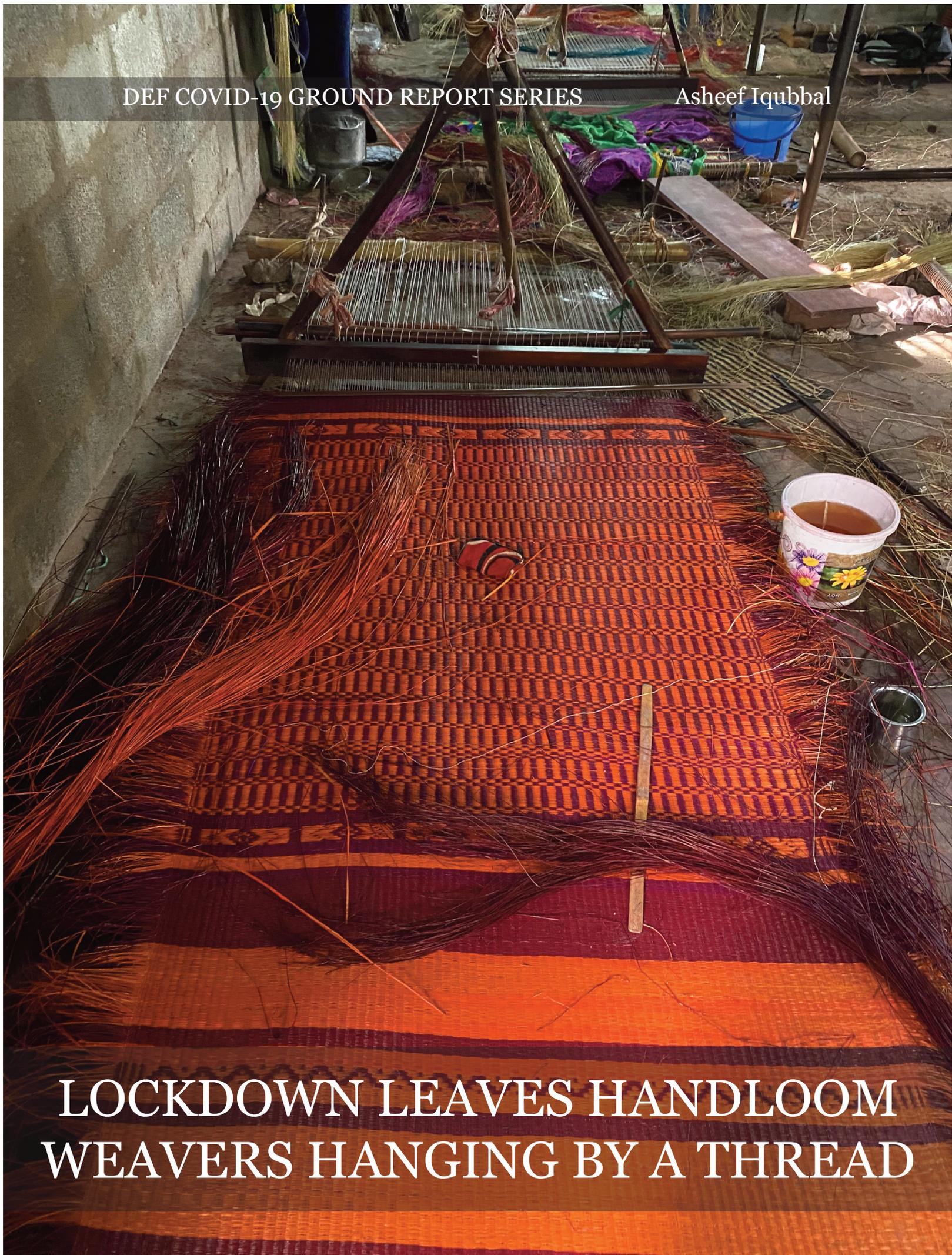




DEF COVID-19 GROUND REPORT SERIES

Asheef Iqubbal



LOCKDOWN LEAVES HANDLOOM WEAVERS HANGING BY A THREAD



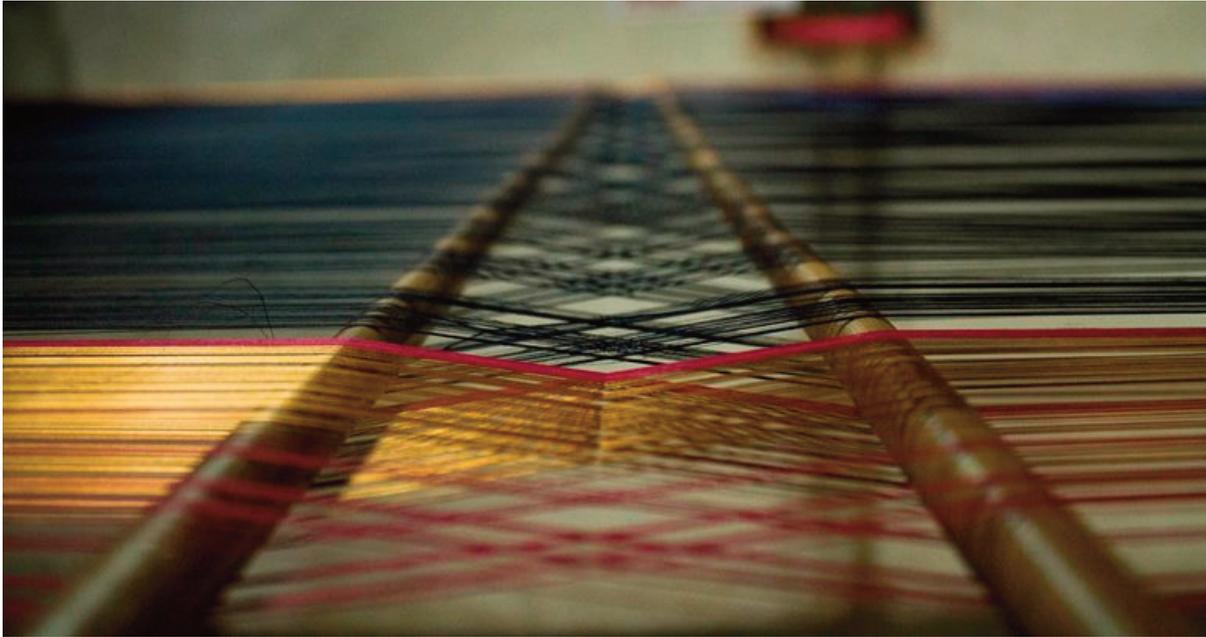


DEF COVID-19 GROUND REPORT SERIES:

Introduction

DEF COVID-19 GROUND REPORT SERIES is a series of in-depth ground reports by the research team of Digital Empowerment Foundation. They collect localised information about the masses and how they are impacted through various situations emerging because of the pandemic.

Digital Empowerment Foundation has been intensely working across India with a digital infrastructure across 100 locations. During Covid-19, DEF has a privileged position to be present diversely which helped in bringing a series of ground reports.



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In Chanderi, almost every loom was forced to shut down, leading to huge unemployment coupled with the fear of starvation; contraction of demand that followed in the wake of a plummeting economy did not help.

Lockdown Leaves Handloom Weavers Hanging by a Thread

With shrinking budgetary support, contracting demand due to the pandemic and a collapsing supply chain – India's traditional handloom sectors are struggling to survive

"We did not even have the money to bring back my father's dead body from the hospital. I had to borrow Rs 4,000 for an ambulance for that. Now the responsibility of my three sisters and an aging mother is on me. But I have no work. I have four looms of which three have been shut for months now due to lack of work", said Krishna Narayan Koli, 28, a weaver from Chanderi's Pranpur village.

On 28 May 2020, Koli's father – Jai Narayan Koli, 59 – died as a result of a heart attack. No hospital – neither the one in Ashok Nagar 45 kilometers away nor the Rani Laxmi Bai Hospital which is a 100 kilometers away in Jhansi admitted Jai Narayan Koli on

the suspicion of him being COVID – 19 infected. In the midst of this run around he was declared dead. "He never talked about it, but he was under huge financial stress caused by the lockdown", says Koli.

Chanderi, surrounded by the Betwa River and hills, is a small qasba (town) in the Ashok Nagar district of Madhya Pradesh. Due to lack of water, farming is not a viable option in the area. Almost all the households depend on the weaving and related work of the famous Chanderi sarees, which have a significant demand in the big cities. Before the lockdown, there were over 5,000 functioning looms employing more than 25,000 people in the area.

The lockdown that was imposed as a public health measure to curb the spread of COVID-19 also had a debilitating effect on the entire economy. In Chanderi, almost every loom was

Some weavers work through cooperative societies and some on their own with their own raw materials; the latter even sells them in the market independently. However, the maximum number of weavers work under middlemen or small scale businessmen.

forced to shut down, leading to huge unemployment coupled with the fear of starvation; contraction of demand that followed in the wake of a plummeting economy did not help.

There is no hope of getting work anytime soon: According to the Fourth All India Handloom Census 2019-20, 31 lakh (3.1 million) people across the country work in the handloom and weaving sector with 88% of the work being done in rural areas. Further, 66% of weavers earn less than Rs. 5,000 a month, which does not even meet the minimum wages mandated by the central government¹.

This is compounded by the fact that 65% of the weavers are not aware of the social welfare schemes they are entitled to. The benefits of the health and life insurance schemes reach only 3.8% of the weaving community. Lastly, only 23% of the weavers have a bank account. This raises key questions about the last mile delivery of COVID-19 relief packages announced by the government for vulnerable populations.

"Even when I start getting orders, I would need at least Rs. 3,000 to 4000 per loom to restart them since looms are made up of threads and excessive moisture can corrode its components", said Koli. "I was hoping that the government would help us financially in the times of pandemic, but there was no help except an extra 5 kg of food grains", he adds.

"My whole family used to work on the four looms we had. My father used to do the main work and we all helped with the chorus work – women of the

household play an important role in the weaving of Chanderi sarees. We managed to earn Rs. 4000 to 5000 in a week, on which my family survived," said Koli.

He adds, "If I am not able to get the raw materials from the seth [middle man], what work will I be able to do? The sarees already made prior to the lockdown have not reached the market due to the lockdown, so there is no hope of getting new work any time soon."

In the same qasba, the situation of Mohammad Akhtar, who dyes these sarees is no different. He said, "I'm surviving on the meagre savings that I had saved before the lockdown. I don't know what the future holds for us. There is a hope that the government would take care of the weavers and people like us in the times of pandemic, but so far no help has come from any government, neither state nor central."

According to the Center for Monitoring Indian Economy, about 120.2 million people have lost their jobs due to the lockdown in April alone². On the other hand, according to a survey by the All India Manufacturers Association, one in every three Micro, Small, and Medium Enterprises (MSME) are on the verge of closure due to the lockdown³.

In the light of Finance Minister Nirmala Sitharaman's announcement of the Rs. 1.7 lakh crore's (USD 22.6 billion) package and the Prime Minister Narendra Modi's announcement of Rs. 20 lakh crore (USD 266 billion) pack-

age under the 'Atma Nirbhar' [Self Reliant] initiative, loss of livelihoods for people like Krishna Narayan Koli and Mohammad Akhtar raise key questions of access to social protection for distressed sectors.

However, the economic isolation of the handloom and weaving sector has preceded the pandemic. The central budget for the sector was slashed from Rs. 621 crores (approx. USD 81 million) in 2014-15 to Rs. 456 crores (approx. USD 60 million) in 2019-20 – a decline of 32% in government support to an increasingly precarious sector⁴.

Plummeting Demand And Collapse Of An Entire Supply Chain:

Like every weaving cluster in the country, there are various working models in Chanderi too. Some weavers work through cooperative societies and some on their own with their own raw materials; the latter even sells them in the market independently. However, the maximum number of weavers work under middlemen or small scale businessmen.

Middlemen hire weavers on the basis of demand of sarees. Raw materials such as cotton, silk, zari, etc. are provided by the middlemen, and labor cost is determined by the amount of handiwork on the saree. On an average, a weaver is able to earn Rs. 1200 a week for the work in which their entire family is involved.

Mukesh Koli, 30, is one such businessman. Prior to the lockdown thirty looms were working under him but all these looms have shut down now.

"During the early days of the lockdown, we helped the weavers, I gave them some work and money too with whatever savings I was left with. But as the lockdown continued, the whole structure of the cash flow was punctured as both demand and supply collapsed completely."

"Demand for Chanderi comes from every major city – from Hyderabad to Delhi. Due to the lockdown, [retail] shops in the big cities have shut. Now, even as the lockdown is slowly lifting there seems to be no demand for the sarees. At least Rs. 10 lakh (approx. USD 13,000) worth of finished sarees are lying in my godown. After a few months, the freshness of these sarees will start losing if they don't sell out on time", adds Mukesh.

He explains, "Our business runs on credit. We borrow raw materials from the shopkeeper. After selling the finished products in the market, we pay back the money to the shopkeeper. I have taken a loan of Rs. 3 lakh (approx. USD 4000) from the bank at the rate of 9% per month to pay the dues of the shopkeepers and weavers. I don't know until when I can survive like this."

Arpit Jain, a shopkeeper who sells raw materials in Chanderi, said, "If weavers don't weave, my business will shut down too. I cannot say the exact amount but lakhs of money are stuck in the market with the businessmen. Upon asking they respond that they don't have the money because the sarees have piled up in their godowns. They are right too, but I also have expenses. The lockdown has added un-

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"The handloom sector was already facing severe shock due to demonetization and flawed implementation of Goods and Services Tax (GST) regime. Since most of the weavers and small traders have limited formal education, filing GST is a tedious task for them. COVID-19 and subsequent lockdowns have only worsened the situation. Currently, it is difficult to say whether the handloom sector can recover from this shock or not," said Prof. Bhowmik.

necessary financial hardships on us".

He adds, "Silk comes from Bangalore, cotton comes from Coimbatore, and zari comes from Surat. Due to the lack of proper transportation facilities, its cost has gone up. The raw materials are delivered only up to Guna, which is 60 kilometers away from Chanderi."

"I do not think anything will be okay before the festival season of Diwali. Till then, to keep weavers in this sector would be difficult. The government needs to step up and help the weaving community," suggested Jain.

The Situation Is No Different In Other States:

Rakesh Pal, 27, of Cuttack district in Odisha was working on the contract basis, in the garment pressing/ ironing department in Tirupur district of Tamil Nadu – one of India's largest garment manufacturing hubs. In this job he was earning Rs. 900 per day, but due to the lockdown, he stopped getting work there as the production was shut down due to lockdown.

Echoing Jain's predictions, he said, "My father, grandfather, and many more generations used to weave sarees. Due to a lack of opportunities, I left this traditional work of weaving a few years ago."

Rakesh paid Rs. 6,000 bus fare to return back home. "Weaving can be done from home as long as the raw materials are supplied, so in this hope, I left Tirupur. But there is no work here either. Now, once the market will resume, I'll head back to Tirupur again," he said.

"My father has received Rs. 1,000 from the Odisha government. But the government should provide more work through cooperative societies," he adds, "prior to lockdown my father, along with my family used to weave twelve to fifteen sarees a month, now they don't get orders of more than five to six sarees."

Hundreds of kilometers away from the Rakesh is the Mohammad Siraj, 40, of Saidanpur village in Barabanki, Uttar Pradesh, who is also facing a similar hardship due to lack of work. "I have not even received the aid of Rs. 1,000 rupees promised by the state government. Lockdown has crushed the backbone of Barabanki, unemployment has increased exponentially in the district."

"I have not earned a single rupee since the second lockdown was announced. Materials are not coming to Barabanki, and the old finished products are not reaching the market. How will I get any work?" He adds, "If it continues this way, I'll be forced to migrate to the cities, possibly to Mumbai, where I have some relatives who work in the construction sector. I have borrowed Rs. 6,000 to feed my family."

In Barabanki, there are 20,000 looms and 50,000 weavers⁵. "In my village alone, there are hundreds of looms, but now only 30 percent of them would be working due to lack of work," Siraj added.

Revival Would Be Difficult Without The State's Intervention:

Associate Professor of economics at

Ramakrishna Mission Vivekananda Educational and Research Institute, Manas Ranjan Bhowmik said that the handloom sector functions in a very decentralized manner, so there cannot be a single problem or a solution for the crisis.

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"The reason behind the weavers' vulnerability is an institutional failure and political apathy. Institutional failure results in the non-accessibility of social security schemes to the weavers. Those schemes remain visible only on papers. The major constraints in accessing the welfare schemes are lack of awareness

and limited among the weavers. However, I found in my study in Nadia and Murshidabad district, which is among the largest weaving clusters in West Bengal, that wherever the NGOs and co-operatives are working honestly, the weaver gets the benefit of some schemes, but the numbers are very small", he explains.

Prof. Bhowmik suggested that "The government should buy the finished product from cooperatives as well as these small traders for a few months at least. The government has an apex market to sell these goods in every state. A tax rebate should be given, along with a dedicated relief package for the handloom sector. Like MGNREGA, an employment guarantee could help the sector to recover."

In conclusion, he adds, "The art of handicrafts and handlooms has overcome all kinds of hardships over the years. Hopefully, it will continue to preserve itself. But the government needs to assist at least for a year.

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