

CHALLENGES OF HANDLOOM INDUSTRY IN SRI LANKA: A CASE STUDY FROM IHALA MADAMPELLA VILLAGE

Wijenayaka, H.M.D.S

University of Kelaniya, Sri Lanka

Sri Lankan handloom industry is a home base and laborer intensive industry. It has provided a huge support to the rural people. Ihala Madampella weaving has become a remarkable industry and it has begun in 1932 in the village. There was a large number of trained labor force. It provided direct and indirect employment to the society. In the village, people have been engaged in the industry as a self-employment in small scale level while some of them have been conducted as a home base industry in medium scale level. The main focus of this study was the structure of the industry. Present situation, handloom industry contribution on the community, socio economic situation and challenges were considerable focuses. The study was depended on a questionnaire survey among selected 100 respondents who were engaged in the industry using stratified sampling technique. Majority of producers were married male participants older above 49 years who earn more than Rs. 75, 000. According to the model of Porter's Five Forces, there could be seen high level of bargaining power of both suppliers and buyers in the industry and medium level of threat of substitution, threat of new entry and comparative rivalry. In the current circumstance they have been achieved a stable situation to some extent. The handloom industry contribution on the community could be seen in largely. They were in developing level and they have gained a stable socio-economic situation. There could be identified some challenges as difficulty in finding raw materials, high cost of raw materials, scarcity of mechanics to develop and repair the handloom machines, difficult to sell the products, absence of a specific collecting center for products, presence low quality and low price substitutes in the market, low Income generation, decreasing the number of laborers, decreasing the contribution by the young generation, weak advertising, and outdated technology.

Keywords: *Handloom industry; Structure; Contribution of handloom industry; Socio economic Situation; Challenges*
