

Qualitative Survey with AIACA-Craftmark Members on COVID 19

By All Indian Artisans and Craftworkers Welfare Association



Content:

- 1. Background.....02
- 2. PART A: Responses from Individual Artisans.....06
- 3. PART B: Responses from Craft Enterprises/ Organisations.....09
- 4. Key Asks from Government.....12
- 5. AIACA Recommendations.....13

Background:

The global order seems to have witnessed tectonic shifts in recent years; social/economic and political shifts that have thrown our individual/collective sense of perspectives awry. Some would say that we are the generation in transition - neither tethered to an older, more familiar order, nor fully able to fathom a new moral/philosophical paradigm for ourselves. Some would say that in a country like India, the historical context complicates this existential conundrum further. We are a country of many languages, many identities, many differences, all bound up in one intrinsic notion of nationhood. Globalisation meant a world without borders and suddenly, we were not citizens of our nation alone. The key question always has been that, in all of these changes, where do the most marginalized locate themselves? What has changed significantly for them in terms of access and control over resources, information in this emerging world order? If anything, have we become a more unequal society, a more inequitable world order? These questions assume special significance in the light of the COVID pandemic spreading the world over. The impact has been widespread, across all sections and classes of the global community; in the truest sense, this health emergency has been somewhat of an equalizer in how it has affected the resourceful and the resource poor. **This document focuses on the foreseeable impact of the COVID 19 in the crafts sector in India, with a focus on the small, individual artisans and craftworkers whose voices seldom reach the cutting edges of public discourse.**

For smaller artisans and craft clusters, the gap is in the lack of knowledge, skills, assets and resources to take advantage of enterprise which is, in essence, a concept of business that takes social good as an equal priority to profit-making and seeks to bring about a 'fairer economy'. The key question is whether artisan work is merely a subsistence/survival strategy or can become an asset building strategy that can lead to new entrepreneurial endeavours. For many of the rural artisans, craftwork has been relegated to a supplementary occupation, with agriculture and farm based actions assuming the lion's share of the household income. These conditions are further extenuated by the seasonality of work, absence of other employment benefits that can co-exist with piece rate work. Data from the Development Commissioner's (Handicraft) website confirms that more than 80% of all craftworkers in the country are from socio-economically disadvantaged backgrounds (Schedule Caste: 20.8%, Schedule Tribe: 7.5% and Other Backward Castes: 52.4%). Questions of access and outreach assume critical importance against these dimensions of socio-economic marginality in the times of COVID 19.

The All India Artisans and Craftworkers Welfare Association (AIACA) is a membership-based organization for the handloom and handicraft sector. AIACA is an apex body that has been working on a range of issues, since 2004, to promote market-led growth for the crafts sector; and increased incomes and improved living standards of crafts producers. Over the past decade, AIACA has conducted policy research and advocacy on a range of issues including access to credit for crafts producers and environmental and health and safety standards for the sector; developed a crafts-certification system called the Craftmark; assisted sales and outreach of member producer groups and enterprises through commercial trade catalogues, trade fairs and order fulfillment; and assisted in developing and strengthening back-end production systems through a range of product design and business development services. We work with more than 100,000 artisans across 23 states in India. **Through this survey, we have reached out a sample of 30 of our existing members; across the spectrum of individual artisans, craft based SHGs and artisan collectives, sole proprietorship and designer led organisations, larger companies, designer led proprietorship firms.**

The methodology is briefly enumerated below:

Survey	Categories	Questions Asked
Part-1	Individual Artisans	<ul style="list-style-type: none"> • What do you know about the COVID-19 pandemic? • Where have you got this information from? • Has there been any information provided by the DCH office / guidelines sent out to artisans and weavers? • What are the challenges that you are facing owing to COVID-19 outbreak? • How are you coping with these challenges? • What immediate support do you require? • Information / Resources (monetary or anything else) • What long term measures will you require to survive the crisis? • What are the top 3 things that you need from the government?
Part-2	Brands Companies	<ul style="list-style-type: none"> • Have there been any guidelines sent from EPCH / Ministry of Labour / other relevant ministries on employed staff? • What are the challenges that you are facing owing to COVID-19 outbreak in business? • How are you coping with these challenges? • What immediate support do you require? Information / Resources (monetary or anything else) • What long term measures will you require to survive the crisis? • What are your top 3 asks from the government?

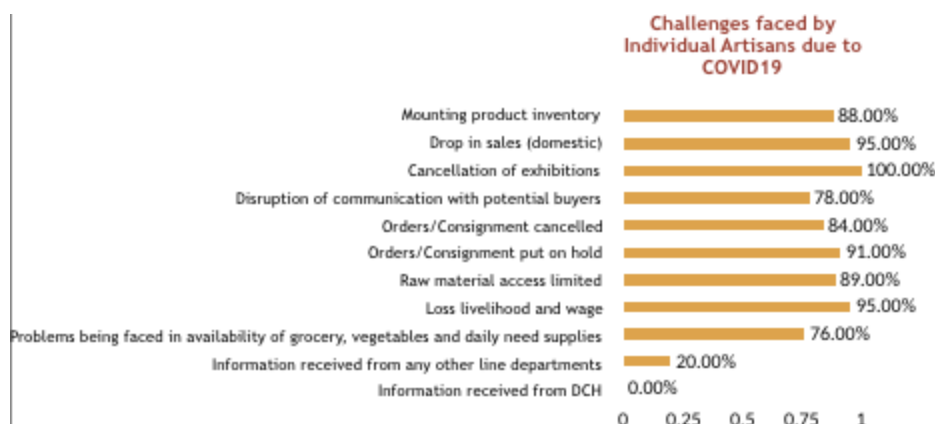
The Geographies:



STATE	DISTRICT	STATE	DISTRICT
Punjab	Chandigarh, Mohali	Madhya Pradesh	Indore
Uttarakhand	Almora, Dehradun	Odisha	Bhubaneswar, Puri
Haryana	Panipat	West Bengal	Kolkata
Delhi	New Delhi	Nagaland	Kohima
Uttar Pradesh	Varanasi, Azamgarh, Moradabad	Maharashtra	Pune, Palgher, Mumbai
Rajasthan	Kota, Shahpura, Barmer, Jaipur	Karnataka	Bidar, Channapatna
Gujarat	Kutch, Chota Udepur, Ahmedabad		

PART A: RESPONSES FROM INDIVIDUAL ARTISANS

15 individual artisans were reached out to during the course of this survey.



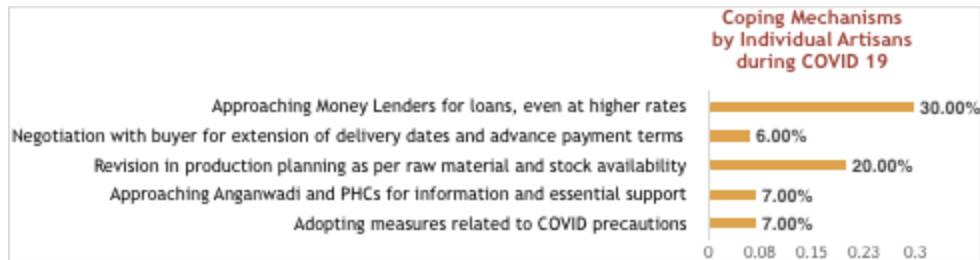
Findings and Observations:

Main sources of information on COVID have been from TV news, newspapers and social media (for those with access). The artisans have stressed on the need for receiving more detailed advisories, apart from the basic information on COVID being circulated - they are well versed with the same.

AIACA has shared the WHO helpline number with its members, which is being used by those who access Whatsapp to get information on the Latest Numbers, Protective Measures, Mythbusters, Travel Advice, News and Press, amongst others. The requirement is for localized information and referral services. From our member responses, we find that the response is varied, with the police and district administration taking steps in some areas - in Kutch, Gujarat, police and health personnel are going door-to-door disseminating information on COVID, precautionary measures. The District Magistrate has been proactive in Kota, Rajasthan and is being supported with regular announcements from the police in the community at Kaithun. In Shahpura, Rajasthan, the Anganwadi personnel are visiting each house with information and also supplying general medicines, upon requirement. Our member in Almora, Uttarakhand, has received official communications (Order/ Advisory) from the Office of the Secretary (Medical, Health & Family Welfare & Medical Education), through the Office of the District Industries Centre, Almora. There is a large presence of police personnel both at Varanasi and Mubarakpur, who are providing information and also patrolling the neighbourhoods in large numbers to keep people from stepping out of doors.

Members are reporting the widespread cancellation of regular orders; which has resulted in stalling of production. Shipments are also on hold due to breakdown in regular communication with buyers (Bharath Art and Crafts - Chennapatna); shipments are also stuck in transit (Mubarakpur Weaves). Commitments from established buyers have also been partially cancelled or put on hold (Mubarakpur Weaves and Jawaja Leather Association) and this has created panic and uncertainty. Bigger organisations with multiple centers of production (GVCS, Barmer) anticipate the closure of a few of these centers in the new future. Artisans in tourist centers (Puri, Kumaon and Garhwal) have seen a drastic reduction of footfall and are focusing on the completion of smaller orders as of now. Artisans are reporting a mounting product inventory and a few are revisiting their production planning so that this does not become more of a liability in the near future.

Rates of groceries and vegetables have reportedly risen exponentially over the last week, in lieu of the lockdown - especially in Kutch, Indore, Kota, Kolkata, Varanasi, Mubarakpur, Barmer, Puri and Bhubaneswar - virtually in all the areas reached out to. This is already creating problems for the artisans, who further, have no information on relief measures being announced in their areas to address these needs. Most of them have shared that they have groceries to survive on only for the week. Master weavers in Uttar Pradesh clusters are providing free ration support to the individual weavers who work with them, for the time being. In Indore and Shahpura (M.P. and Rajasthan), we have reports of NGOs coming together to support with free rations for the underprivileged.



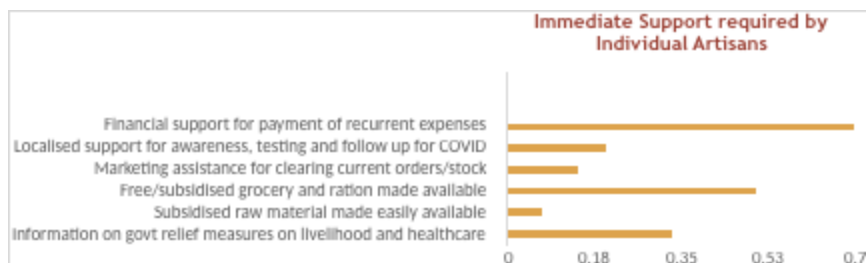
Findings and Observations:

There are a few artisans who are seeing the lockdown as an appropriate time to revisit their production planning. A Master Artisan in Kutch is looking at investing this time to undertake Kala Cotton related explorations; he says that he will allocate more resources in cotton than silk and wool, since the former can be stored for a longer period. This foresight possibly comes with a certain degree of financial solvency in his present business; especially when compared to many others who are struggling to survive, for now, and have no production related plans for the imminent future.

Only 1 artisan, based out of Delhi, has spoken about his negotiations with a buyer for extending timelines for delivery under present circumstances. For the rest, either the regular communications with the buyer/s are disrupted or the orders themselves have been cancelled or withheld. This is reflective of the minimal bargaining power held by these smaller artisans in the overall value chain.

With the financial constraints clearly evident across artisans, 1/3rd of the respondents have spoken about the need to approach local money lenders for cash support, even if this is rendered at a higher rate of interest. The other alternative, being practiced by a group of young women weavers in Kota, is to dip into their SHG savings.

The key issues are related to livelihoods, even at the time of a health emergency like COVID 19. Only 1 respondent (Himadri Hans) spoke about concrete measures taken to sanitise work spaces, provide free masks and sanitisers to artisans, provide paid leave to quarantined artisans and enable work from home for all staff.

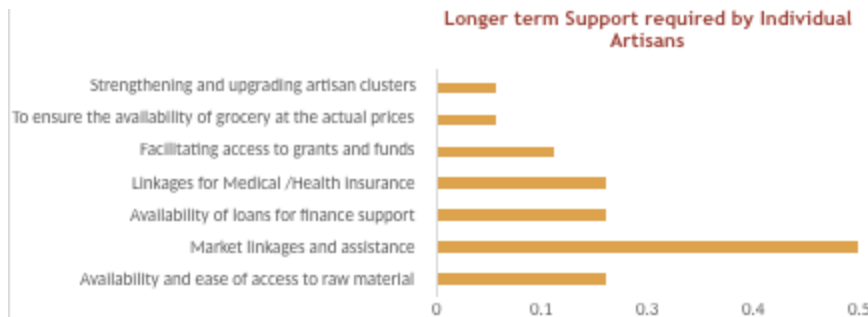


Findings and Observations:

Financial support has been urgently requested for by 70% of the respondents for varying, yet recurrent expenses like payment of wages for artisans, rent, electricity, water and gas bills for the next 3 months or so. This is followed with the request for provision of free/subsidized groceries/rations by 50% of the respondents, in response to the inflation in prices noticed after the lockdown on these essential items.

1/3rd of the respondents require access to information on government relief measures announced related to their artisan livelihoods and healthcare. This validates the need for localized information dissemination, as noticed in the first section, with access to specific district level information on relief services being provided by the state governments.

There are concerns being raised by 20% of the respondents on the lack of proper medical facilities/support for the awareness generation/testing/follow up in lieu of COVID 19. They have expressly asked for better outreach in remote located areas (through mobile vans/clinics) since travelling to adjoining metro cities is expensive and difficult under the circumstances. This is a key area that needs to be addressed, given current forecasts about COVID 19 spread in rural hotspots.



Findings and Observations:

50% of individual artisans have cited the receipt of marketing support as an urgent longer term measure through various means: the committed procurement of existing artisan inventory and other essential items by the state governments, the provision of space and funds for domestic and international events to smaller artisans on priority (through the Ministry of Textiles, EPCH), patronage (not qualified) by DC Handicrafts.

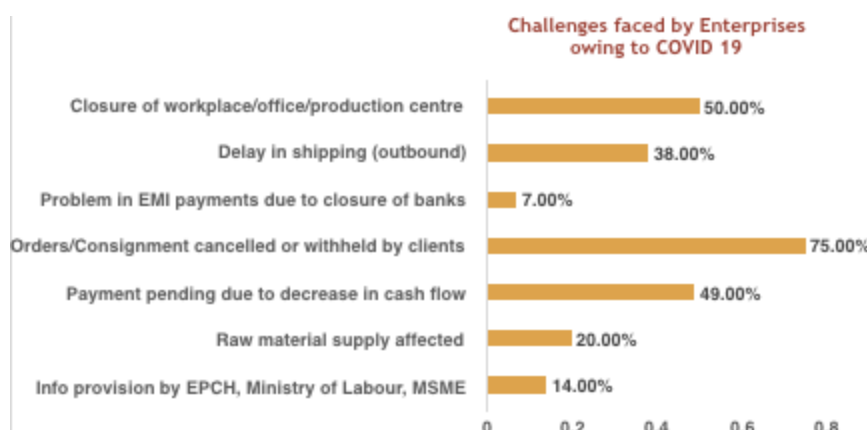
Loans for tiding over of the present financial crisis have been mentioned by 20% of respondents; variously as loans for longer terms with lower rates of interest and cash credit loans for working capital expenses.

20% of the respondents also anticipate that healthcare concerns will need to be taken care of in the longer term, in the wake of this pandemic; hence are advocating for the easy linking and access to medical insurance for artisans during this time.

Shorter term requirements (groceries/rations etc) do not seem to hold much urgency in the longer term; the only concern being raised by 1 respondent being that the escalating prices of these items should be stabilized with government intervention in the near future.

PART B: RESPONSES FROM CRAFT ENTERPRISES/ORGANISATIONS

15 enterprises/organisations/companies were reached out to as respondents.



Findings and Observations:

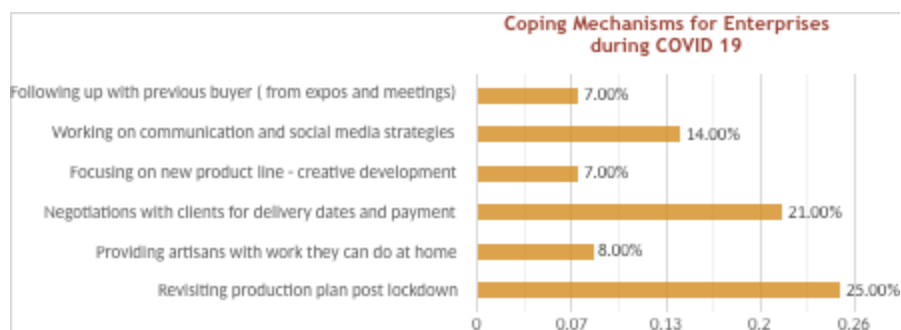
Only 1 enterprise has received information from the state government regarding guidelines for employed staff (Haryana); another had received a mail from EPCH asking them to fill in a questionnaire on COVID. No other department has reached out to them on matters related to COVID so far.

50% of the respondents surveyed have shared that they have closed down their office premises/workplaces since the lockdown was announced. The rest were ambiguous on this point regarding closure but reiterated that production for business had come to a complete halt. A few mentioned that the whole of March would be closed for business since many of the artisans had left for Holi before the lockdown was officially announced, on the first week of March, and stayed back thereafter. One proprietor from Chandigarh also mentioned that the week that the government took in announcing lockdown could have been better planned, had there been prior intimation officially, such that the artisans could have been given orders to work on from home.

75% of the respondents mentioned that their orders were either cancelled or put on hold by their clients/stores. A proprietor from Moradabad mentioned that a big order for INR 7 lakhs was summarily put on hold just as soon as lockdown was announced.

49% of respondents have shared that artisan payments are pending. A few companies have shared that the salary payments for staff have not been paid for the month, owing to the lockdown. 2 proprietors have shared the peculiar challenge of buyers not making payments on time, leading to unpaid vendors/artisans - a vicious cycle that is increasingly difficult to break.

Shipments are also delayed for 38% of respondents, both domestic (through India Post) and international. The worry is that buyers will cancel the orders (especially the domestic ones) if the products do not reach on time.



Findings and Observations:

25% of respondents foresee the need to revisit the production planning in these extenuating circumstances. A Mumbai based designer led proprietorship said that he was waiting for the process to 'reboot'. The relatively larger companies, with a more secure financial base, are developing backup plans, during the lockdown phase; however, smaller organisations are still grappling with the immediate reality of the pandemic.

Negotiations and follow ups with buyers and clients are occupying a fair amount of time and resources for 21% of the respondents. There is a specific response from a company in Chandigarh that says that a lot of buyers are still insisting on timely order completion. Those artisans working from home, with the necessary raw materials, are doing so, in order to complete current orders. 1 company is following up on older buyers and clients interacted with previously in exhibitions and expos, in order to generate more leads post the lockdown.

A women-led enterprise based out of Kohima, Nagaland, has shared that they are keeping their workforce gainfully occupied by doing new product development at this time; paying the women artisans for their efforts in the same. 14% of the respondents are using this time to relook at their online presence; by recalibrating their social media strategy, upgrading their websites, uploading pictures of products and planning for online sales as a measure to dispose of mounting inventory.

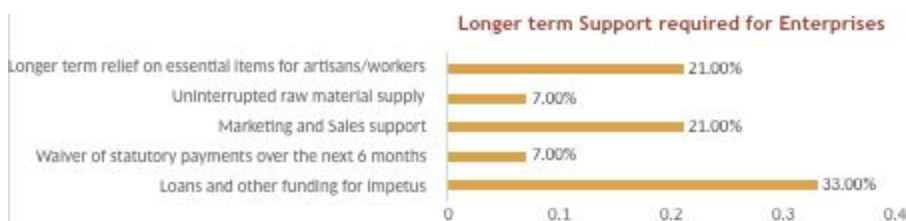


Findings and Observations

63% of the respondents have shared that the immediate requirement is for funds and loans to tide over the cash flow challenges they are facing during the lockdown. "If we could be funded through some banking institute, could be a possible solution. So, by the time the market resumes, we will have products ready to market and pay the dues accordingly." - from an enterprise in the North East. Among these respondents, most have stated that they would require monetary support to pay their staff, artisans and other suppliers/ancillary workers in their business chain. From Palghar, Maharashtra, the request is for financial aid to support 75 tribal employees in the enterprise. Further, a waiver of statutory payments so that salary and wages to staff and artisans can be made uninterrupted.

28% of respondents have expressed concerns over the lack of relief material for their artisans in their respective villages. From Dehradun, a proprietor says: "Like a clear picture of how well are we prepared to contain this outbreak, what are the nearest medical facilities in case of any medical help- their working phone numbers; most of the times the numbers sent are out of service..." A company based out of New Delhi, working with artisans in eastern India has said: "We would definitely want immediate food supplies and monetary resources for our artisans in the remote villages and support from the government bodies to overcome the crisis." In Jaipur, a designer leading a proprietorship based organization has shared that relief materials should ideally reach the artisans in remote-located villages at their doorstep, at a time like this. In Haryana, a company lead says: "during last month, we have experienced the shortage of basic requirements like hand sanitizer, face mask and disinfectant agents in the markets; also the prices of these things goes upto ten times higher than usual. These things should be provided to us free of cost or at a bare minimum price."

It is interesting to see that information on COVID is not deemed an immediate requirement by any of the respondents. Being enterprises, the assumption would be that they are well connected and updated with the latest information; as distinct from the individual artisans they work with. There were no significant responses on whether and how they are disseminating this information to artisans they work with and whether that is even a priority in their larger scheme of things.



Findings and Observations

33% of respondents have stated that the longer term requirement is for loans and other funding to create impetus and generate demand over the next few months. A stimulus from the government is expected by these respondents, for craft based organisations, including measures like reduction in GST across categories, soft loans and interest free working capital loans to aid production, enabling measures for shifting from B2B to B2C in sales, ease of access to raw material supplies.

Marketing and sales support is another requirement put forth by 21% of the respondents; particularly for EPCH support in helping exports in the handmade sector open channels to reach export buyers at nominal costs.

KEY ASKS FROM THE GOVERNMENT

(From Survey Responses)

Sector	Individual Artisans	Craft Enterprises/Organisations
Health	<ul style="list-style-type: none"> - Health insurance scheme access and linkages - Proper medical facilities for awareness creation, testing and follow up for COVID at rural hotspots - Rebate for COVID testing and treatment 	<ul style="list-style-type: none"> - Health camps and checkups in situ in villages for easy access to artisans
Essential Items	<ul style="list-style-type: none"> - Groceries, rations at free/subsidized rates over the next 3-4 months - Government control to stabilize the prices of vegetables and fruits over the next month - Arrangement of home delivery of essentials to particularly vulnerable pockets - Relief for electricity, gas, water and rent - recurring expenses - to individual artisans for the next 3-4 months 	
Livelihoods	<ul style="list-style-type: none"> - State governments to commit to procuring handmade products from artisan groups (to begin with, identify potential groups that can produce essential items during COVID crisis) - Grant in aid or a special fund to compensate for wage losses of handloom weavers and artisans - Sponsored participation for genuine handloom/handmade producers/artisans in identified/strategic national and international events/exhibitions - 	<ul style="list-style-type: none"> - Fund from government for environmental upgrading of artisan clusters - One-time payment of INR 15,000 to artisans through direct bank transfer - GOI to relook at CSR rules in order to create a more enabling environment for support to the craft sector, especially in these times - Special concessions (with the mandated precautions) to allow for small and growing businesses to resume functioning immediately after lockdown (Business Continuity Measures) - Minimum wage support for 6 months for artisans/suppliers/ancillary workers in the business chain - Clear guidelines for raw material supply chain - Clear guidelines to enable the safe dispatch of orders (export)
Fiscal Measures	<ul style="list-style-type: none"> - Long term and subsidized loan for individual artisans to resume production - Tax relief for 1 year - GST relief for taxes on various categories of raw materials 	<ul style="list-style-type: none"> - Interest free working capital loans for enterprises to aid production - Waiver of all statutory payments for businesses, till circumstances stabilize - Flexibility in renewal of 80G and 12A for NGOs, especially for those who have renewed/received their registration over the last 2 years - Relaxation in terms of loan repayment for the next 3-4 months - Exemption for textiles industry from payment of import-export duties on all materials - GOI is paying 24% EPF contribution of all establishments employing less than 100 workers; this should be extended to the textiles industry as well - Tax break for a minimum of 2 years for those entrepreneurs who are self-financing their own businesses
Institution Building		<ul style="list-style-type: none"> - Instituting a core committee (headed by Secretary Ministry of Textiles) to look at preparing an action plan for the handloom/handicrafts sector post COVID; with representation from artisans, entrepreneurs and activists in the sector

RECOMMENDATIONS – AIACA

a. Fiscal Measures:

- The GOI should provide 50% of salary bills and contract wage bills paid by the enterprises in order to ensure there is no job loss post COVID-19 for a period of April to Sep-20.
- Banks to offer 50% of loan to the extent of last year's revenue or last two year's payroll as working capital loan with low interest rates to start up without collateral through PSU Bank.
- Allow for craft enterprises to avail of interest free loans secured by the Income Tax and GST refunds.
- COVID loans, MUDRA loans all be approved and disbursed in a specific time period like 3-4 days: processes and communication at branch levels to be ramped up for this.
- Deferral of interest payment by 12 months and soft-loans to craft enterprises to help them pass on the same without adversely affecting their businesses.

b. Access to Capital:

- Release money from the SIDBI Fund of Funds to all VC funds or deserving craft-based enterprises which have pending capital calls, provided said money is invested into enterprise within 30 days of the drawdown being received. Enhance drawdowns to Venture Debt Funds to ensure working capital reaches craft enterprises.
- The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme should be extended to craft enterprises on war footing. It will help them manage cash flows and stay afloat as all VC funding is expected to dry up at least for the next 3 quarters.
- Review of CSR funding guidelines to include Craft-based Livelihoods/Enterprise as a special thematic area for funding
- Create a fund for compensating of wage loss for individual artisans/craftworkers; with possible resource allocation from the Prime Minister's Relief Fund or PM CARES fund.
- Partnerships with agencies like EXIM Bank, EPCH, craft networks to mobilise resources and direct them towards the most marginalized craft clusters.

c. Marketing and Sales:

- Mechanisms to ensure commitments for government procurement of handmade products from artisan clusters/collectives in the coming financial year. Therein, the reskilling or realigning of production in potential artisan clusters for the production of essential items for COVID (masks, protective equipment, bed linen etc); under the supervision of MSME, NSIC and Ministry of Textiles.
- Strategic investment in communications and outreach from GOI for visibilising handmade/handcrafted products in India; collaborations with certifying bodies for lending greater authenticity to consumers.
- Mechanism to provide marketing assistance and support through NSIC, especially for those artisans/clusters that are socio-economically backward.
- Drafting of clear export guidelines in collaboration with EPCH in order to better manage business continuity.
- Working with craft networks and organisers to draw up a list of domestic exhibitions that can be realistically curated in the coming financial year; reaching out to underserved artisan communities for their representation and mobilizing funds for the same from the GOI.

CONTACT:

Address: No. B-223, Basement, C.R.Park, Chittaranjan, opposite SDMC School, New Delhi, Delhi 110019

Email: contact@aiacaonline.org

Website: www.aiacaonline.org