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A Baseline Study on Digital Skills for Entrepreneurship and Livelihoods



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Year of Publication: **2021**

You can read the online copy at www.defindia.org/publication-2

Published and Distributed by:



Digital Empowerment Foundation

Email: def@defindia.net | URL: www.defindia.org

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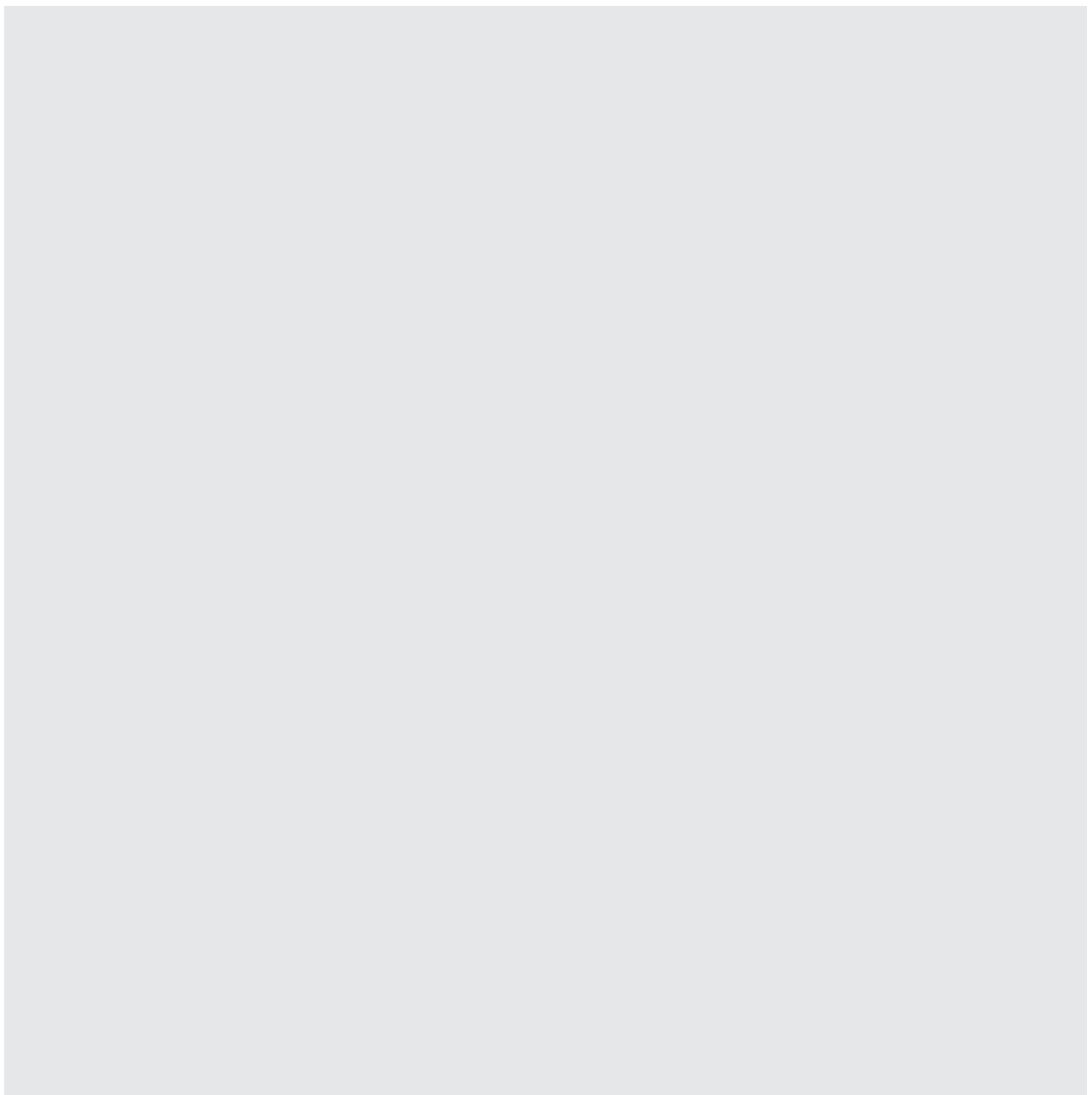
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ABOUT THE REPORT

Digital Empowerment Foundation (DEF) and Commonwealth of Learning (COL) jointly intends to work on building capacities of rural artisans and weavers to improve their livelihoods by using digital skills. 2400 individuals across clusters of weavers, artisans as well as entrepreneurs were identified to conduct this baseline survey in 12

Indian states — Andhra Pradesh, Bihar, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh and West Bengal.

This report presents a summary of the findings of the report to help guide the interventions planned.



KEY HIGHLIGHTS

Out of total respondents, **18%** were **Weavers** (441), **6%** were **Artisans** (141) and **76%** were **Entrepreneurs** (1862)

54% were **Male** and **46%** were **Female**

97% of Weavers, **87%** of Artisans and **63%** of Entrepreneurs are **below the poverty line**

56% Weavers and **33%** Artisans claim that weaving and handicraft is their hereditary occupation.

Majority of the Entrepreneurs i.e. **23%** were **shopkeepers**

82% Master Weavers own the looms

Cotton is the **mostly used** textile and **dupatta** is the **highest produced** product.

Amongst the weavers use of Shuttle Pit looms rank the highest.

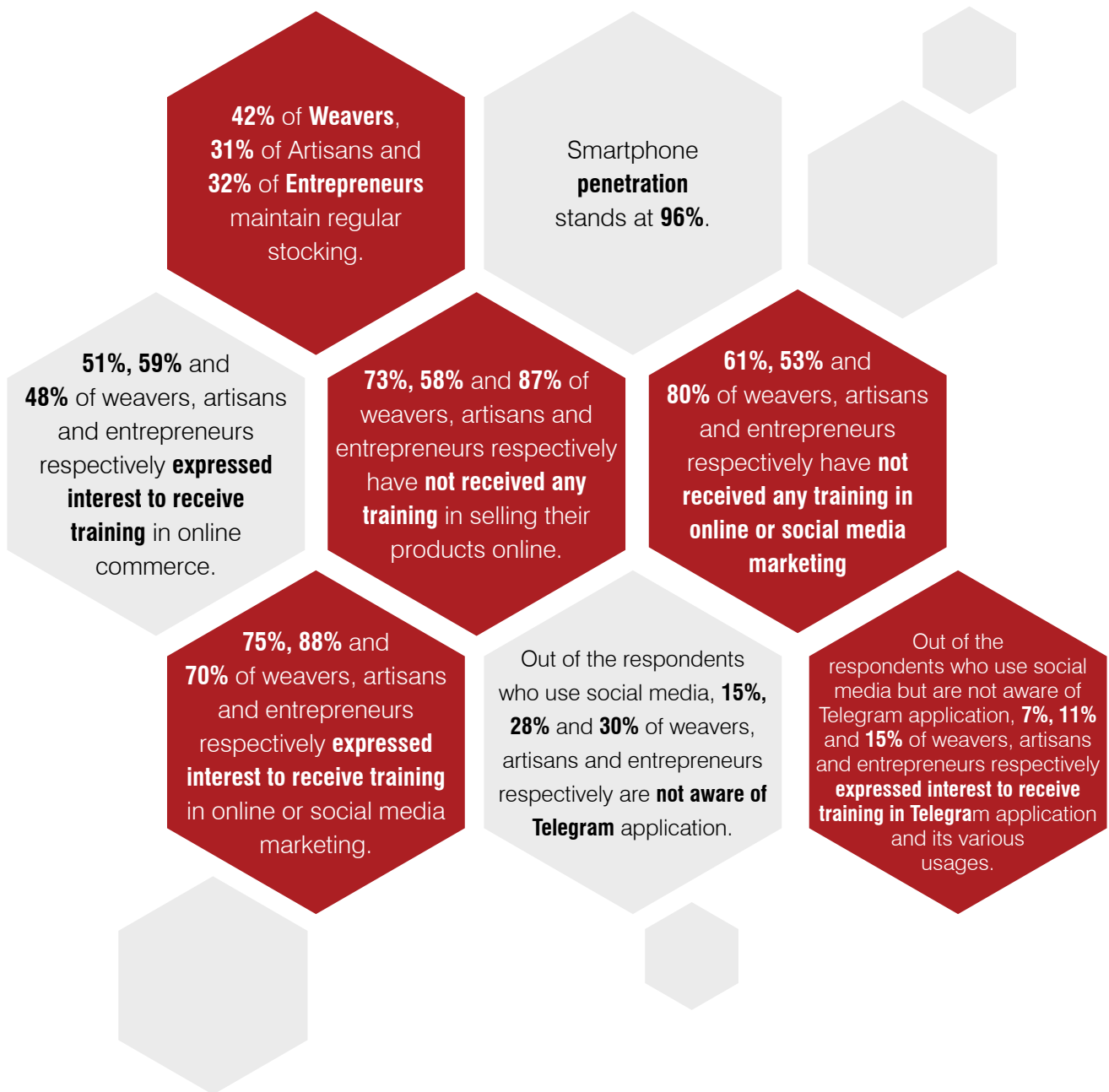
Most of the artisans use cloth as their material and painting is the **highest produced product**

Average monthly income of **weavers** stands at INR **5,640** artisans at INR **5,928** and entrepreneurs stand at INR **4,118**

Investment ranks the **highest barrier** to growth for Weavers, Artisans and Entrepreneurs alike.

Weavers and Entrepreneurs get majority of their sale from **middlemen** and **artisans** from **personal networks**

Weavers sell and distribute their products majorly through middlemen; whilst artisans sell and distribute their products majorly through personal networks.



INTRODUCTION

Around 31.45 lakh weavers' households and 68.86 lakh artisan households are depended upon the handloom and handicrafts sector for a living (Rao, 2020), with 88% of the work being done in rural areas (Iqubbal, 2020). 32 million people (Rao, 2020), a majority of whom belong to economically impoverished Backward Castes, Scheduled Tribes, Scheduled Castes and Minorities as 66% of weavers earn less than Rs. 5,000 (less than 70 USD) a month, which does not even meet the minimum wages mandated by the central government, continue make a living from this sector alone (Iqubbal, 2020). This makes the handloom and handicrafts sector second largest employment generating sector in the country, after agriculture. Moreover, COVID-19 pandemic and subsequently imposed lockdowns have had devastating effects on this sector. According to the Centre for Monitoring Indian Economy (CMIE), about 120.2 million people have lost their jobs due to the lockdown in April 2020 alone. On the other hand, according to a survey by the All India Manufacturers Association (AIMA), one in every three Micro, Small, and Medium Enterprises (MSME) are on the verge of closure due to the lockdown.

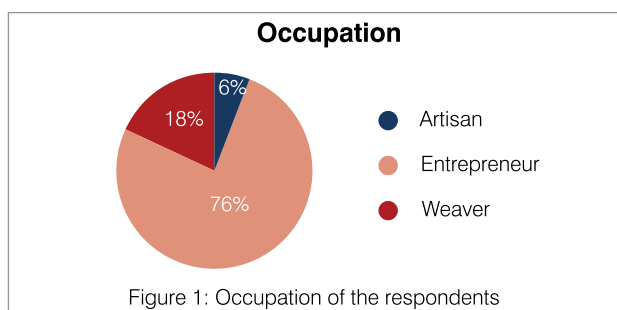
Interventions from NGOs and cooperatives help the weavers gets the benefit of some social welfare schemes (Iqubbal, 2020). But, lack in formal education often makes the formalities involved in commerce a tad difficult. But, the artisans see e-commerce to have great potential as they can access the market sitting at home. Even though, the Internet being seen as a great leveller, the weavers and artisans lack technical skills and know-how, which is why there is a need to impart knowledge or spread awareness about e-commerce or even social media commerce.

Digital Empowerment Foundation and Commonwealth of Learning are conducting a digital skill training and capacity building programme of at least 2400 individuals across clusters of weavers, artisans as well as entrepreneurs. To make sure that the training is impacted effectively to achieve the final objective, baseline survey was deployed using specially designed survey, among the selected participants of the training skills across 12 states — Andhra Pradesh, Bihar, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh and West Bengal. As mentioned earlier, COVID-19 pandemic has had devastating effects on this sector — shrinking job opportunities, lack of market for the products among others are major challenges faced by the workers in this sector.

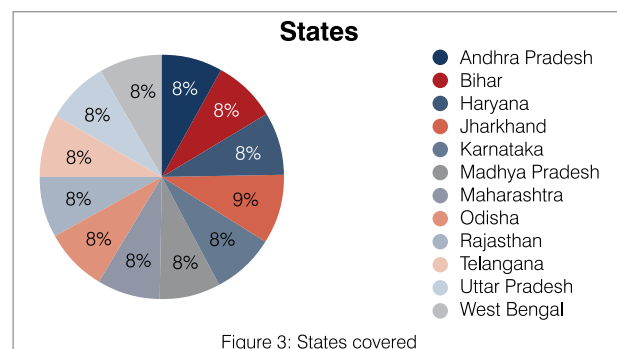
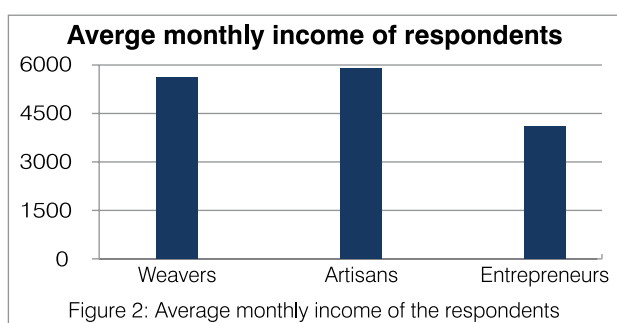
Therefore, this study aims to enquire about the socio-economic background of weavers, artisans and entrepreneurs, their existing business and marketing strategies and ICT uses and practices. The aim of the survey has also been to get an overall idea of the target groups so as to ensure smooth training sessions. To assess how the training enhances various aspect of lifecycle of the weavers and artisans, this baseline survey is important to create a comparative picture with the final assessment survey that would be conducted after the training. By understanding the current situation, challenges and constrains in handloom and craft sector faced by communities of weavers and artisans as well as entrepreneurs, the study throws light on the specific areas that need to be polished in order to enhance their livelihoods — need to build better marketing strategies of products for their growth and expansion, the need for digital marketing of products and facilitating credit linkage..

SOCIO-ECONOMIC DEMOGRAPHIC LANDSCAPE

The survey was conducted in a total of 12 states — Andhra Pradesh, Bihar, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh and West Bengal. From a total of 2444 respondents, 18% respondents (441) surveyed are weavers, 6% (141) respondents are artisans and 76% (1862) work as entrepreneurs. Except for Jharkhand, which had 9% respondents, rest all the other 11 states had 8% respondents.

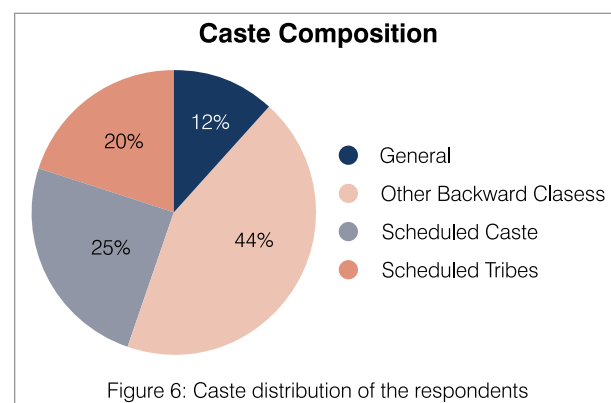
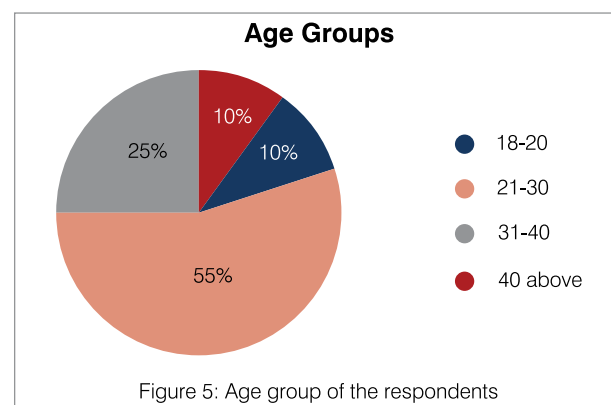
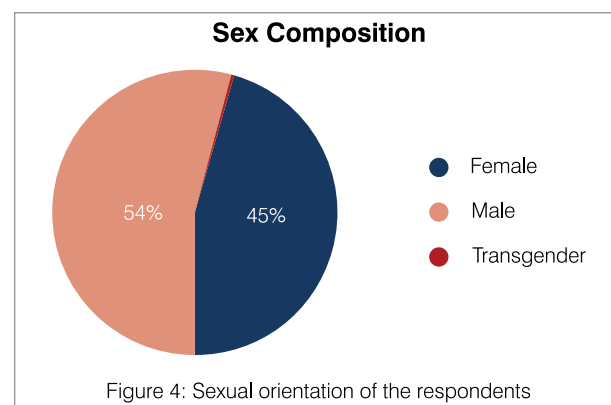


The average monthly income of total respondents stands at INR 4173. When this is further segregated to assess the average monthly income of weavers, artisans and entrepreneurs, it stands at INR 5,640, INR 5,928 and INR 4,118 respectively.

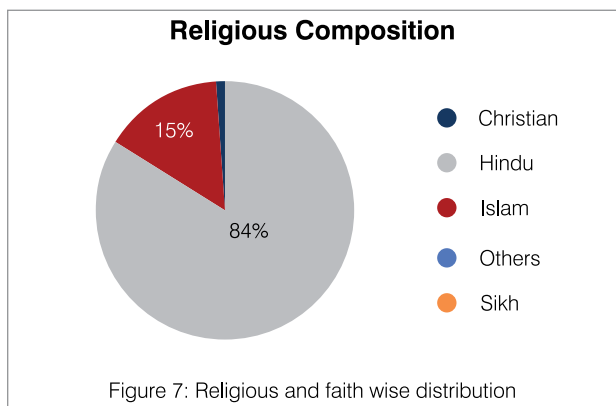


54% of the total respondents are male, 46% are female, with 1 respondent identified as transgender. 55% of the total respondents are in the age group 21-30 years, 25% of 31-40 years 18-20 years and 40 years and above in 10% each.

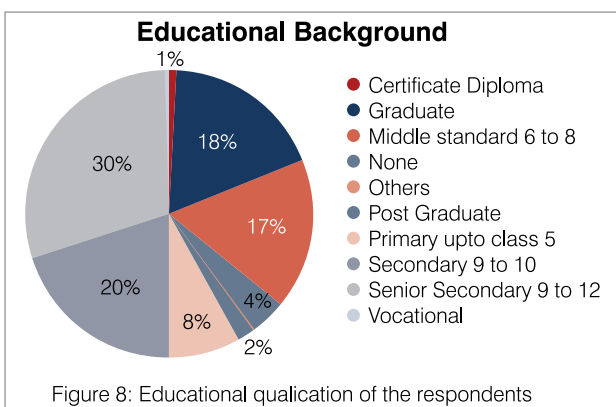
With respect to caste distribution, 44% of the total respondents are from Other Backward Classes (OBCs), 25% from Schedule Caste (SC), 19% from Schedule Tribe (ST) and 12% from general category.



Out of total respondents, 84% are Hindus, 15% Muslims (Islam) and rest less than 1% are Christians, Sikhs and other religions respectively.



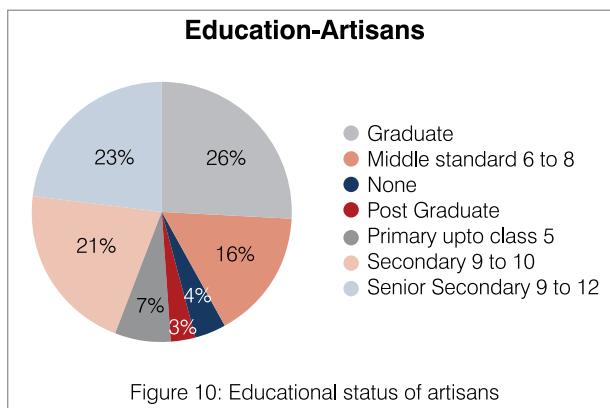
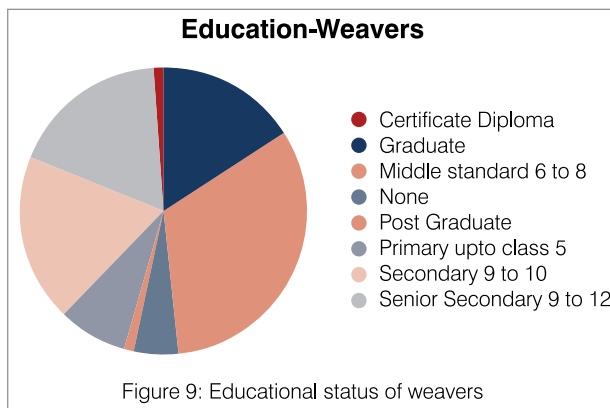
Out of total respondents (2444), 30% have attained their senior secondary education, 20% have their education up-to secondary level, 18% are graduates, 17% have attained their education up to standard 8th, 8% have their education up to class 5, 4% have not received any education, 2% are post-graduates, 1% have received certificate diploma and less than 1% have training in some vocational courses.



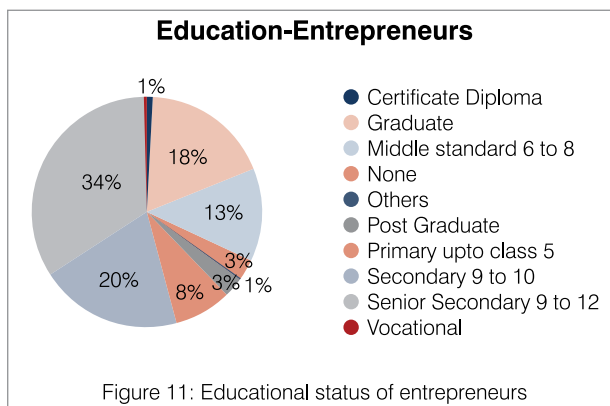
Out of 441 weavers, 33% have their education up to standard 8, 19% have their education up-to secondary level, 18% have their education up-to senior secondary level, 16% are graduates, 8% have their education up to class 5, 5% have not attained any education, 1% are post-graduates and less than 1% have certificate diplomas or training in vocational courses.

Similarly, out of 141 artisans, 26% are graduates, 23% have attained their education up-to senior

secondary, 21% have attained their education up-to secondary level, 16% have their education up to standard 8, 7% have their education up to standard 5, 4% have not received any education, 3% are post-graduates.

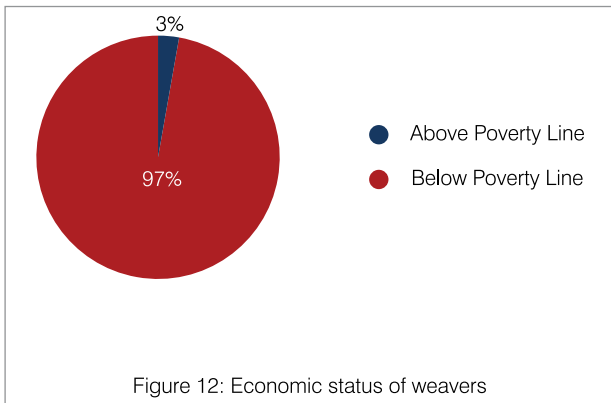


Lastly, out of 1862 entrepreneurs, 34% have attained senior secondary education, 20% have attained their secondary education, 18% are graduates, 13% have their education up to standard 8, 8% have studied standard 5, 3% are post-graduates, 3% have not received any education, 1% have received certificate/diploma.

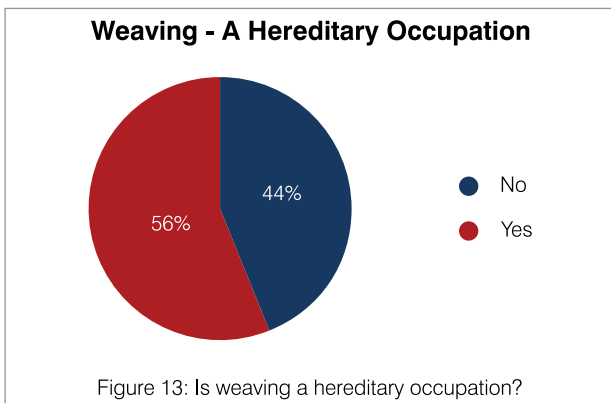
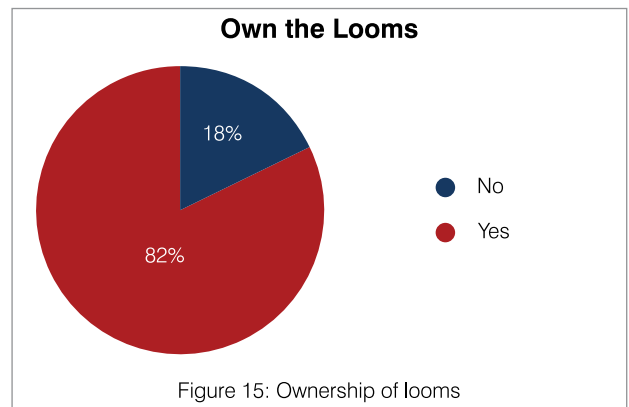


ECONOMIC BACKGROUND OF WEAVERS

Out of a total of 2444 respondents, 18% (441) work as weavers. And, 97% of the total weavers fall below poverty line. 56% of the total weavers claim that weaving is their hereditary occupation.



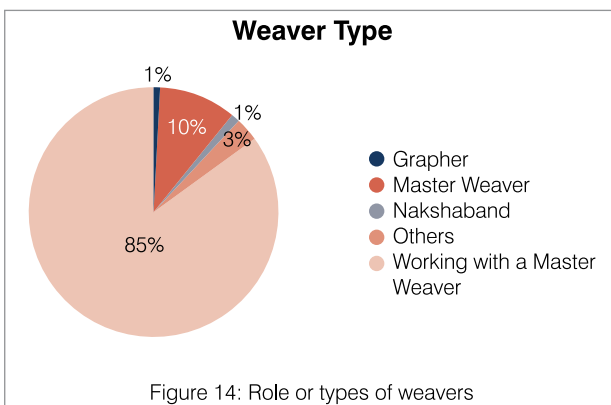
Out of the total master weavers (44), 36 master weavers i.e., 82% own the looms. Rest 8% responded that the looms are either owned by family, friends or middlemen.



In terms of the type of loom the master weavers use, shuttle pit loom ranks the highest, followed by an equal number of users of fly shuttle pit looms and frame looms.

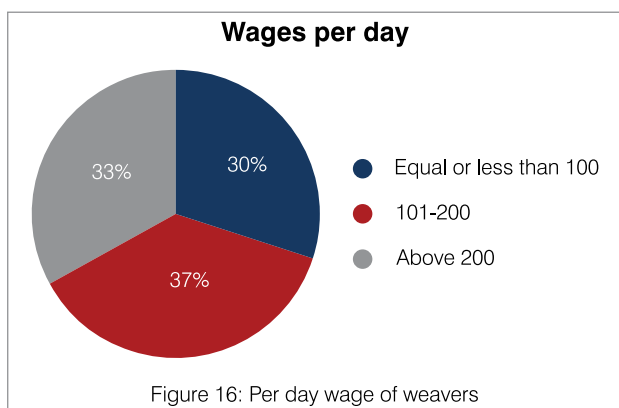
37% of the total weavers receive per day wages between Rs.101 – 200, 33% receive per day wages above Rs.200 and 30% receive Rs.100 or less as their per day wages. The average per day wage of weavers amounts to INR 235. Hence, the average monthly income of the weavers (considering 24 days of work) stands at INR 5,640 a month.

85% of the total weavers work with a master weaver, which in turn account for 10% of the total weavers. Merely 1% account for *Nakshband*¹ and less than 1% are Graphers.



In terms of who work in the looms or workshop maximum respondents responded that they themselves work on their looms, followed by daily wage labourer and family members.

¹ Nakshbandhs are weavers who specialise in making motifs or design called Nakshas, these craftsmen are masters of tying designs to the looms. Initially the Nakshas are made on paper, followed by preparing graphs, once the design is selected; small punch cards are created that serve as a guide to the weavers for choosing the colour of thread that is to be used for making these designs or nakshas.



In terms of textiles involved in weaving, cotton is the highest used textile, followed by silk.

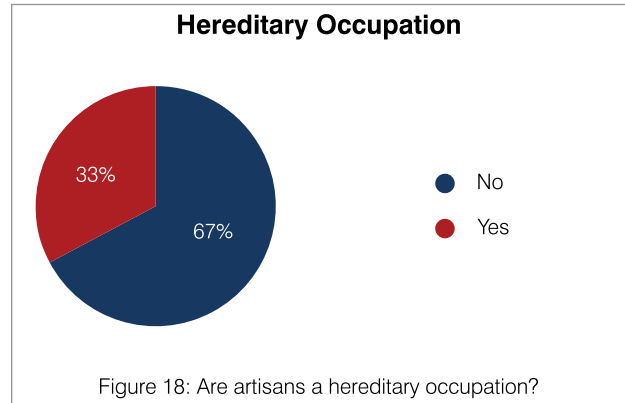
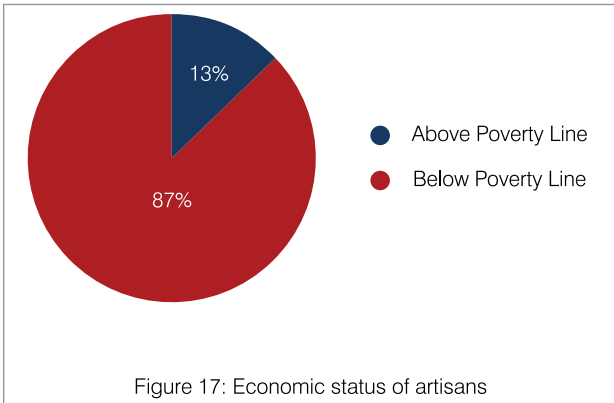
In terms of products produced, Dupatta is the highest weaved product, followed by Gamcha. Towles is the least weaved product.

Table 1: State-wise division of the types of weavers that were surveyed

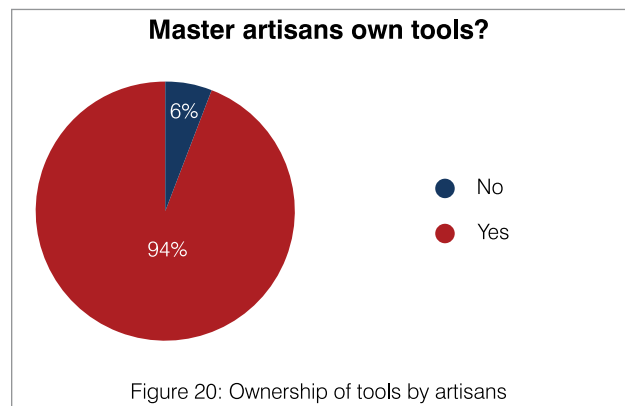
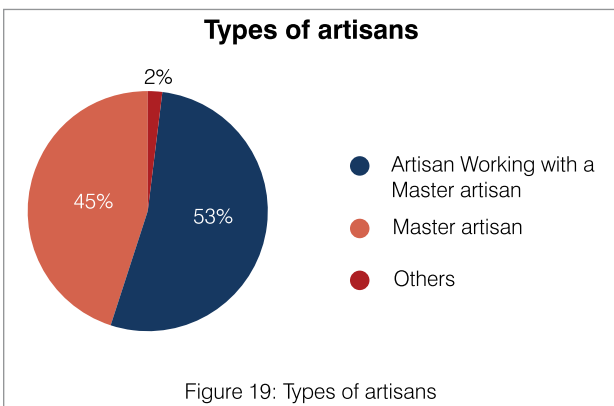
	STATE WISE DIVISION	
Grapher	Telangana	1
Master Weaver	Uttar Pradesh	1
Nakshaband	Andhra Pradesh	2
Work with Master Weaver	Haryana	1
	Jharkhand	2
	Madhya Pradesh	17
	Telangana	1
	Uttar Pradesh	19
	West Bengal	2
	Telangana	4
	Andhra Pradesh	85
	Bihar	7
	Jharkhand	2
	Madhya Pradesh	35
	Maharashtra	1
	Odisha	38
	Rajasthan	1
	Telangana	28
	Uttar Pradesh	65
	West Bengal	115

ECONOMIC BACKGROUND OF ARTISANS

Out of a total of 2444 respondents, 141 respondents i.e. 6% work as artisans. And, a total of 87% of them fall below the poverty line. 33% of the total artisans claim that craftsmanship is their hereditary occupation.

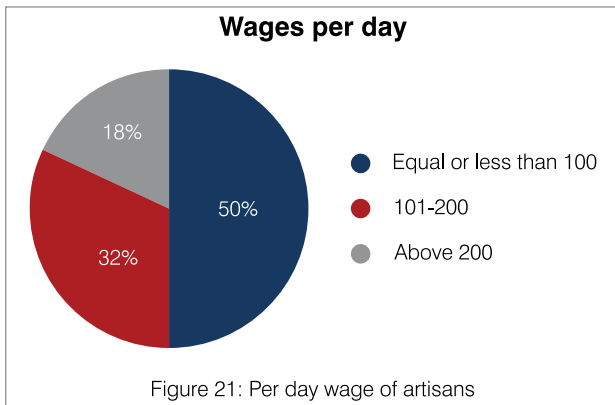


53% artisans work under a master artisans, whilst 45% are themselves master artisans. Out of these master artisans 94% own the tools.



50% of the total artisans receive per day wages either less or equal to Rs.100, 32% receive per day wages between Rs.101 - 200 and 18% receive Rs.200 or more as their per day wages. The average per day wage of artisans amounts to INR 247.

Hence, the average monthly income of the artisans (considering 24 days of work) stands at INR 5,928 a month. In terms of comparing the monthly income of artisans vis-à-vis weavers, the analysis shows that artisans earn INR 288 more than weavers i.e., 5% more per month.



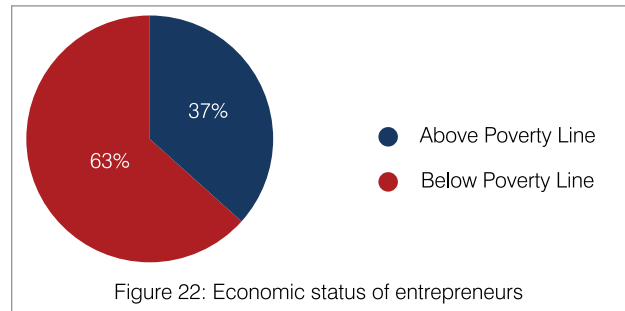
In terms of who work in the workshop, maximum number of artisans responded that they themselves work in the workshop, followed by family and lastly daily wage labourer. 60% of the family members receive daily wages too.

Cotton (98) is the most used material involved, followed by brush and paper (42 each), then needle and thread (37). Qalam (20) and sewing machine (17) rank the last.

The highest involved art and craft involved is Painting, followed by applique work.

ECONOMIC BACKGROUND OF ENTREPRENEURS

Out of a total of 2444 respondents, 1862 i.e. 76% respondents were entrepreneurs. And, a total of 63% fall below the poverty line.



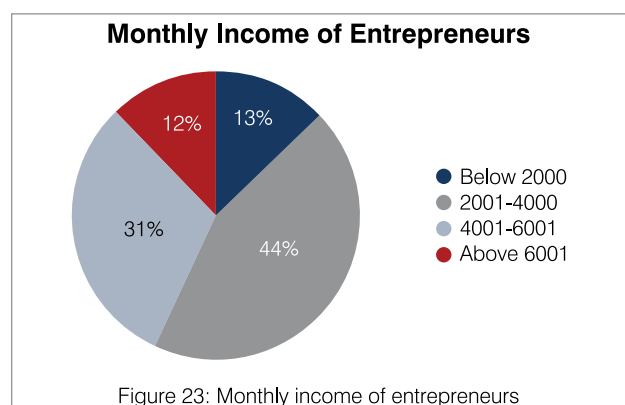
The kind of business the 1862 entrepreneurs run is as follows:

Nature of business	Percentage
Beauticians	5%
Common Service Centres	2%
Dairy shops	9%
Garment Making and Selling	1%
Medical Stores	2%
Others	11%
Pisciculture Fish Rearing	3%
Poultry and Livestock Rearing	9%
Running Soochnaseva centres	1%
Sale of minor non-timber forest produce ^	<1%
Sericulture bee keeping	1%
Shopkeeper	23%
Small business pickle papad dry snacks ^ ^	16%
Stationery shops	2%
Sweets and confectionary stores	1%
Tailoring	13%
Vermiculture earthworm rearing ^	<1%

Notes: ^ ^ Most involved business, ^ Least involved businesses

Most entrepreneurs i.e., 44% earn their monthly income from INR 4001 - 6000; while 31% of them earn their monthly income from INR 4001 – 6000, 13% of them earn their monthly income below INR 2000 and mere 12% of them earn their monthly income above INR 6001.

Therefore, based on the data collected, the average monthly income of the entrepreneurs (considering 24 days of work) stands at INR 4118.



EXISTING BUSINESS AND MARKETING PRACTICES

Weavers, artisans as well as entrepreneurs consider investment as the biggest barrier to growth.. Other than investment, marketing is the second biggest barrier to growth for all the three — weavers, artisans and entrepreneurs. Weavers and Entrepreneurs consider relationship building as their third biggest barrier to growth, whilst direct market linkage is considered third biggest barrier to growth by the artisans.

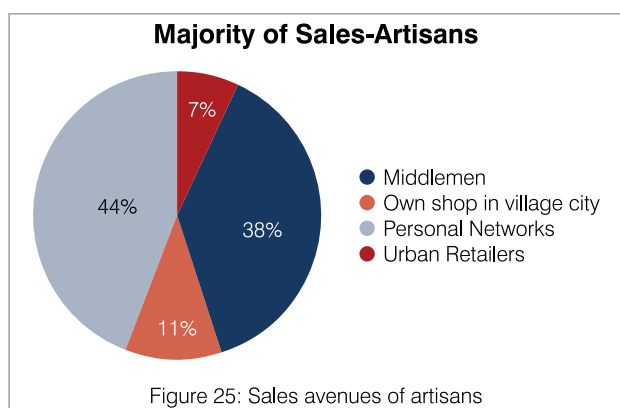
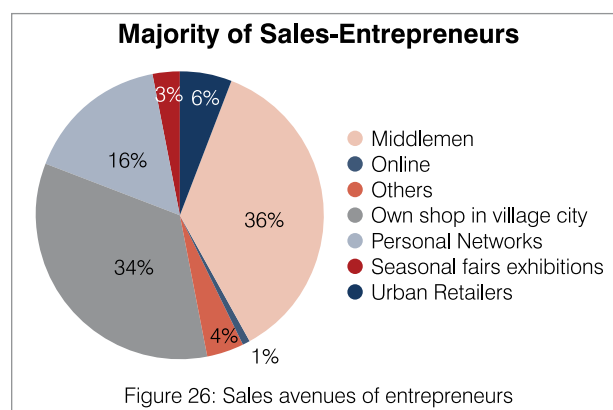
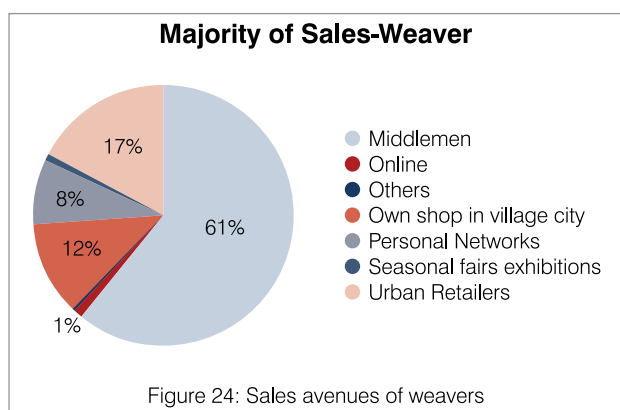
61% of Weavers and 36% of entrepreneurs i.e. majority of them, get their sale from middlemen, whilst 44% of the total artisans i.e. get their sale from personal networks.

Apart from middlemen, weavers get their 17% sale from urban retailers, 12% from own shops, 8% from personal networks and less than 1% via online platforms.

Whereas, apart from personal networks artisans get their 38% sale from middlemen, 11% from own shops and 7% from urban retailers and none via online platforms. Thus, developing proper infrastructure would facilitate weavers and artists to sell their products through online platforms, thereby making them less dependent on middlemen.

Lastly, entrepreneurs get 34% of their sale from own shops, 16% from personal networks, 6% from urban retailers, 3% from seasonal exhibitions and 1% via online platforms.

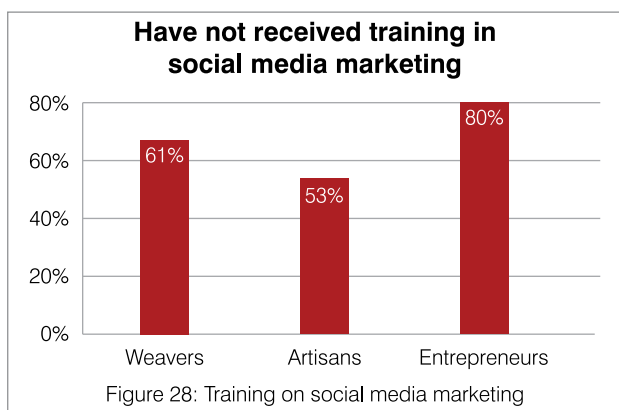
This reflects that while weavers and entrepreneurs rely and trust middlemen for their sale and artisans depend upon personal networks for their sale, less than a 1% of total respondents choose online as a method of sale.



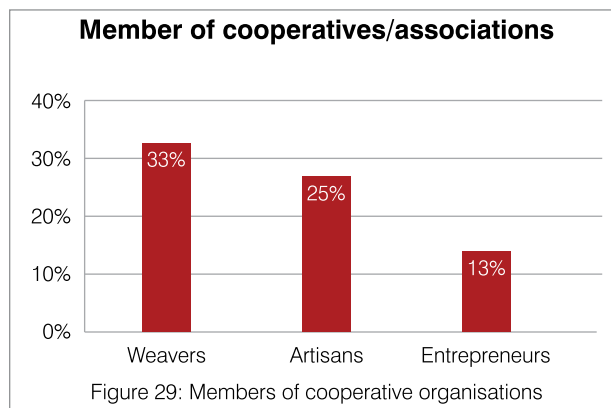
Further, 73% of weavers, 58% of artisans and 87% of entrepreneurs have not received any training in selling products online i.e. e-commerce. Therefore, 51% of weavers, 59% of artisans and 48% of entrepreneurs would like to receive training in selling products online i.e. e-commerce. Therefore, 51% of weavers, 59% of artisans and 48% of entrepreneurs would like to receive training in e-commerce.



Also, 61% of weavers, 53% of artisans and 80% of entrepreneurs have not received training in social media marketing. Therefore, about 75% of weavers, 88% of artisans and 70% of entrepreneurs showed interest in receiving training in social media marketing.



In terms of local artists cooperatives or associations, despite the fact that 44% weavers, 28% artisans and 20% entrepreneurs were aware about some cooperatives, merely 33% weavers, 25% artisans and 13% entrepreneurs were a part of any such cooperatives or associations.



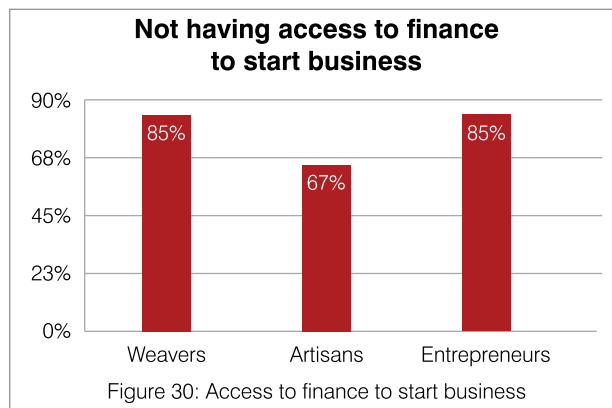
In terms of regular stocking, 42% of total weavers, 31% of total artisans and 32% of total entrepreneurs maintain stocks. This is relatively a low percentage which reflects the need to increase training or awareness among the weavers, artisans and entrepreneurs about maintain stocks as it is necessary for smooth businesses.

All the three types of respondents — Weavers, artisans and entrepreneurs are more likely to use social media applications like Facebook, WhatsApp etc. for marketing their products. Personal networks comes secondary for weavers, and local banners/pamphlets comes secondary for artisans and entrepreneurs. Third most preferred way of marketing for weavers is local banners/pamphlets, while word of mouth ranks third for artisans an entrepreneurs. Local fairs and cooperatives rank last amongst all the three — weavers, artisans and entrepreneurs. This reflects a robust need for the respondents to market their products via local fairs as it would help them reach a wider market.

In terms of finances of the businesses, the access is not easy and it reflects in the data: 85% weavers, 67% artisans and 85% entrepreneurs do not have easy access to finance. And, the ones who have easy access to finance, the sources are largely informal: 41% of total weavers access their finances from local money

lender, 59% artisans and 64% entrepreneurs access their finances from friends or relatives. Merely 25% weavers, 19% artisans and 15% entrepreneurs access their finances from a formal source — banks and other financial institutions. This implies the respondents' lack of trust in the formal systems of finance and an inclination towards informal finance from friends or money lenders which might even come with certain obligations or even high rate of interest. This must be covered under the training sessions and more awareness be generated around the role and benefits of financial institutions in giving credit for starting their business and communities which can further liaise with financial institutions for starting business.

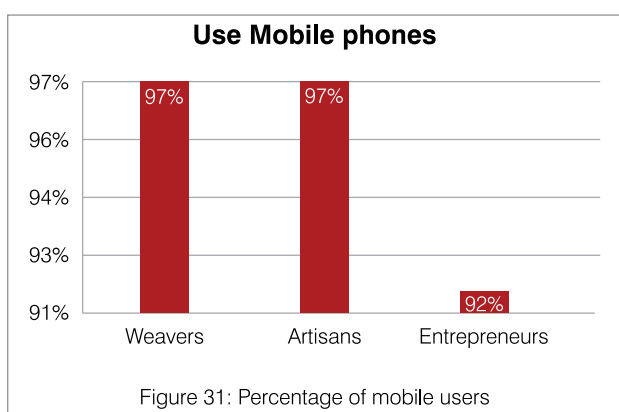
And this is why 92% (91% weavers, 96% artisans and 93% entrepreneurs) of total respondents showed interest in receiving training of the same.



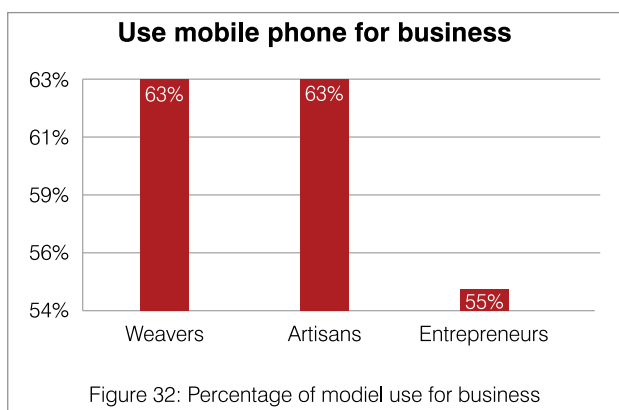
ICT USAGES AND PRACTICES

A total of 93% use mobile phones, out of which 96% use smartphones and 57% use mobile phones for business.

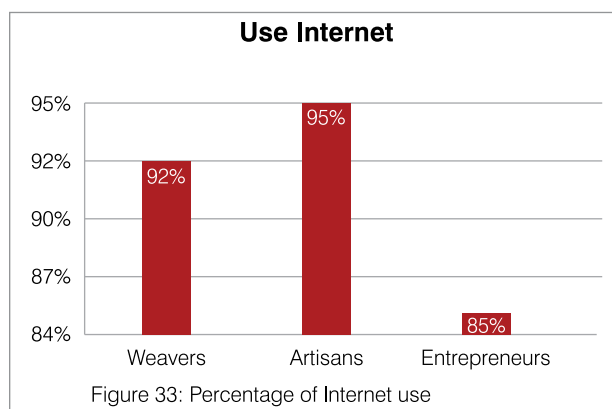
This when segregated further shows that 97% weavers, 97% artisans and 92% entrepreneurs use mobile phones, out of which smartphone usage amongst weavers is 99% weavers, 96% amongst artisans and 95% amongst entrepreneurs.



But, comparatively a low percentage of mobile using respondents use mobile phone for their business —63% weavers, 63% artisans and 55% entrepreneurs. In terms of purpose of using mobile phone for business by all three — weavers, artisans and entrepreneurs — coordinating with suppliers and customers ranks the highest, followed by digital payment transaction like Paytm, while mobile banking ranks last.



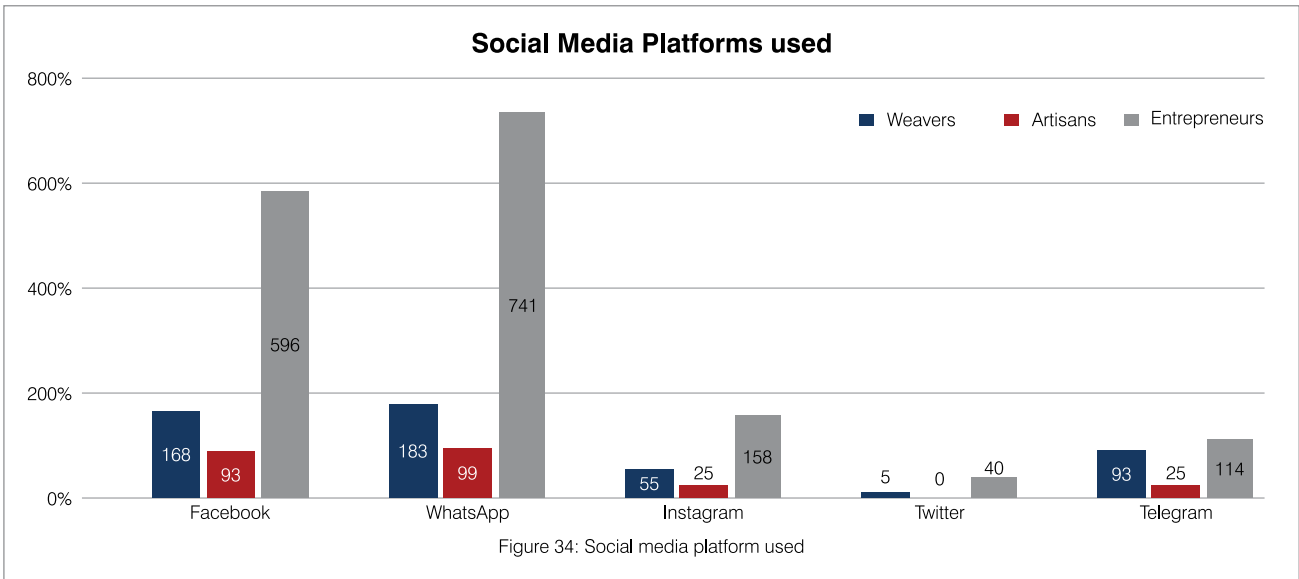
Out of 441 weavers, 92% use Internet, out of 141 artisans 95% use Internet and out of 1862 entrepreneurs 85% use Internet.



In terms of purpose of using internet by all three — weavers, artisans and entrepreneurs — online search (Entertainment) ranks highest, followed by social media like Facebook/ WhatsApp etc., business purposes ranks third, online search (education) ranks fourth, digital payment and mobile banking ranks last.

In terms of social media usage, WhatsApp ranks the highest amongst all three, followed by Facebook. Twitter ranks last among all three.

However, Telegram has the third highest usage among weavers, whilst Instagram has the third highest usage among entrepreneurs. And, both Telegram and Instagram has equal number of users among Artisans.



In terms of Telegram application, 36% weavers, 38% artisans and 73% entrepreneurs are aware of it. And, in terms of its usage, weavers use it the most for chatting, followed by calling, Business and marketing ranks third; artisans use it the most

for chatting, followed by calling, sharing photos/videos ranks third; entrepreneurs use it the most for calling purposes, followed by sharing photos/videos, chatting ranks third, followed by video calling.

DATA MANAGEMENT PRACTICES

Out of total 441 weavers, 37% manage their data, out of which 48% manage it online.

Similarly, out of total 141 artisans, 41% manage their data, out of which 41% manage it online.

Lastly, out of total 1862 entrepreneurs, 32% manage their data, out of which 32% manage it online.

When being asked if respondents would like to get training in online data management, 59% weavers, 74% artisans and 41% entrepreneurs agreed.

RECOMMENDATIONS

Despite the fact that a majority of the respondents possess mobile phones and use internet, the usage of internet for business is low (ranks third amongst all). Thus, in order to provide training in digital literacy, firstly there is a need to create awareness among weavers, artisans and entrepreneurs about uses of myriad digital technologies and platforms.

Most of the targeted beneficiaries are still dependent on informal financial institutions for borrowing money. In order to link weavers, artisans and entrepreneurs with formal financial institutions, there is a need to create awareness on the benefits of formal bank linkages by collaborating with financial institutions at block and district level. As well as providing training to artisans, weavers and entrepreneurs on opening bank accounts, conducting financial transaction online and offline.

Core objective of the project is to build digital skill capacities of the respondents, in order to enhance their livelihoods. But, the data reveals that the majority of the respondents have not received training in selling their products online as well as through social media (e-commerce), due to which less than 1% of the target population do not sell their products online. This reflects a need to raise awareness amongst weavers, artisans and entrepreneurs for marketing and selling their products via online platforms followed by providing robust training on e-commerce.

While data management is an important aim of the project, data shows relatively a low percentage of the stocking maintaining practice amongst weavers, artisans and entrepreneurs, which in turn reflects the need to increase training or awareness among them about maintain stocks as it is necessary for running their businesses smoothly.

Create awareness regarding Telegram among beneficiaries and subsequently provide orientation and training using interactive modules and toolkits on downloading the application and using the application for business purposes.

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