



 **Meta**

#Graam Shakti

Economic Recovery and Resilience

Brown Bag Session 1
Strategic Recommendations

24th September 2021



Speakers:

Muzaffar Ansari
(Historian, Weaver, Story Teller)

Arun Maira
(Management Consultant and
Former member of Planning
Commission of India)

Shubhashis Gangopadhyay
(Dean, India School of Public
Policy & Research Director, India
Development Foundation)

Gita Ram
(Chairperson, Crafts
Council of India)

Vrundan Bawankar
(Founder, De'haat Foundation)

Madhu Sirohi
(Head of Policy Programs and
Outreach, Meta India)

Session moderator:

Osama Manzar
(Founder Director, Digital
Empowerment Foundation)



About Graam Shakti Series

Meta in partnership with Digital Empowerment Foundation (DEF) is hosting a series of brown bag sessions and round table discussions, through the formats of interactive conversations and dialogue with the thought leaders from business, government, civil society and academia. The aim is to dissect every link in the value chain, right from the policymakers to the empowered entrepreneurs to develop result-driven strategies focused on achieving desired sustainable outcomes. The discussions focus on topics of national and regional importance under four pillars:

- Agriculture
- Handicrafts
- Tourism
- Retail

The sessions are organized to mainstream the public-private dialogue and collaboration at the national and regional level through consortia and advisory councils that would deliberate on the following themes:

- Shaping the Future of Digital Economy and Rural Communities
- Shaping the Future of Economic Growth and Social-Technology inclusion
- Shaping the Future of Rural Infrastructure and Development
- Shaping the Future of Technology and Local Enterprises and Entrepreneurship

Economic Recovery and Resilience

Context

India's Micro, Small & Medium Enterprises (MSME) sector was one of the severely affected sectors after the Covid-19 lockdown. As per the findings of the survey done by All India Manufacturer's Organisation, 35% of the MSMEs reported their future as "beyond recovery," that they had "no chance of recovery" and had begun "shutting down their operations"¹. Another study done by Krea University also points out that 57% of the 1500 micro-enterprises surveyed had no cash reserves, and 65% of them had to access finances from personal savings to continue operations. As per the calculation of the Global Alliance for Mass Entrepreneurship, about 40% of India's total non-farm workforce is engaged in micro, small and medium enterprises. The total losses in this sector are estimated to be about US\$ 10,667 million to US\$ 16,000 million in profits². These difficulties and challenges have given opportunity to explore new age solutions to address them; digitisation being one of the key answer. Digitalisation in marketing and management has been identified by the government as one of the solutions to revive the MSME sector³. The introductory session on economic recovery and resilience deliberated the key challenges and opportunities with regard to this.

¹Ramakumar, R., & Kanitkar, T. (2021). IMPACT OF COVID-19 PANDEMIC ON THE INDIAN ECONOMY: A CRITICAL ANALYSIS. *Investigación Económica*, 80(315), 3–32. <https://www.jstor.org/stable/26965501>

²Global Alliance for Mass Entrepreneurship, game (2020). *Improving Economic Dynamism and Accelerating MSME Growth* [National Task Force Report]. Global Alliance for Mass Entrepreneurship, New Delhi.

³Bora, G. A. (2021, April 20). Digitalization can help MSMEs get effective marketing and management: Gadkari. *The Economic Times*.

Key challenges and opportunities

Possibilities of replicating the Chanderi model in digitalisation:

Mr. Muzaffar Ansari highlighted Chanderi experience of digitising the weaving clusters. Chanderi is an Indian city known for Chanderi Silk. 70% of Chanderi's population are Bunkars, a traditional weaving community. Fifty thousand households have set up textile manufacturing units in Chanderi. In the aftermath of the Covid-19 lockdown, almost half of the household looms had to shut down. They were all dependent on the middlemen to sell their products. However, through the digital literacy training sessions organised by DEF, 200 individuals were trained to use platforms such as WhatsApp, Facebook, Instagram and email to sell their products online. They were able to sell directly without middlemen and eventually were able to achieve the recovery of their business. In Chanderi, smartphones worth Rs. 1-1.5 lakhs were shared between 10 or more households and one computer between 20 to 50 families. Today most household looms are functional and use digital technologies for online marketing.

Does one solution fit all?: Chanderi silk is a renowned brand name with consumers all across the world, including the big cities. However, other local products may not have a similar market. Local designs, colours and aesthetic senses vary as per the region and culture. In this context, consumption is primarily limited to regional and local physical markets.

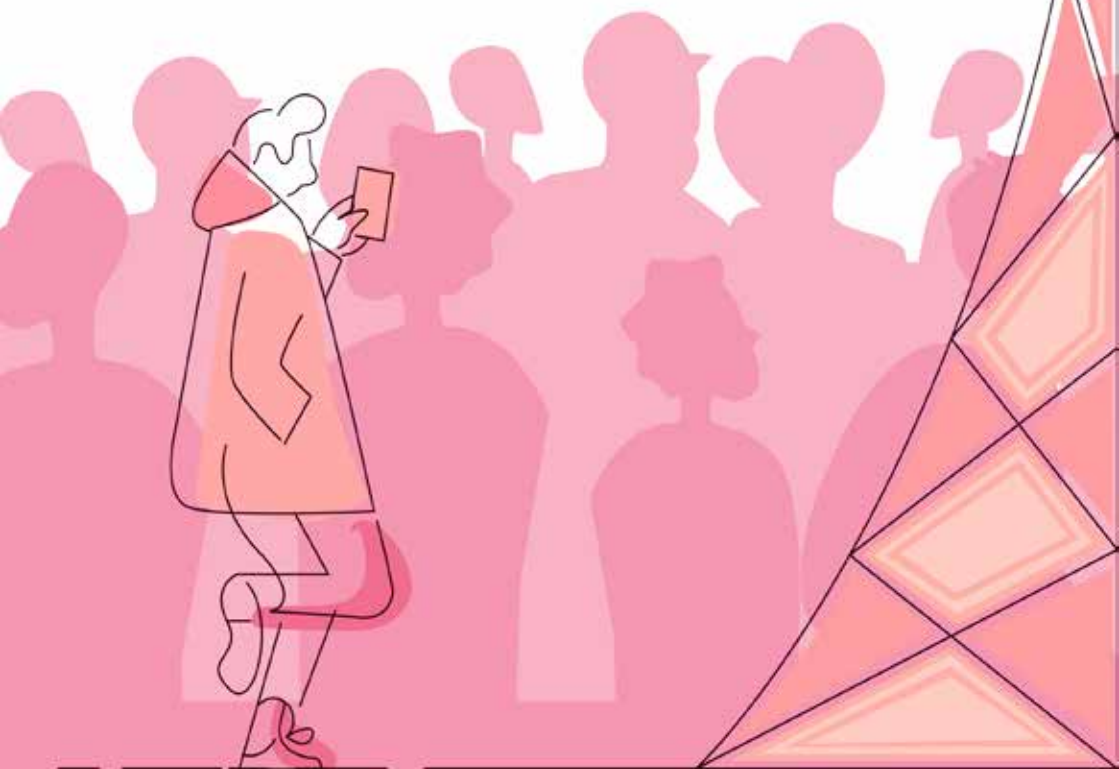
The lack of basic infrastructure: A survey done by the De'haat foundation found out that only 22% of their students had access to smartphones in their school. Several of the villages do not have a consistent electricity supply. Vrundan Bawankar further raised the point that, in the survey, when asked if the parents could afford the

costs of internet connection, only 7% of parents were able to do so. Digitalisation might be a far fetched agenda in this context.

The problems with existing industrial models: The existing global supply chain based production also lead to the accumulation surplus for the wealthy. Large digital platforms are also interested in digitalisation to reap the benefits, while the bottom of the hierarchy often receives minimal benefits. Platform labour is an example. It is important to explore the rural cooperative model and restructure the production process to equally distribute the surplus. Both Arun Maira and Shubhashis Gangopadhyay stressed on the fact that, while technology can be a solution, it is important to be cautious of whose benefit technological solutions are designed.

Strategic Recommendations to Meta

Mapping different MSMEs involved in traditional home-based production and understanding regional patterns and markets. Conducting a survey to understand the issues in infrastructural access such as access to electricity, access to devices and access to the internet in these selected regions to further understand the scale of interventions required to incorporate digitalisation.





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