet

exports, accounting for more than 60% of the national output. The industry is primarily informal and labor-intensive, employing over 20 lakh artisans, many of whom come from underprivileged rural backgrounds in Eastern Uttar Pradesh.² The sector is made up of numerous small-scale enterprises, such as cottage units, self-help groups, and family-run businesses. This structure makes it a major contributor to rural employment, women's economic participation, and equitable development. As part of India's broader MSME landscape, the Bhadohi carpet industry significantly contributes to foreign exchange earnings and enhances the country's export footprint in key markets like the USA, Europe, and the Middle East. However, the outbreak of the COVID-19 pandemic created unprecedented disruptions in this traditional sector, affecting every aspect from production and labor availability to exports and earnings. This research seeks to explore the multi-dimensional impacts of the pandemic on Bhadohi's carpet industry and proposes potential strategies for recovery and sustainable growth.³

Bhadohi Carpet Industry

Located in Eastern Uttar Pradesh, Bhadohi is globally renowned as the "Carpet City of India" for its exquisite hand-knotted carpets. Originating during the Mughal era through a blend of Indian and Persian weaving styles, the industry today holds Geographical Indication (GI) status. It thrives on a network of over 2,000 MSMEs and household units, employing around 20 lakh artisans, mostly from rural backgrounds. Bhadohi contributes over 60% to India's carpet exports, especially to the USA, Germany, and Gulf nations, while preserving traditional craftsmanship and generating rural livelihoods.³

Impact of the COVID-19 Pandemic

- Production halted due to lockdowns; many units closed.
- Export orders canceled or delayed; income fell sharply.
- Supply chains broke down; raw material shortages emerged.
- Daily-wage artisans faced job losses and wage cuts.
- Government relief was poorly accessed due to awareness and procedural gaps.

Coping Mechanisms and Adaptations

To overcome the pandemic's challenges, Bhadohi's carpet industry turned to digital tools, online trade platforms, and virtual marketing. Exporters adopted e-commerce and social media to maintain buyer connections. NGOs and cooperatives supported artisans with relief, digital literacy, and registration aid. Training programs enhanced skills and encouraged innovation. Some weavers formed collectives and sold online through platforms like Amazon. These adaptive strategies highlighted the sector's capacity for resilience and opened new avenues for modernization and long-term sustainability.

Literature Review

Singh, R. (2021) examined the consequences of COVID-19 on India's MSME sector, highlighting issues like cash flow shortages, business closures, and unemployment. The study underlined how vulnerable small enterprises are to crises and advocated for digital transformation and long-term policy reforms to enhance resilience.

Kumar, A. & Jain, S. (2021) investigated how the pandemic impacted India's handicrafts sector, noting major setbacks in logistics, raw material access, and market demand. Their

research emphasized the need for expanding digital marketing channels and the adoption of e-commerce to support artisans.

Choudhury, P. (2020) explored supply chain breakdowns in traditional industries due to the pandemic. The paper identified disruptions in raw material transport, rising operational costs, and inactive labor forces, stressing the importance of building robust and adaptable supply systems.

Tripathi, M. (2022) carried out a ground-level study in Bhadohi, revealing how weavers faced unemployment, return migration, and wage stagnation during the crisis. She highlighted the inadequate implementation of government support schemes, hindering post-pandemic recovery.

Sharma, D. & Ali, F. (2021) evaluated relief measures like Atmanirbhar Bharat and PMEGP, concluding that their reach among Bhadohi's weavers was minimal due to poor awareness and bureaucratic delays. The study called for more inclusive and localized policy delivery.

Verma, N. (2021) assessed the socio-economic fallout on handicraft communities in Varanasi and Bhadohi. The research indicated that female artisans suffered more in terms of job cuts and income losses, recommending gender-specific relief and recovery initiatives.

Gupta, R. (2020) discussed export-related issues in the traditional sector, reporting sharp declines in overseas orders from Bhadohi amid global uncertainty. The author advised diversification of export destinations and better marketing support for revival.

Research objectives

1. To assess the economic, social, and operational consequences of the COVID-19 pandemic on Bhadohi's carpet industry.

2. To identify the key challenges encountered by weavers, exporters, and related stakeholders during the pandemic crisis.
3. To evaluate the role and effectiveness of government interventions, relief initiatives, and industry-level adjustments in supporting post-pandemic recovery of the carpet sector.

Research Methodology & Area

This research is based on primary data collected through structured schedules administered to 150 respondents, including weavers, traders, and exporters. Secondary data was gathered from government reports, industry publications, and official statistics. The study was conducted in Bhadohi district, a key carpet-manufacturing region.

Data Collection and Analysis

A total of 150 Respondents; Age Group: The majority of respondents (39) were in the age group of 26–35 years, followed closely by 36–45 years (41 respondents). Younger individuals (18–25) numbered 22, while older respondents aged 46–60 and 60+ were 31 and 17 respectively, indicating a wide range of age participation in the carpet sector.

Gender: Out of 150 respondents, 113 were male and 37 were female, reflecting the male-dominated nature of the carpet industry workforce in Bhadohi.

Literacy Level: A substantial number of respondents had primary (43) and secondary (37) education. 23 were illiterate, and only a small fraction had higher education: 25 higher secondary, 17 graduates, and 5 postgraduates, suggesting limited formal education among workers.

Occupation: The largest group (86) identified as weavers, followed by laborers (23). A smaller number were exporters (14), traders (13), supervisors (9), and cooperative members (5). This indicates the dominance of weaving as the primary occupation in the region.

Years of Experience: Most respondents had significant industry experience—50 had 11–20 years of experience, and 47 had 5–10 years. 26 had more than 20 years, and 27 were relatively new (less than 5 years).

Monthly Income (Before COVID-19): Before the pandemic, the majority of respondents (65) earned between ₹10,001–₹15,000, followed by 41 in the ₹15,001–₹20,000 range. 21 earned less than ₹10,000, and 23 had higher income levels above ₹20,001.

Type of Employment: Daily wage workers made up the largest segment (76), followed by self-

employed (32) and contractual workers (29). Only 13 respondents had permanent employment, reflecting the informal nature of employment in the industry.

Family Size: Most respondents (98) had a family size of 4–6 members, while 31 had larger families (7 and above), and 21 had smaller families (1–3).

Ownership of Carpet Loom/Unit: Only 46 respondents owned a carpet loom or production unit, whereas the majority (104) did not, indicating limited capital ownership among workers.

Access to Government Schemes: Only 37 respondents reported receiving support from government schemes (like PMEGP or Atmanirbhar Bharat), while 113 had no access, showing a gap in the effective reach of relief initiatives.

Q1: How did the COVID-19 pandemic affect the production capacity and operational workflow of carpet units in Bhadohi?

Table-1

Sr. No.	Response Type	Number of Respondents	Percentage
1	Severely affected	46	30.67
2	Partially affected	51	34.0
3	Normal	18	12.0
4	Slightly affected	26	17.33
5	Not affected at all	09	6.0
	Total	150	100.0

Findings and Analysis: The COVID-19 pandemic had a significant impact on Bhadohi's carpet production units. According to the data, 30.67% reported severe disruption, while 34% noted partial effects on operations. Only 6%

claimed no impact. The findings highlight widespread production slowdowns, reduced work hours, and interruptions in supply chains, indicating that a majority of units struggled to maintain pre-pandemic workflow levels.

Q2: What were the economic implications for artisans, manufacturers, and exporters in terms of income, employment, and exports?

Table-2

Sr. No.	Response Type	Number of Respondents	Percentage
1	Major decline in income	49	32.67
2	Partial decline in income	45	30.0
3	No significant change	19	12.67
4	Some improvement	26	17.33
5	Significant improvement	11	7.33
	Total	150	100.0

Findings and Analysis: The pandemic caused a considerable economic downturn in Bhadohi's carpet industry. About 32.67% of respondents experienced a major income decline, and 30% reported partial losses. Only 7.33% saw significant

improvement. This suggests the majority faced job instability, reduced export demand, and income cuts. The data emphasizes the financial vulnerability of artisans, traders, and exporters during the COVID-19 crisis.

Q3: In what ways did the pandemic influence the social well-being of workers and their families?

Table-3

Sr. No.	Response Type	Number of Respondents	Percentage
1	Severe impact on social well-being	41	27.33
2	Moderate social disruption	49	32.67
3	No major change	23	15.33
4	Community support provided relief	25	16.67
5	Situation improved	12	8.0
	Total	150	100.0

Findings and Analysis: The crisis disrupted the social well-being of carpet industry workers. 27.33% faced severe hardships like stress and uncertainty, while 32.67% experienced moderate disruption. Only 8% reported improvement.

Interestingly, 16.67% acknowledged support from their community. Overall, the pandemic affected household stability, access to healthcare, and emotional well-being, reflecting the broader social consequences beyond economic losses.

Q4: What were the major obstacles faced by weavers and daily-wage artisans during the lockdown period?

Table-4

Sr. No.	Response Type	Number of Respondents	Percentage
1	Complete shutdown of work	57	38.0
2	Partial work continuity	39	26.0
3	Disruption for only a few days	22	14.67
4	Managed with alternative sources	21	14.0
5	No major effect	11	7.33
	Total	150	100.0

Findings and Analysis: The lockdown led to complete shutdowns for 38% of respondents, while 26% reported partial work. A small number (14%) managed with alternate sources. Only 7.33% were unaffected. The data shows that the majority

of weavers and artisans faced halted production, loss of daily wages, and limited alternatives, making the lockdown period economically and operationally harsh for this workforce.

Q5: How did exporters and traders cope with order cancellations, transportation disruptions, and market uncertainties?

Table-5

Sr. No.	Response Type	Number of Respondents	Percentage
1	Severe losses	43	28.67
2	Moderate losses	46	30.67
3	Managed the situation	27	18.0
4	Tackled using alternate means	21	14.0
5	No significant impact	13	8.67
	Total	150	100.0

Findings and Analysis: Exporters and traders suffered heavily, with 28.67% facing severe losses and 30.67% reporting moderate setbacks. Only 8.67% felt no significant impact. Some coped through alternative means (14%). These

figures indicate that disrupted transportation, international order cancellations, and uncertainty in global markets significantly destabilized business operations and revenue for Bhadohi's carpet exporters and traders during the pandemic.

Q6: Did the pandemic result in long-term challenges such as labor shortages or the closure of units?

Table-6

Sr. No.	Response Type	Number of Respondents	Percentage
1	Had to close units	31	20.67
2	Severe shortage of workers	34	22.67
3	Moderate labor loss	33	22.0
4	Gradual recovery began	34	22.67
5	No long-term impact	18	12.0
	Total	150	100.0

Findings and Analysis: About 20.67% of units had to shut down, while 22.67% experienced severe labor shortages. A similar proportion (22%) reported moderate labor loss. Encouragingly, 22.67% said recovery had begun. The findings

confirm long-term setbacks in labor availability and operational continuity, but also reveal signs of recovery. These outcomes suggest structural vulnerabilities in the carpet industry's workforce resilience post-COVID.

Q7: What forms of government relief (e.g., PMEGP, Atmanirbhar Bharat) reached the Bhadohi carpet industry, and how effective were they?

Table-7

Sr. No.	Response Type	Number of Respondents	Percentage
1	Received support and it was effective	38	25.33
2	Received partial support	30	20.0
3	Support was available but access was difficult	32	21.33
4	Not aware of any schemes	36	24.0
5	No support received	14	9.34
	Total	150	100.0

Findings and Analysis: Only 25.33% respondents received effective support, and 20% got partial help. However, 24% were unaware of any scheme, and 21.33% said accessing aid was difficult. The data shows a mixed outcome: while

some benefited, many either lacked information or faced bureaucratic challenges. This suggests a need for better outreach, transparency, and facilitation to ensure such schemes reach all stakeholders.

Q8: What industry-led innovations, cooperative actions, or digital transitions contributed to recovery and resilience post-pandemic?

Table-8

Sr. No.	Response Type	Number of Respondents	Percentage
1	Improvement through digital platforms	40	26.67
2	Help from cooperative societies	27	18.0
3	Support from NGOs	26	17.33
4	Skill development helped recovery	31	20.67
5	No significant innovation observed	26	17.33
	Total	150	100.0

Findings and Analysis: About 26.67% acknowledged digital platforms aiding improvement, while 20.67% noted skill development helped. 18% benefitted from cooperatives, and 17.33% from NGOs. However, 17.33% saw no innovation. The results indicate that while technology and community-driven efforts played a key role in recovery and adaptation, innovation was not uniformly adopted across the industry, revealing gaps in awareness and implementation.

Conclusion

The COVID-19 pandemic had a profound and disruptive impact on the carpet industry in Bhadohi, severely affecting production operations, workforce stability, and the overall economic viability of the sector. Nearly 65% of respondents indicated that their units faced significant to partial operational shutdowns. Over 60% reported a decline in income, highlighting the financial distress caused by the crisis. The social well-being of workers, especially daily wage artisans and weavers, was adversely affected due to job losses, uncertainty, and restricted access to essential services. Exporters and traders encountered challenges such as canceled orders,

transportation bottlenecks, and unstable markets. While some industry players were able to adapt using digital tools and cooperative initiatives, recovery remained inconsistent. Government schemes like PMEGP and Atmanirbhar Bharat provided support to only a limited segment, with many respondents either unaware of or unable to access these benefits. The emergence of long-term issues such as labor shortages and unit closures points to deeper systemic weaknesses in the industry.

Suggestions-

Enhanced Awareness: Local institutions should actively disseminate information about government support schemes to ensure broader access.

Capacity Building: Training in digital skills and modern carpet-making techniques can foster innovation and competitiveness.

Social Security for Workers: Establishing structured support systems for daily-wage earners and weavers is essential.

Digital Integration: Expanding digital platforms for marketing and trade can reduce reliance on traditional markets.

Strengthening Cooperatives: Promoting cooperative models can help build collective resilience and sustainability.

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