



WEAVING THROUGH GENERATIONS: PRODUCTIVITY AND WOMEN'S AUTONOMY IN FAMILY-OWNED BUSINESSES IN RURAL INDIA

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India has a rich history of textile production, with the earliest evidence of textile trade dating back to the Indus Valley civilization in 3,000 BCE.¹ With their vibrant patterns, bold colours and lightweight fabrics, Indian textiles accounted for more than a quarter of the world's textile trade by the end of the seventeenth century.² Despite the targeted destruction of the sector under British colonial rule, Indian artisans persevered. As of 2020, approximately 3.1 million households are engaged in weaving or allied activities.³

In Andhra Pradesh and Telangana, weaving is often a family enterprise, with multiple family members employed in the household run business.

This brief summarizes our analysis of data from an ongoing 3ie mixed-methods study called *Intergenerational Participation in Household*

Weaving Businesses and Productivity: A Case-study from Chitrika. The study aims to gain insights into the workings of a family-owned weaving business and understand the economic or commercial productivity of businesses with multiple or single generations involved. It also assesses the distribution of gains within the household and the relationship between family governance, weaving productivity and women's agency.

The analysis shows that weaving businesses with the participation of multiple generations are generally more productive in terms of household welfare measures, such as revenue from enterprises, wealth and consumption expenditures. However, these benefits are not equitably distributed within the household. Women who work in multi-generational weaving businesses report lower self-efficacy and autonomy.⁴

Highlights

- We use a fixed-effects model and data from the baseline survey of an ongoing mixed-methods evaluation to show that households with multi-generational weaving businesses earn 17% more in weaving revenue and 29% more in household income.
- Gains in household productivity do not translate into greater agency for women.



Changing dynamics of family-owned weaving businesses

Participation in intergenerational family business can influence household productivity in several ways. On the one hand, it enhances business productivity, household welfare and sustainability due to the gains from transfer of traditional knowledge and techniques across generations. There are also incentives to sustain the business for future generations.

On the other hand, family values or interrelationship conflict could impede innovation, while nepotism may result in inefficient allocation of resources. Additionally, competing opportunities may even discourage the future generations of potential weavers from participating in the craft. For example, based on findings from field interviews, younger respondents - particularly women - are likely to pursue higher education as that could lead to higher-paying jobs. These respondents also expressed interest in migrating to larger cities for work.

The evidence on the relationship between women's participation in family-owned businesses and their autonomy and decision-making power is similarly mixed.⁵ Historically, gender norms dictate that men lead household decision-making and serve as financial providers, while women are assigned supporting tasks.⁶ These stereotypical gender norms may prevent women from contributing to decision-making even in households where women are actively engaged in the family businesses.⁷ However, participation in family businesses can offer women a sense of ownership that could enhance their autonomy and confidence.⁸ The purpose of this brief is to provide descriptive evidence to contribute to the literature on the relationships between intergenerational participation in family weaving business, household productivity, and women's autonomy.

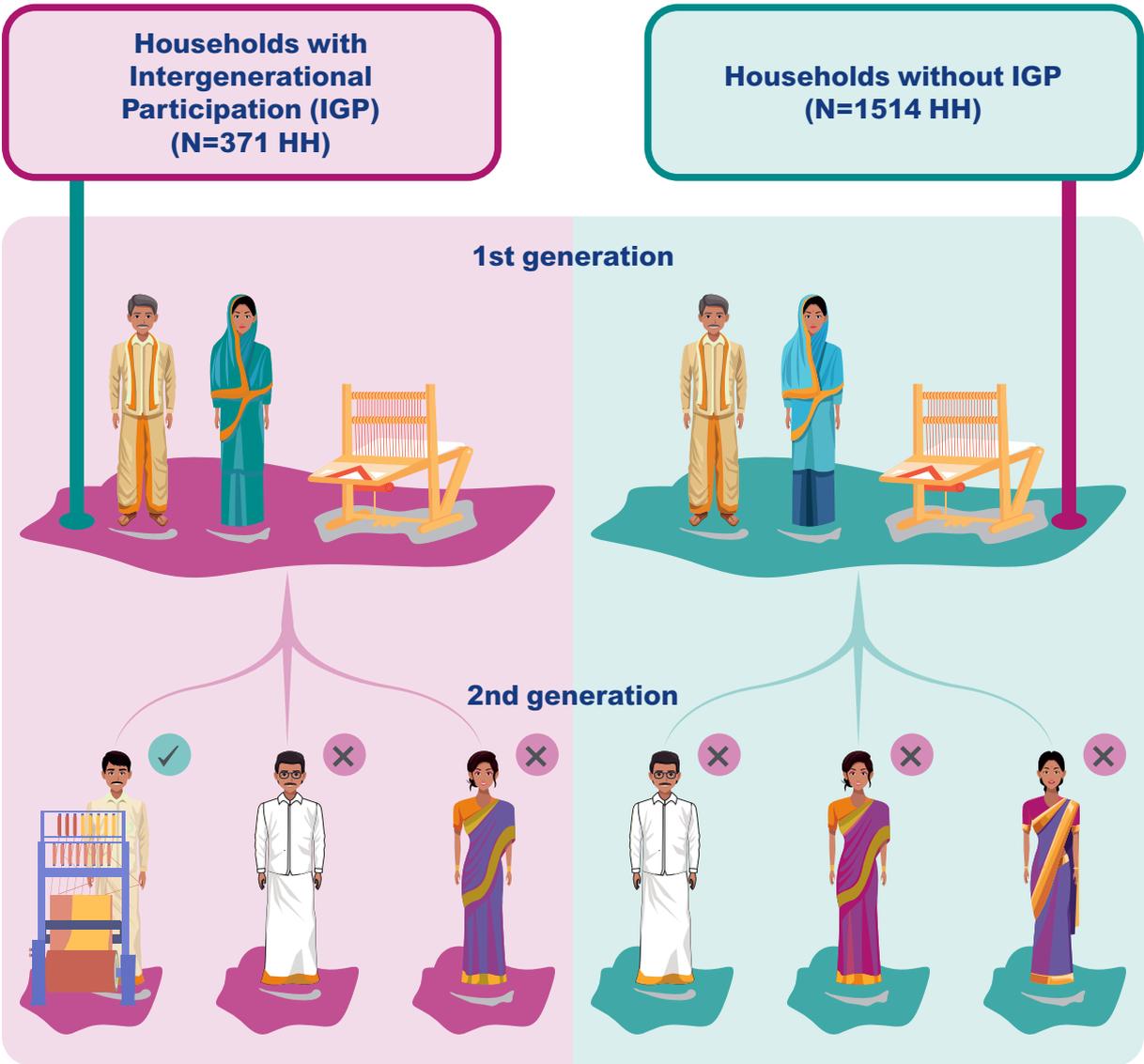


Intergenerational weaving households in Andhra Pradesh and Telangana

Using survey data of weavers in Andhra Pradesh and Telangana, this analysis compares productivity between households where multiple generations participate in the family business, i.e., parents and children co-reside, and those where they do not participate. We refer to households with multiple generations of weavers who co-reside as Intergenerational Participation (IGP) households, and households without multiple generations of related weavers co-residing as non-IGP households (Figure 1).

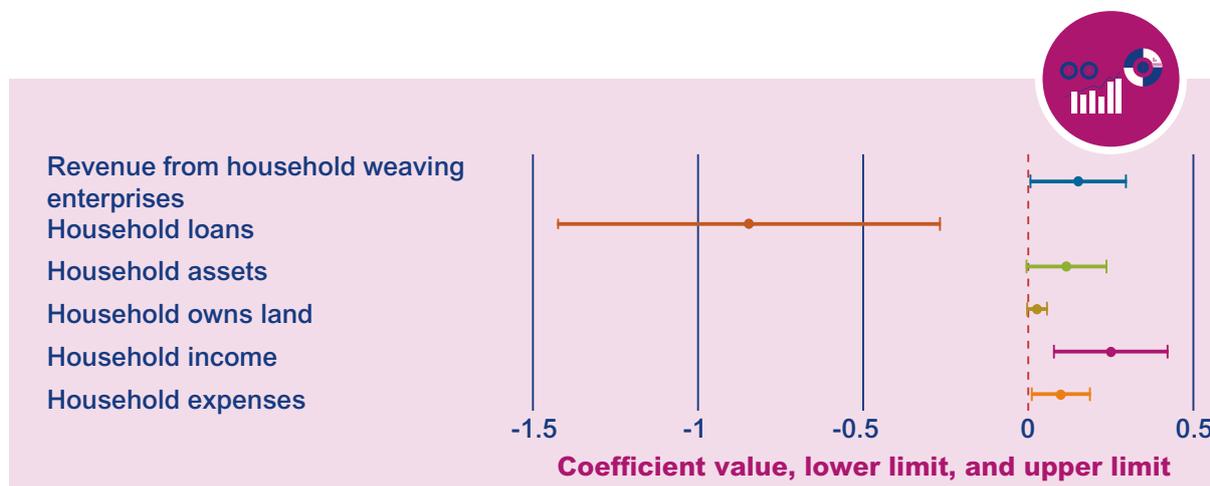
The analysis data includes 1,800 households across five districts of Telangana and Andhra Pradesh. In the sample, in 53% and 82% of households, at least one woman and man reports weaving as their primary activity, respectively. Generally, both household head and spouse engage in weaving. There were some observable differences in household characteristics, including age and education of household head. The analysis accounts for these differences in its empirical model.

Figure 1: Intergenerational participation households and non-IGP households



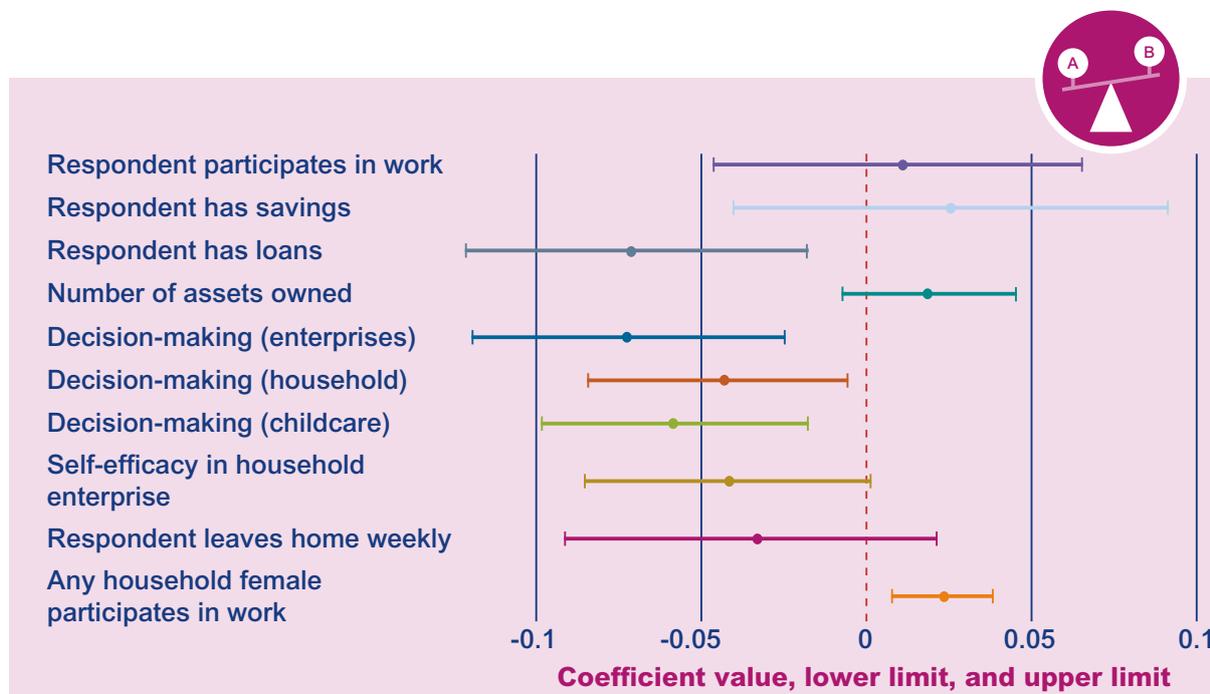
Family businesses yield gains in weaver households' productivity

Figure 2: Household productivity outcomes, by IGP



Note: Relative to non-IGP households, IGP households earn 17% more in weaving revenue, owe 84% less to creditors in loans, own 12% more in (quartiles of) household assets, are 3.1% more likely to own land, report 29% more in household income, and generate 10% more in expenses.

Figure 3: Comparing women's agency, IGP vs non-IGP



Note: Relative to non-IGP households, women from IGP households are not more likely to participate in paid work, are 7% less likely to have household loans, are not more likely to have any savings, do not own more assets, contribute to 7% fewer enterprise decisions, contribute to 4% fewer household decisions, contribute to 5% fewer decisions about child-rearing, report no additional confidence in enterprise-related self-efficacy, are not more likely to leave their homes weekly. Relative to non-IGP households, IGP households are 2% more likely to have at least 1 woman who participates in productive activities). (e.g., agriculture, salaried work, casual labour).

Implications and conclusion

Evidence from our study shows family businesses that engage multiple generations are relatively more productive, but the distribution of gains are gendered. Additionally, women are also relatively less likely to contribute to household enterprise decisions relative to other types of household decisions in cultivation or wage participation (Figure 4).

This finding may have tangible financial implications for the future of handloom weaving as a family business. The potential exclusion of women and girls from decision-making could create inefficiency for weaving enterprises, as these potential employees may consider opportunities to earn outside of their homes.

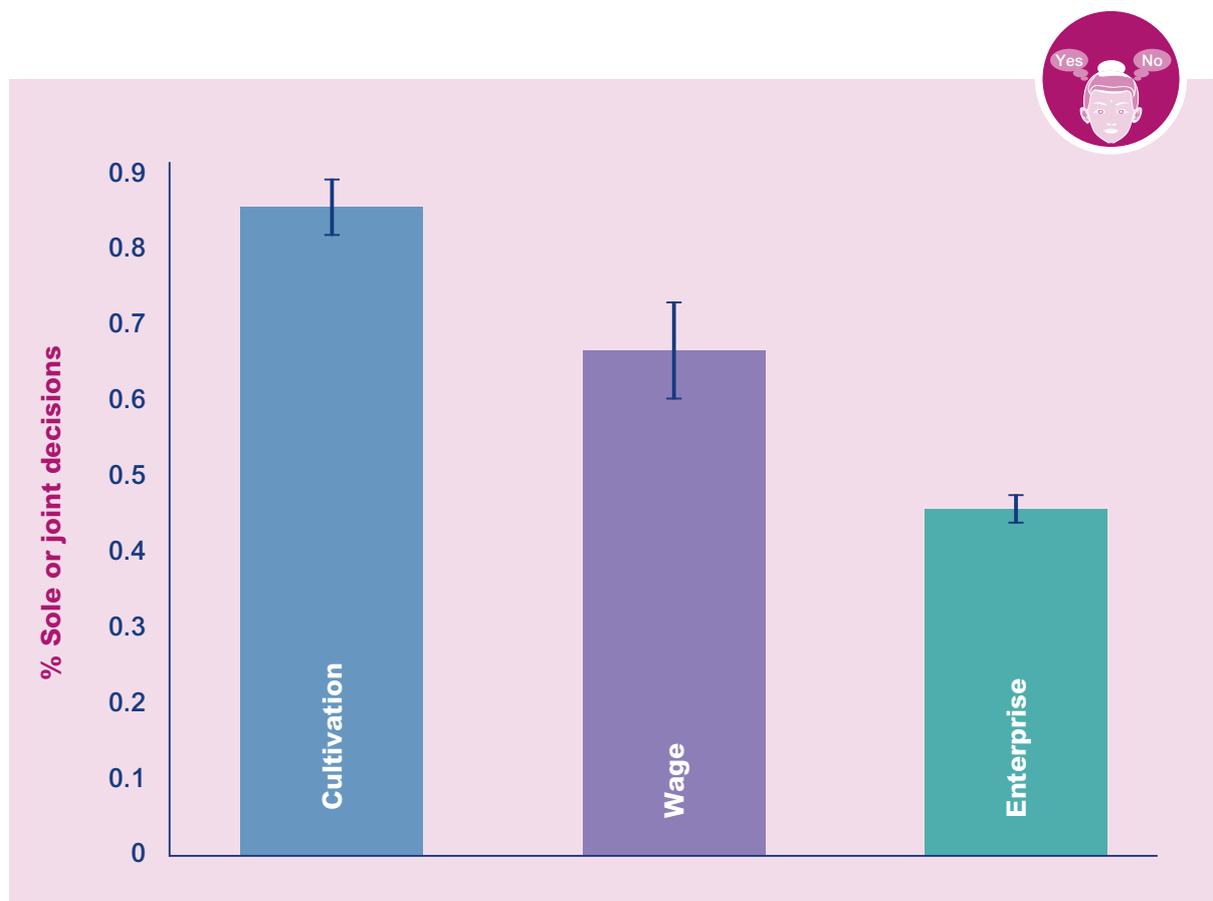
Practitioners working to mobilize weavers should consider or prioritize:

- Training to equip women to participate in family business decisions.
- Behaviour-change interventions to encourage joint decision-making in the business.

Future research should explore:

- The causal relationship between family governance structures and productivity or women's agency to inform policies that incentivize participation in family weaving businesses, possibly through experimental or quasi-experimental designs.
- Power dynamics within families to identify opportunities to design new interventions and prioritize equity.
- Systems mapping of the weaving value chain stakeholders to identify areas for joint decision-making.

Figure 4: Women's decision-making in cultivation, wage and enterprise decisions, by type of decision



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Endnotes

¹ Crill, R. (2015). "The Fabric of India." Harry N. Abrams.

² Das, G. (2002). "If We Were Once Rich, Why Are We Now Poor?" In: *India Unbound*. New Delhi: Penguin Books. 52-63.

³ Fourth All India Handloom Census 2019-2020 (2019). Available at: <https://ruralindiaonline.org/en/library/resource/fourth-all-india-handloom-census-2019-2020/>

⁴ Results should be interpreted with caution: While we use a rich set of controls in our regression analysis, we are unable to control for endogenous selection, skills, motivation, etc., through an experimental or quasi-experimental strategy. Our study is descriptive and should not be used to make causal inferences about

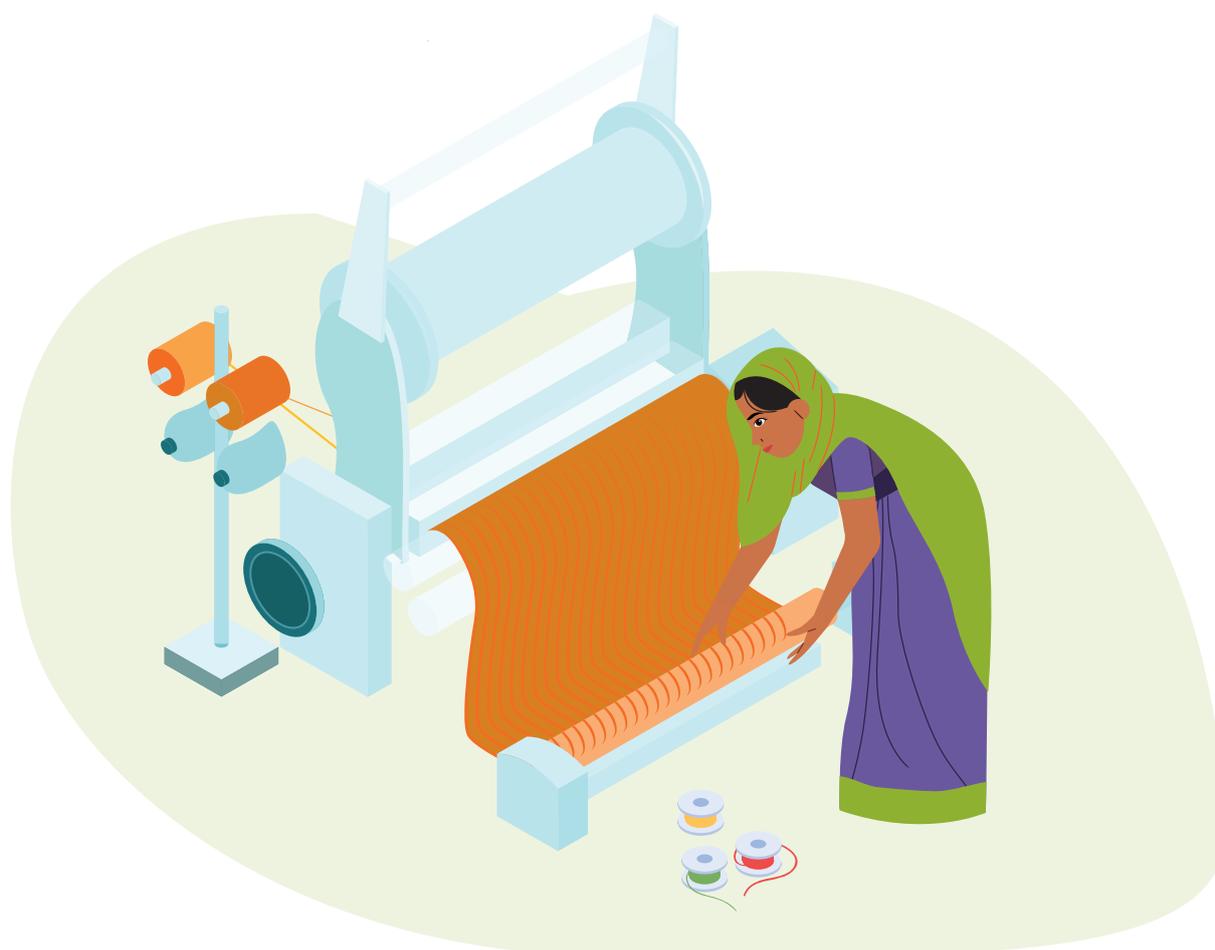
the relationship between intergenerational participation and household productivity or women's agency.

⁵ Cromie, S., & O'Sullivan, S. (1999). Women as managers in family firms. *Women in Management Review*, 14(3), 76-88

⁶ Econstra Business Consultants LLP. (2023) *The Role of Women in Indian Family-Owned Businesses: A Changing Landscape*.

⁷ Faraudello, Alessandra & Songini, Lucrezia. (2018). Women's Role in Family Business: Evolution and Evidences from a European Case Study. *Journal of Modern Accounting and Auditing*. 14. 10.17265/1548-6583/2018.02.003.

⁸ Ibid.



About this learning summary

This brief summarizes findings from the *Intergenerational Participation in Household Weaving Businesses and Productivity: A Case-study from Chitrika* (Hammaker, Jain, Jain, Pandey & Patel, 2023). This work is part of the Swashakt Evidence Program, administered by 3ie and funded by the Bill & Melinda Gates Foundation. For more information, please

visit <https://3ieimpact.org/research/swashakt-empowering-indian-womens-collectives>. This brief was authored by Aastha Dang, Chandan Jain, Divya Pandey, Fatema Patel, Jane Hammaker, Shreya Banerjee and Tarun Jain. They are solely responsible for all content, errors and omissions. It was designed and produced by Akarsh Gupta, Mallika Rao and Tanvi Lal.



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