Success at the bottom of the pyramid

Non-government entities play a crucial role in developing rural entrepreneurial networks for the alliling handloom sector

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India’s handloom art is in crisis. The textile ministry’s Handlooms Census (2005) shows there has been a 13 per cent drop in handloom employment since 1995-96. Only 4.3 million people are engaged in handloom weaving and allied activities now, against 6.5 million in 1995-96. Handloom is the second largest unorganised set of economic activities in the country, after agriculture, that supports rural areas. More than three-fourths of all adult weavers are women and members of SC/ST/ODC communities. There are about 2.4 million handlooms in India, of which almost 85 per cent are in villages.

needed competitive advantage. The role of NGOs and social enterprises in saving handloom art cannot be overemphasised. I have worked with one such NGO, Dezigns, which has full-time operations in Chandni, located in the Adivasi Nagar district of Madhya Pradesh.

The Chandni cluster, for example, is known for its range of silk garments and sarees. Other clusters include the Varanasi cluster for Banarasi silk sarees, and the Chirala cluster for its traditional varieties of silk (zari and metal thread) sarees and dhotis. These clusters have been promoted scientifically, and at the ground level, poverty is visible.

From 2009 onwards, DEFI started working on a market linkage project in partnership with Media LabAsia (MLA) and with the support of the IT ministry. It initiated a project named ChandniQ, which is essentially the Chandni weavers’ ICT resource centres. Chandni weavers sell their products across the country at a premium under the brand name ‘Chandni’, which is known for its unique art and designs.

The demand estimation, order generation, and distribution of finished product from Chandni to different parts of the country is a complex and unstructured process. Weavers use different methods to reach their consumers. They sell directly to their customers (shopkeepers) in other cities by visiting their place with the products, participate in trade fairs, or sell to intermediaries.

The right links

DEF created a web portal to help weavers sell their products, giving beyond reducing physical market separations and building a bridge to boost market access to their products. ChandniQ has been able to demonstrate the viability of market-based solutions for alleviating the poverty of ‘bottom of the pyramid’ producers, while also salvaging dying art forms. Such interventions when done in a timely and appropriate manner can create functional ecosystems of partnerships between the social sector, government, and poor women to successfully develop markets for dying art forms.

Like any other market, handlooms are also required to serve three main functions: matching of demand and supply that involves identification of buyers and sellers, for which matchmaking product offerings with needs, as well as price discovery is important; facilitating exchanges or transactions, for which logistics, payment mechanisms, and facilitation of credit along with communication between buyers and sellers becomes important; and (3) providing institutional infrastructure such as enforcement of legal and regulatory mechanisms. These functions are already well-developed in formal urban markets, but the active intervention of external agencies may be required in poor, rural areas to make the markets work efficiently by reducing market separations. External non-governmental agencies can be of great help in underdeveloped informal B2P markets in many parts of India.

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