

Report of the Steering Committee

On

Handlooms and Handicrafts

Constituted for the

Twelfth Five Year Plan (2012 – 2017)

VSE Division
Planning Commission
Government of India

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Table of Contents

Chapter	Subject	Page No.
	FOREWORD	4
CHAPTER 1	Background	7
	Part A: HANDLOOMS	
CHAPTER 2	Situational Analysis	12
CHAPTER 3	Schemes / Programmes for Handloom Sector in the Eleventh Plan	18
CHAPTER 4	Major Challenges facing the Handloom Sector	27
CHAPTER 5	Recommendations and Projected Outlays/Physical Targets for the Handloom Sector in the Twelfth Plan	33
	Part B: HANDICRAFTS	
CHAPTER 6	Situational Analysis	49
CHAPTER 7	Schemes/Programmes for Handicrafts Sector in the Eleventh Plan	53
CHAPTER 8	Major Challenges facing the Handicrafts Sector	60
CHAPTER 9	Recommendations and Projected Outlays/ Physical Targets for the Handicrafts Sector in the Twelfth Plan	64
CHAPTER 10	Way Forward	77

Table of Annexures

Annexure	Subject	Page No.
Annexure-I,II &III	Constitution of Steering Committee on Handlooms & Handicrafts Sectors for the 12 th Plan	80
Annexure IV	Constitution of Working Group on Handloom Sector for the Twelfth Five Year Plan	87
Annexure V	Constitution of Working Group on Handicrafts Sector for the Twelfth Five Year Plan	93
Annexure VI	Order Constituting the Expert Committee on Development of Handlooms	98
Annexure VII	Main Recommendations of the Expert Committee on Development of Handlooms	101
Annexure VIII	Record note of the <u>First</u> meeting of the Steering Committee held on 9th May 2011	108
Annexure IX	Record note of the <u>Second</u> meeting of the Steering Committee held on 4th November 2011	116

FOREWORD

The sectors of Handlooms and Handicrafts embody the rich traditional, historical and cultural diversity that distinguishes India from the rest of the world. Be it the *kashida* embroidery of Kashmir, Naga *morungs*, *paitkar* art work from Jharkhand or the *bhandhej* and *toran* from Gujarat, each of these crafts is enriched with centuries of dedicated refinement and has a unique story to tell. Equally importantly, these two sectors constitute the only industry in the country that provide low cost, green livelihood opportunities to millions of families, supplementing incomes in seasons of agrarian distress, checking migration and preserving traditional economic relationships. With women contributing the majority of pre- and post-loom labour and accounting for over 50% of artisans in the country, and a significant mass of weavers/artisans consisting of scheduled castes, schedules tribes and religious minorities, the two sectors also represent the economic lifeline of the most vulnerable sections of our society.

2. Despite their cultural and economic importance, however, both handlooms and handicrafts sectors suffer from perennial problems of weak infrastructure, inadequate availability of inputs at regular prices, poor supply chain systems and ineffective marketing and sales practices. Limited private entrepreneurial support has increased the sectors' dependence on Government resources and the lack of a universally recognised definition of 'handicraft' remains a challenge. Further, the lack of synergy between handlooms, handicrafts, and khadi and the village industry sectors leads to inefficient utilization of resources. Although these sectors are distinct, they have an

undercurrent of commonality. The sectors, therefore, need to be administered with greater synergy.

3. In this context, the 12th Five Year Plan is a unique opportunity to make a decisive and permanent change. The Steering Committee on Handlooms and Handicrafts has suggested that there be greater convergence between Handlooms, Handicrafts, Khadi & Village Industries. The same will be attempted within the Planning Commission. This will mainstream handlooms and handicrafts as legitimate branches of the small and micro-industry in India and diminish the artificial divisions that compartmentalise administration of common sectors. It is suggested that the first venture of this synergistic endeavour be a brand building and sales exercise under the trade name of “Handmade in India”.

4. Unfortunately, certain traditional crafts appear to be slowly dying due to prolonged neglect as well as lack of awareness and inadequate appreciation of the intricacies and skills involved. With the aim of revitalizing such crafts and to tap the full potential of both the Handlooms and Handicrafts sectors, certain fresh interventions have been proposed by the Steering Committee for the 12th Plan, besides recommending a consolidation of the on-going programmes under the 11th Plan.

5. The emphasis in the 12th Plan should be on consolidation of past gains and strengthening of existing infrastructure and systems, along with creation of additional facilities/expansion of the schemes on need basis. To introduce professional management in operations, private entrepreneurship and partnership needs to be encouraged. At the same time, human resource and

skill development, documentation and preservation of existing crafts as well as academic research in the sectors needs prioritization. Other initiatives required include reinvigorating the existing cluster development programmes through formulation of long term business plans, placing all relevant information in public domain online basis for greater transparency and easy access by all stakeholders, strengthening the provisions for life and health insurance for weavers and artisans and creating distress and pension funds. With greater synergy between Handlooms, Handicrafts and Micro and Small Enterprises, a detailed exercise to combine schemes and link sales and marketing channels across related crafts, with as much emphasis on domestic market as for exports, would be desirable. These recommendations, spanning institutional, administrative and strategic reforms, are aimed at raising the production and productivity of the two sectors, thereby achieving better prospects for crafts persons and the crafts.

6. While some improvement in the conditions of weavers and artisans has been made in the 11th Plan, a lot still remains to be done. Detailed recommendations and the Way Forward for both the Handlooms and Handicrafts sectors have been indicated in this Report. I would like to take this opportunity to thank all Members of the Working Groups and the Steering Committee for their participation in formulating this Report for the 12th Five Year Plan. The cooperation of the Ministry of Textiles is appreciated.

(Syeda Hameed)
Chairperson,
Steering Committee on Handlooms and Handicrafts and
May 2, 2012

CHAPTER 1: Background

Introduction

1.1 The dispersed and decentralized handloom and handicrafts sectors embody the traditional wisdom, cultural wealth and secular ethos of our polity. They are not just a source of livelihood for lakhs of weavers and artisans, but also environment-friendly, energy and capital saving and labour-intensive forms of art that have secured India's presence in millions of homes across the globe; a presence that has been crafted by dexterous hands, many of whom are among the most marginalized sections of our society in both rural and urban areas. The two sectors also reflect the binding force that unites various diverse segments of the population, encouraging co-existence of communities from different faiths, cultures, classes and castes, thereby strengthening the secular, cultural, social and moral fabric of the country.

1.2 Owing to their importance in India's development and livelihood policy, the Government of India has introduced various policies along with programmatic interventions for the handloom and handicrafts sectors, aimed at generating sustained, productive and gainful employment with decent working conditions for the entire weaver, artisanal and ancillary worker population. While a majority of the programmes have yielded positive results, several factors – demographic, social, technical and cultural – have led to a situation of only partial fulfillment of the policy objectives. Consequently, the extent, nature and structure of employment creation and sustenance in these sectors remains a major concern for policy makers. In addition, inadequate infrastructure, poor marketing support and ailing distribution networks has weakened an already fragile supply chain system.

1.3 Of particular concern in this scenario is the steady erosion of livelihoods in the crafts and handloom sectors due to increased competition from machine-manufactured products. On one hand, lower-priced industrial products are displacing craft products amongst lower-income consumers in both urban and rural

markets. On the other hand, craft products are facing increased competition from branded, value-added products amongst higher-income consumers, especially in urban areas. With the absence of a concerted, market-oriented approach to revitalize the sector, improve service delivery and efficacy of schemes, India is closer today to losing a heritage that could be its greatest competitive advantage in a homogenous global marketplace. The impact of the economic downturn has been most severely felt by weavers and artisans, majority of whom belong to the marginalized social groups. They are, therefore, far more adversely impacted when faced with market fluctuations and infrastructure gaps as well as the challenges posed by the growing machine-made products. In this context, the formulation of a suitable strategy for development and revival of these sectors in the 12th Plan assumes greater significance.

Preparations for the 12th Plan

1.4 To formulate a roadmap for the Twelfth Five Year Plan (2012-17) for the Handloom and Handicrafts sectors, the Planning Commission constituted a Steering Committee on Handloom & Handicrafts under the Chairpersonship of Dr. Syeda Hameed, Member, Planning Commission. A copy of the Order No. VSE-19(12)/2010 dated April 5, 2011 constituting the Steering Committee is at **Annexure-I**. A copy of the Orders dated April 27, 2011 and May 27, 2011 regarding inclusion of Members in the Steering Committee is at **Annexure II and III** respectively. The Terms of Reference of the Steering Committee were as follows:

- i) To critically assess the progress made in the handloom & handicraft sectors in the 11th Plan in terms of whether living standards of weavers/ artisans and ancillary workers have improved.
- ii) To devise a focused strategy for improving livelihoods in these sectors in the 12th Plan.

- iii) To suggest measures to improve welfare of weavers / artisans by bringing them under Social Security measures like pension and insurance and by ensuring better occupational health.
- iv) To undertake a technology mapping of handloom/handicraft clusters and to devise technological improvements that enhances productivity, quality and reduces drudgery.
- v) To critically assess the input / deficit in these sectors and to suggest measures to overcome them.
- vi) To critically evaluate the distribution and marketing network in these sectors and comment on areas of positive intervention by Govt. agencies.
- vii) To clearly demarcate areas where Govt. interventions is necessary and those where PPP or NGO partnership is possible/desirable.
- viii) To critically review the linkages between Central & State sector schemes and suggest measures for strengthening these linkages/ dovetailing schemes.
- ix) Any other issue that may be considered necessary by the Steering Committee.

1.5 The Planning Commission also constituted two Working Groups, one each for the Handlooms and Handicraft sectors vide Order Nos. VSE-21(3)/2011 and VSE-21(3)/2011(1) respectively, both dated May 20, 2011, under the Chairpersonship of Secretary (Textiles), Ministry of Textiles, Government of India and with one representative of the civil society as Co-chair of each Group. The Working Groups were to assess the current situation of the Handlooms and Handicrafts sectors, analyse the impact of the schemes implemented during 11th Plan period and to come out with a set of recommendations for strengthening the sectors and achieving the objectives laid down in the Approach Paper for 12th Plan. Each Group was to look into all relevant issues such as inputs, infrastructure, marketing, artisan welfare, education, training and technology relating to the respective sector. A copy each of the Orders constituting the Working Groups, indicating inter alia, the Terms of Reference and composition of the Groups, is given at **Annexure- IV-V**.

1.6 The Working Group on Handlooms constituted six Sub-Groups for various sub-sectors, namely marketing and brand promotion, infrastructure, social & welfare measures, raw materials & credit, training and North-Eastern Region. The Sub-Groups held a series of meetings with a view to assisting and advising the Working Group in formulating the recommendations for the 12th Plan. The Working Group met on July 7, 2011 and August 17, 2011. In the latter meeting, it considered the reports of the Sub-Groups, and, thereafter, submitted its own Report on October 25, 2011, after considering, inter alia, the Approach Paper for the 12th Plan.

1.7 Similarly, the Working Group on Handicrafts constituted five Sub-Groups for various sub-sectors namely brand building & marketing, cluster & infrastructure, artisan welfare, research & education and inputs. The Sub-Groups held meetings during June to August 2011 to make recommendations for the 12th Plan. The Working Group met on June 14, 2011 and August 17, 2011, and submitted its Report on September 14, 2011, incorporating the suggestions of the Sub-Groups.

1.8 Separately, an Expert Committee on Development of Handlooms had been set up in the Planning Commission in February 2010 to give an impetus to the Handloom sector. The Expert Committee was chaired by Shri Arun Maira, Member, Planning Commission and co-chaired by Shri Jyotiraditya Scindia, Union Minister of State, Ministry of Commerce, Govt. of India and Dr. Syeda Hameed, Member, Planning Commission. A copy of the Order constituting the Committee is at **Annexure VI**. The Committee deliberated on four major issues, namely, supply, production, distribution and outward chain and marketing, and submitted its Report in May, 2011. Its recommendations which related to the Handlooms sector, were made available to the Working Group on Handlooms as well as to the Steering Committee for consideration. A copy of the main recommendations of the Expert Committee is at **Annexure VII**.

1.9 The first meeting of the **Steering Committee** chaired by Dr. Syeda Hameed, Member, Planning Commission, was held on May 9, 2011 (a copy of the Minutes is at **Annexure VIII**). Thereafter, the recommendations made by the Working Groups on Handlooms and Handicrafts were considered and deliberated upon by the Steering Committee in its second meeting held on November 4, 2011 (a copy of the Minutes is at **Annexure IX**). The Steering Committee also considered the suggestions made by the members of the Steering Committee as also the recommendations made by the Expert Committee on Handlooms. Based on this consideration and deliberations, the Steering Committee has finalized its Report, covering both Handlooms and Handicrafts.

PART A: HANDLOOMS

CHAPTER 2: Situational Analysis

Introduction

2.1 The tradition of weaving by hand constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. Handloom weaving is largely decentralized and weavers in the sector are mainly from the vulnerable and weaker sections of the society, who weave for their household needs and also contribute to production in the textile sector. The weavers of this industry are keeping alive the traditional crafts of different States. The level of artistry and intricacy achieved in the handloom fabrics is unparalleled and beyond the scope of modern machines. It can meet every need, ranging from the exquisite fabrics, which take months to weave, to popular items of mass production for daily use. The enormous variety of Indian handloom creations reflects the ethnic diversity in the country and the intricate compositions are known throughout the world since ancient civilizations.

2.2 Since Independence, the Government of India has been pursuing a policy of promoting and encouraging the handloom sector through a number of programmes and schemes implemented through the State Governments and their agencies working in the handloom sector.

Employment Generation

2.3 The handloom sector is a major employment generating sector, as is also noted in the Approach Paper for the 12th Plan. As per the latest (3rd) Handloom Census of 2009-10, there are 23.77 lakh handlooms in the country, providing employment to 43.32 lakh handloom weavers and ancillary workers. This includes 38.47 lakh adult handloom weavers and ancillary workers, of which 24.72 lakh are engaged full time and 13.75 lakh on part time basis. The same is indicated in Table 2.1 below:

Table 2.1: Statistics as per Handloom Census of 2009-10

(in lakh)

1.	Number of looms	23.77
2.	Number of persons engaged in weaving and allied activities	43.32
3.	Number of adult weavers and allied workers	38.47

2.4 Out of the 38.47 lakh adult persons engaged in weaving and allied activities in the country, 77.90 % are women. 10.13% belong to the Scheduled Castes (SC), 18.12% belong to the Scheduled Tribes (ST) and 45.18% belong to Other Backward Classes (OBC). The details are given in Tables 2.2 and 2.3 below:

Table 2.2: No. of Handloom adult weavers & allied workers by Gender

	Male	Female	Total
Number of Handloom adult weavers & allied workers (lakh)	8.48	29.98	38.47
Percentage of total	22.10	77.90	100.00

Table 2.3: No. of Handloom adult weavers & allied workers by Caste

	SC	ST	OBC	Others	Total
No. of Handloom adult weavers & allied workers by Caste (lakh)	3.90	6.97	17.38	10.22	38.47
Percentage of total	10.13	18.12	45.18	26.57	100.00

2.5 As per the Census, nearly 27.83 lakh handloom households are engaged in weaving and allied activities, out of which 87% are located in rural areas and remaining 13% in urban areas. The majority (82%) of handloom households are weaver households, which means that at least one member of every such household is engaged in weaving. A religion-wise break-up indicates that about 78% households are Hindus, 15% households are Muslims, 6% households are Christians and the remaining households are Buddhists, Sikhs or from other religions. Most of the handloom households live in kutcha (54%) or semi-pucca (31%) houses; only 15% households live in pucca houses. Nearly 53% of the handloom households are engaged in commercial production and nearly 16% households undertake a mix of domestic and commercial production.

State-wise position

2.6 The number of Handloom Units, Weavers and allied Workers and Handlooms as per the Handloom Census, 2009-10 are given in Table 2.4:

Table 2.4: State-wise details of Handloom Units, Workers and Looms

Sl. No.	State	No. of Units	No. of Handloom Weavers & Allied Workers	No. of Handlooms
1	Andhra Pradesh	176996	355838	124714
2	Arunachal Pradesh	30343	33041	27286
3	Assam	1240817	1643453	1111577
4	Bihar	25485	43392	14973
5	Chhattisgarh	2664	8191	2471
6	Delhi	1875	2738	2560
7	Goa	0	0	0
8	Gujarat	3676	11009	3900
9	Haryana	6455	7967	4876

Sl. No.	State	No. of Units	No. of Handloom Weavers & Allied Workers	No. of Handlooms
10	Himachal Pradesh	7006	13458	5578
11	Jammu & Kashmir	17293	33209	7301
12	Jharkhand	14178	21160	2128
13	Karnataka	37680	89256	40488
14	Kerala	11690	14679	13097
15	Madhya Pradesh	8691	14761	3604
16	Maharashtra	1977	3418	4511
17	Manipur	178975	218753	190634
18	Mizoram	39499	43528	24136
19	Meghalaya	11400	13612	8967
20	Nagaland	60891	66490	47688
21	Odisha	40683	114106	43652
22	Pondicherry	1754	2803	1771
23	Punjab	2377	2636	261
24	Rajasthan	22668	31958	5403
25	Sikkim	568	568	345
26	Tamil Nadu	189069	352321	154509
27	Tripura	120652	137177	139011
28	Uttar Pradesh	110542	257783	80295
29	Uttrakhand	10606	15468	3766
30	West Bengal	406761	779103	307829
Total		27,83,271	43,31,876	23,77,331

2.7 As against the total number of weavers at 43.32 lakh as per the Handloom Census of 2009-2010, the number of weavers as per the earlier (2nd) Handloom Census (1995) was 65 lakh, thus indicating a significant fall in total employment in the sector in recent years as

compared to the earlier period. The reduction can be attributed partly to the impact of the global recession in 2008 and partly to the impact of growing competition from the decentralized powerloom and mill-made sector. This decline in employment in the handloom sector could have social and economic implications for the weaver community if the trend persists, thereby pointing towards the urgency of bringing in appropriate reforms to reverse the trend. However, although the number of weavers has declined between the 2nd and the 3rd (latest) Census, there is an increase in the number of full-time workers from 44% as per the 2nd Census to 64% as per the latest Census. Moreover, there is also an increase in the days of work per weaver household from 197 person days as per the 2nd Census to 234 person days as per the 3rd Census.

Production and Exports

2.8 The contribution of the handloom sector to textile production and exports is significant. During 2010-11, the production of handloom fabric was 6903 million square metres, while the share of handloom cloth to total cloth/textile production (comprising handloom, mill and powerloom) was about 14%. The production of handloom cloth during the last six years is given in Table 2.5 below:

Table 2.5: Handloom Cloth Production over the years

(Million Square Metres)

<u>Year</u>	<u>Cloth Production</u>
2005-06	6108 (+6.75%)
2006-07	6536 (+ 7.00%)
2007-08	6947 (+6.29%)
2008-09	6677 (-3.89%)
2009-10	6806 (+1.93%)
2010-11 (Prov.)	6903 (+1.42%)
2011-12 (Apr. – Jan. '12) (Prov.)	5775

Note: Figures in brackets indicate percentage increase/decrease over previous year.

2.9 The Table above reveals that handloom cloth production rose from 6536 million square metres during the last year of the 10th Plan (2006-07) to 6947 million square metres during the first year of the 11th Plan. Thereafter, there was a fall in production by 3.89% in 2008-09 which was marked by global recession. However, since then, production has consistently risen in the third and fourth years of the 11th Plan. The increase in production, despite growing competition from mill-made and decentralized powerloom sectors, is heartening.

2.10 Statistics on exports of handloom products available from 2009-10 onwards, indicate that exports rose by 32% in 2010-11 as compared to the previous year. During 2011-12, total exports in the first seven months had already reached almost 90% of the exports during the whole of the previous year. Figures are given in Table 2.6 below:

Table 2.6: Export of Handlooms

(In ` Crore)

Year	Target	Achievement
2009-10	NA	1252.81
2010-11	1350.00	1662.89
2011-12	2250.00	1483.21(April-Oct 2011)

CHAPTER 3: Schemes/Programmes for the Handloom Sector in the Eleventh Plan

3.1 The objective of the 11th Plan for the handlooms sector was to develop a strong, competitive and vibrant sector that would provide sustainable employment leading to economic development, particularly of rural areas. The vision was to target growth in terms of doubling the country's share in the global market and ensure higher socio-economic status for the artisan community. Major programmatic interventions planned for the 11th Plan were as under:-

- i. Cluster based approach: Organisation of over 36.88 lakh weavers into handloom clusters, and 375 new artisanal clusters covering 4 lakh artisans.
- ii. Census: Carrying out a census and mapping exercise to determine the presence of crafts and craftspeople across the country, along with their skills. Issue of photo ID cards to weavers and artisans.
- iii. Availability of Working Capital and Credit: Assisting weavers and artisans to obtain credit facilities relevant to their requirements.
- iv. Availability of Raw Material: Creating raw material banks and ensuring timely availability to individual weavers and artisans at reasonable prices.
- v. Social Security: Launching Health and Life Insurance schemes to improve the quality of life of weavers and artisans; To Cover 83.92 lakh weavers/ancillary workers and 40.80 lakh artisans; Launching schemes for Distress Relief, Pension and Thrift Fund.

3.2 In pursuance of the above objectives, during the 11th Plan, the Government of India implemented five Plan schemes that were administered through the Development Commissioner for Handlooms, Ministry of Textiles, of which two are Centrally Sponsored Schemes (CSS) and three are Central Sector Schemes. A new CSS, namely 'Revival, Reform and Restructuring Package for Handloom Sector' was introduced during 2011-12 to revive the Handlooms sector. The various Schemes were:

1. Integrated Handlooms Development Scheme (IHDS)

3.3. The Integrated Handlooms Development Scheme (IHDS), introduced during 2007-08, has four components. (i) The **Cluster Development Programme** provides need-based inputs to clusters of 300-500 handlooms over a 3-year period through grant of financial assistance up to ` 60 lakh per cluster, for meeting expenditure on formation of Self Help Groups (SHGs), setting up yarn depots, design development, setting up Common Facility Centres (CFCs)/ dye houses, margin money for working capital, new looms and accessories and construction of worksheds, skill upgradation and marketing opportunities. (ii) The **Group Approach** supports the handloom weavers not covered by the clusters, in groups of 10 or more and up to 100 weavers, by providing financial assistance for basic inputs; training in weaving, dyeing, designing and managerial disciplines; and construction of worksheds. Per beneficiary cost is in the range of ` 10, 000 to ` 30, 000. (iii) **Marketing Incentive** is given to Handloom corporations, Apex organizations and Primary weaver cooperative societies, at the rate of 10% (shared 50:50 between the Central and the State Governments) for promoting marketing of handloom products, largely through promotion of investment in infrastructure. Besides, assistance is extended towards financial strengthening of the handloom agencies. (iv) Up to 10% of funds under the Scheme are for **Innovative Ideas**, and up to 2% allocated for **Publicity, Monitoring, Supervision, and Training of officials** of the O/o Development Commissioner for Handlooms and State Directors of Handlooms as well as for evaluation of the Scheme.

3.4 A component of ‘Institutional Credit for Handloom Sector’ was introduced under IHDS in 2011-12. It has three sub-components, namely (a) Interest Subsidy of 3% on loans for a period of 3 years, (b) Margin Money Assistance of ` 4200 per weaver to individual weavers, their Self Help Groups (SHGs) and joint liability groups (but not to cooperative societies and producer companies) and (c) Credit Guarantee for three years to banks/financial institutions lending to weavers, for which the guarantee fee and annual service fee will be paid by the Government of India.

*3.5 Besides, the **Integrated Handloom Cluster Development Scheme (IHCD)**, a Central Sector scheme for holistic and integrated development of 20 Handloom Clusters, introduced in the year 2006-07, was also continued in the 11th Plan. The Scheme covers about 5000 handloom weavers in each cluster, with GOI's contribution of up to ` 2 crore per cluster over a period of 5 years (initially it was for 4 years). It has benefitted more than 1.50 lakh handloom weavers/workers.*

*3.6 A **Comprehensive Handloom Cluster Development Scheme (CHCD)** was also introduced as a Central Sector Scheme under the Mega Cluster Scheme of the Ministry of Textiles in 2008-09, which covers clearly identifiable geographical locations with at least 25,000 handlooms, in which Central share is up to ` 70 crore per cluster over a time period of 5 years. It provides corpus for raw materials, credit for working capital, construction of worksheds, skill upgradation, technology upgradation, design studio marketing complex, value addition such as setting up of garment unit, common infrastructure and publicity. Four such Mega Clusters have been sanctioned so far at Varanasi (UP), Sivasagar (Assam), Virudhunagar (Tamil Nadu) and Murshidabad (West Bengal). These Mega Cluster projects are at different stages of implementation.*

2. Marketing and Export Promotion Scheme

3.7 The Marketing & Export Promotion Scheme, aimed at developing and promoting marketing channels in domestic as well as export markets, has two components. (i) **Marketing Promotion Programme** assists the sale of handloom products by organizing exhibitions at National, Regional, State and District levels; providing facilities to consumers to purchase genuine handloom products under one umbrella; promoting awareness about latest designs and varieties of handlooms; providing marketing infrastructural support; encouraging innovation in designs and techniques; preserving and promoting traditional skills and designs; fostering brand identity and technological developments among weavers. It includes assistance for organising Special Expos, Craft Melas, Urban Haats and Marketing Complexes; grant of National Awards and National Merit Certificates; registration of special designs/techniques under the Geographical Indication (GI) Act, and establishing brand image for handloom products through the Handloom Mark. (ii)

Handloom Export Promotion Programme's objective is identify and assist suitable Apex/Primary handloom cooperative societies & corporations in developing export-worthy products, by interventions such as engaging professional designers and marketing consultants, upgradation of skills, and market penetration through participation in international fairs/ exhibitions, buyer-seller meets and brand development through Handloom Mark and setting up design studios.

3. Mill Gate Price Scheme (MGPS)

3.8 With the objective of providing all types of yarn to handloom weavers' organizations at the prices at which yarn is available in mills, the Government of India introduced the Mill Gate Price Scheme (MGPS) during 1992-93. The Scheme enables all eligible handloom agencies to obtain yarn at Mill Gate Prices; facilitates regular supply of basic raw material to individual weavers through the yarn depots and helps to optimize their employment. Assistance is provided by GOI for reimbursement of transportation expenses in the supply of yarn; for expenses of operating the yarn depots, and service charges to National Handloom Development Corporation (NHDC) for its role as nodal agency for implementation of the Scheme. In 2011-12, a component was added to this Scheme to mitigate the price disadvantage which had arisen for the handloom sector after CENVAT of 9.2% on all varieties of cotton yarn was abolished in July 2004 (prior to this period, cotton yarn in plain reel only was exempted). It provides **10% Price Subsidy on Hank Yarn** distributed to the handloom sector. Both cotton and domestic silk yarn is covered and quantity supplied is limited to 30 kg per loom per month for cotton yarn below 40s count, 10 kg for cotton yarn of 40s count and above and 4 kg for silk yarn.

4. Handloom Weavers Comprehensive Welfare Scheme

3.9. This Scheme is an important initiative aimed at providing social welfare facilities to weavers and ancillary workers. It consists of two separate sub-schemes. (i) The **Health Insurance Scheme (HIS)** provides health insurance to the weavers and their families, and it is being implemented through ICICI Lombard General Insurance Company. The annual cover per family is ` 15000, of which ` 7500 is for OPD expenses. Total premium is ` 939.76, of which GOI bears 80% and State/weaver's share is 20%, with weaver's

contribution being a minimum of ` 50. Based on feedback received from the State Governments and the beneficiaries, several initiatives have been taken during 2010-11 and 2011-12 to improve delivery, which include settlement of insurance claims within 30 days from the date of receipt of claim and payment of interest at 2% above the bank rate on pro-rata basis in case of delay in settlement by the insurance company. A Grievance Redressal Committee has also been formed in all States having more than 5000 health card holders.

(ii) The **Mahatma Gandhi Bunkar Bima Yojana (MGBBY)** is being implemented through the Life Insurance Corporation of India. It provides life insurance cover to handloom weavers in case of natural death (` 60,000), accidental death and total disability due to accident (` 1,50,000) and partial disability due to accident (` 75,000). Scholarship benefits of ` 300 per quarter per child are also available to enrolled weavers' children studying in standards 9th to 12th. The total premium is ` 470 per weaver, of which ` 290 is GOI's contribution, ` 100 is paid by LIC and ` 80 by the weavers.

5. Diversified Handloom Development Scheme (DHDS)

3.10 The Diversified Handloom Development Scheme (DHDS) provides assistance for technological and skill upgradation of weavers, and design inputs and product development through 25 Weavers' Service Centres (WSCs) and 5 Indian Institutes of Handloom Technology (IIHT), aimed at improving the productivity and earnings of the weavers. The IIHTs are located at Varanasi, Salem, Jodhpur, Guwahati and Bargarh (Odisha). Additional IIHTs are being set up in the State sector at Champa (Chhattisgarh) and Kannur (Kerala) for which maximum GOI grant is ` 1 crore each. Besides the National Centre for Textile Design (NCTD) set up in January, 2001, other components of DHDS include Design Exhibitions-cum-Dyeing Workshops, Research & Development activities (studies and need-based surveys), conduct of Handloom Census and Issue of Photo Identity Cards.

6. Revival, Reform and Restructuring Package

3.11 Pursuant to the announcement of the Finance Minister in his Budget Speech for 2011-12, a newly Centrally Sponsored Plan Scheme was introduced during 2011-12 with a

total outlay of ` 3884 crore. The Scheme aims to revive the handloom sector through a one-time write-off of loans extended by banks to individual weavers and also open the choked credit lines for the handloom weavers' co-operative societies, to facilitate future access to credit by the handloom weavers at lower cost. NABARD is the designated implementing agency for the Scheme. Of the total outlay of ` 3884 crore, the share of GOI will be ` 3137 crore and that of the State Governments will be ` 747 crore. The funds are to be shared between GOI and States in the ratio of 90:10 in respect of special category States, and for other States, it is to be 80:20 for Primary Handloom Cooperative Societies and individual weavers /SHGs and 75:25 for State Level Apex Societies. The funds for the remaining components (strengthening weaver societies, 3% interest subsidy on fresh loans, credit guarantee, and training of functionaries) are to be provided by the Central Government.

7. Integrated Skill Development Scheme (ISDS)

3.12 The **Integrated Skill Development Scheme (ISDS)** was launched in 2010 to address the training needs of textiles and related segments. For handlooms sector, the target is to train 1.55 lakh persons over a period of five years. All facets of skill development are to be covered, namely basic training, skill upgradation, advanced training, training of trainers, retaining and entrepreneurship development. The Scheme proposes to leverage on the existing institutions and training experience within the Government and also proposes private sector participation through the PPP model. The Government meets 75% of total cost and the balance 25% is to be met from fee / industry contribution.

8. Handloom Reservation

3.13 The Handlooms (Reservation of Articles for Production) Act, 1985 is aimed at protecting the livelihoods of handloom weavers and protecting the cultural heritage of the handloom industry from encroachment by the powerloom and mill sectors. Under the Act, initially 22 textile articles were reserved for exclusive production through handlooms. Subsequently, these were reduced to 11 articles in 2008. Central assistance was released to State Governments for enforcement of the Reservation Order. During the first two years of the 11th Plan, ` 150 lakh each was released, which was raised to ` 350 lakh each in the third

and fourth years of the Plan. There is a demand from handloom weaver groups that the Reservation List may be expanded to include items woven with blended yarns, besides cotton and silk yarn already included. As fabrics woven from blended yarns are already included in the List, the matter needs to be clarified. Since it is a policy matter, it may be dealt with by M/o Textiles separately.

9. Special requirements of North Eastern Region

3.14 As per the latest Handloom Census, 90% of handloom worker households in the North Eastern Region (NER) are weaver households. Of the total number of handloom worker households in the country, 63.4% are in the NER. Also, in contrast to the national trend, the NE States have recorded an increase in the number of weaver households from 14.6 lakh in 1995 to 15.10 lakh in the latest Census (2009-10). However, 52% households produce less than one meter of fabric per weaver per day. Accordingly, handlooms in the NER are being supported through increased levels of assistance as well as increased number of clusters/ events under the Plan Schemes.

Physical and Financial performance of the Schemes for Handlooms

3.15 The Physical and Financial performance of the Schemes for the Handloom Sector during the 11th Plan is given in Tables 3.1 and 3.2 respectively:

Table 3.1: Physical Performance of Schemes for Handloom Sector during 11th Plan

Schemes	Target for 11th Plan	Achievements in first four years	Target for 2011-12
1.Integrated Handloom Development Scheme(IHDS)-CSS	36.88 lakh weavers	61.44 lakh weavers	10.00 lakh weavers
2. Marketing & Export Promotion Scheme –CSS	Domestic events: 1841	1953	700
	Export projects: 75	37	15
	International Fairs: 50	68	10
3.Mill Gate Price Scheme (MGPS)	2181 lakh kg yarn to be supplied	3720.24 lakh kg	1200 lakh kg
4.Handloom Weavers' Comprehensive Welfare Scheme	HIS: 83.92 lakh weavers	70.60 lakh weavers	17.97 lakh weavers
	MGBBY: 66.67 lakh weavers	20.88 lakh weavers	7.96 lakh weavers
5.Diversified Handloom Development Scheme (DHDS)	Design exhibitions-cum-Workshops:1250 3rd Handloom Census 50 lakh photo ID cards to be issued	949 Census completed; Report released in Dec. 2010. 30 lakh ID cards distributed	300

Table 3.2: Financial Performance of Schemes for Handloom Sector during 11th**Plan**

(` in crore)

Schemes	Approved Outlay for 11th Plan	Actual Expenditure in first four years	Outlay for 2011-12
1.Integrated Handloom Development Scheme (IHDS)- CSS	605.00	503.05	164.70
2. Marketing &Export Promotion Scheme –CSS	175.00	176.61	55.60
3.Mill Gate Price Scheme(MGPS)	92.00	148.69	55.60
4.Handloom Weavers’ Comprehensive Welfare Scheme	425.00	486.91	160.00
5.Diversified Handloom Development Scheme (DHDS)	73.00	56.76	24.10
6.Revival, Reform and restructuring Package (CSS - approved during 2011-12)	--	--	200.00
Total	1370.00	1372.02	460.00+200.00

CHAPTER 4: Major Challenges facing the Handloom Sector

4.1 Handloom, being a state subject, its development is primarily the responsibility of the State Governments. Government of India has been supplementing the efforts of the States with its policy of promoting and encouraging the sector through a number of policies, programmes and financial assistance. Although these measures have yielded manifold benefits to the handloom weavers and ancillary workers, yet the sector continues to face several daunting challenges and uncertainties.

Welfare and Livelihood of Weavers including Women

4.2 Despite the welfare-oriented policies implemented by the Government, almost half of the handloom weavers belong to the most backward and poorer sections of the population. Nearly 47% of all handloom weavers possess Below Poverty Line cards and 10% have Antodaya Anna Yojana Cards. About 29.4% of all handloom workers have never attended school and 12.7% are educated only up to primary school level. The high incidence of poverty and illiteracy among weaver families is accompanied by poor access to basic necessities including health, water, sanitation, housing and livelihood facilities. The role of women in the handloom industry is largely unacknowledged. But this sector derives a majority of its skills and work from women who constitute more than 70% of weavers and workers engaged in this sector. Although in some regions, women may not specifically take up weaving work, they are engaged in the production process right from the initial stage of opening up the hank to the finishing of the product. Hence, women workers need to be recognized as contributors and need to be enumerated in any mapping and diagnostic exercises.

Rising Input Costs

4.3 The issue of easy sourcing of raw materials (both yarn and dyes & chemicals) at reasonable prices has been a key problem across centres of handloom production. The problem is far more acute for individual weavers. Cotton yarn is the major input for handloom weaving. In recent years, there has been a phenomenal rise in the prices of yarn.

The main reason for this is the sharp increase in the prices of cotton. Supplementary reasons include lack of proper delivery systems, closure of spinning mills in some handloom producing States, and non- fulfillment of the Hank Yarn obligation by the organized mill sector. For ensuring easy availability of yarn at reasonable prices and on a regular basis, the Government of India has been implementing the Mill Gate Price Scheme, under which yarn is supplied at the door steps of weavers at mill gate prices. Over 700 yarn depots are functioning in weaver clusters. However, despite these interventions, the Scheme has not been able to address the problem fully, due to certain constraints in implementation of the Scheme as also due to lack of financial resources. The corpus fund made available to National Handloom Development Corporation (NHDC) under the cluster development programme, has not eased the problem. Therefore, easy availability of yarn at reasonable prices remains a persistent problem for weavers cross the country, especially in the NER States. Independent weavers face a major difficulty as the delivery of yarn by NHDC is in bulk, whereas independent weavers need small quantities. Hence, yarn depots need to also supply yarn in smaller quantities.

Sparse Credit Coverage and High Cost

4.4 Weavers are prone to diverting credit towards consumption needs. Lack of even rudimentary financial literacy aggravates the existing credit-related obstacles faced by the weavers. Furthermore, a majority of handloom weavers operate outside the fold of institutionalized financing. Of the total households surveyed in the 3rd Handloom Census, nearly 44.6% were dependent on Master Weavers for their credit requirements, while 13.4% still relied upon moneylenders. Only 14.8% had access to institutionalized sources of credit. Further, institutional credit is currently being accessed mainly through the Scheduled Commercial Banks, Cooperative Banks, Regional Rural Banks, etc., which have limited reach in interior/remote/rural areas. In fact, as per the Handloom Census, access to institutional financing for rural households was only 7.7%. These factors reveal the extent to which the weavers are trapped in the vicious cycle of debt and resultant poverty.

Marketing Bottlenecks

4.5 Dearth of innovation and limited dynamism is associated with the handloom sector, particularly in the field of marketing. One major factor impeding the expansion and growth of this sector is lack of adequate investment, participation and stake-holding by the private sector, mainly in marketing and supply chain. As 61.1% of the total weaver workforce (24% for non-North Eastern States) comprise of independent workers, a majority of the weavers necessarily bear all the risks associated with the business of procurement, marketing and sale, with obvious consequences. Relieving them of these uncertainties is critical, which can only be achieved by developing reliable and sustainable marketing networks with the involvement of the private sector.

Poor Institutional Management

4.6 The Handlooms sector was encouraged to adopt a co-operative model and the Government policy facilitated the formation and running of Primary Cooperative Societies at the village/taluka level and Apex Societies at the State level. Besides, State Handloom Corporations were also promoted with a view to supporting individual weavers. It was envisioned that the Apex Societies/ State Handloom Agencies would, inter-alia, arrange for procurement of yarn from organized mills, supply the same to Primary Societies for producing cloth and, thereafter, also undertake marketing activities. Unfortunately, in the last 5 to 10 years, several Apex Societies /Handloom Corporations have become dormant due to a host of reasons such as financial losses, lack of professional management, over-staffing and poor marketing and distribution channels. These organisations are, therefore, not able to arrange for sufficient work for the weavers' community, which has further adversely affected the health of the Primary Cooperative Societies. Estimates show that of the 21,765 registered Primary Weavers' Cooperative Societies (which cover only around 15% of the weavers in the country), only 50% are functional and that too, partially. Moreover, about 85% of weavers in the country are outside the cooperative fold, as they work either under Master Weavers/ traders or independently.

Poor Policy Dissemination

4.7 Lack of information to weavers regarding various Government policies and schemes under implementation, is a significant cause for the dwindling fortunes of the weaver community. Sometimes, the implementing agencies and the concerned Governments Departments may not possess complete information, resulting in critical gaps in implementation.

Infrastructure gaps

4.8 Infrastructure in the handloom sector continues to be inadequate, particularly in the North Eastern Region (NER). Facilities such as clean drinking water, sanitation, effluent treatment plants and electricity, are not available in all hubs of handlooms production. Systems that ensure efficient supply chain management from the stage of availability of handloom raw materials up to sale of finished goods, essential for providing the weavers easy access to inputs and markets throughout the country and thereby resulting in higher returns for their products, are yet to be set up. In the NER, the biggest challenges faced by weavers include regular and easy access to raw materials, credit and markets. This is compounded by the sparse nature of population and settlements, limited local organization through participation of SHGs, poor implementation of public schemes and lack of adequate public accountability as well as lack of institutionalized evaluation and monitoring mechanisms.

Information and Resource gaps

4.9 Major institutions providing inputs-credit, research, technology, management and market development, etc. are largely centralized and, hence unable to reach the dispersed and largely home-based weavers. There has been limited information flow between buyers and sellers and as such, weavers are often not familiar with the variety in usage of fabrics and thus find themselves unable to respond to dynamic market trends or suggestions by designers/ marketing agencies.

Data Base

4.10 Inadequacy of a dedicated data base for the sector continues to be a major drawback, which adversely affects policy formulation and review. Its absence also hinders attempts at inter-sectoral comparisons with related departments. For example, the Government uses aggregate data to compare the production figures of handloom industry with those of mills and power-looms. But aggregate data does not reflect the rich diversity of handlooms – in terms of differences in production patterns and types of products amongst States, regions and districts. The conversion factor used for arriving at production of handloom cotton for hank yarn delivery has also remained unchanged for more than a decade, in the absence of updated and reliable data pertaining to the conversion element involved.

Monitoring and Evaluation

4.11 A critical success factor for any scheme is a robust monitoring and evaluation system to ensure timely completion of project activities as well as attainment of objectives of increasing incomes of weavers, increasing output, maximizing coverage and ensuring a sustainable impact. Towards this end, there is a need for a strong web-based monitoring system to promote transparency and accountability and facilitate regular tracking of physical and financial performance of individual programmes/projects, particularly the ongoing Clusters.

Education, Skills, Research and Training

4.12 The formal education system, including research institutes, have not included teaching, training and skill development for the handlooms sector into their mainstream curricula/activities. As a result, the onus of introducing innovation in design and techniques is left to the initiative of the weaver families who usually have no resources to devote to this critical field. While rapid changes in technology and processes have taken place globally, practices in the domestic handloom sector have tended to be relatively static and consequently unable to meet the market requirements. Upgrading the skills and capacity building throughout the handloom chain is one of the most urgent needs for bringing about positive transformation in the sector. Skills linked to production planning, costing, quality control and marketing as well as in design and technology development, are some of the

areas that need concerted efforts to enable weavers to compete in open markets. Another crucial requirement is to mainstream the handloom technology and management-related education relating to handlooms, in order to turn the sector into a lucrative career option for the youth. Investment in education will also help preserve and document existing technologies and practices. Focused training and skill upgradation programmes must be instituted to help women workers manage weaving and weaving related production. Existing training modules and schemes should be more inclusive of women workers and it should be ensured that women get equal access to training and infrastructure under the schemes. Environmental compliance and occupational health and safety issues also need to be built into the training and educational modules. Particular emphasis is required to make yarn and handloom dyeing units aware of the ban on azo dyes as use of these dyes are harmful both to weavers and the customers, and it is not desirable to sell products made using these dyes. Steps need to be taken to promote vegetable dyeing and providing training and awareness-building workshops for chemical dyeing.

Consolidation

4.13 Various cluster development schemes have been in operation since the last two Plan periods, spanning different sizes of clusters in terms of number of looms covered. While the existing clusters need consolidation for making them more self-sustainable, efforts are also required to provide coverage for areas which have not been assisted so far. As the number of looms in a cluster varies from place to place, the levels of interventions required would also vary. Cluster development needs to be given continued emphasis for achieving integrated and holistic development of the weavers.

4.14 The formulation of the 12th Plan presents an opportunity to take steps for overcoming these constraints and facilitate a faster and more robust growth of the handloom sector.

CHAPTER 5: Recommendations and Proposed Outlays/Targets for the Handloom Sector in the Twelfth Plan

5.1 The Approach Paper for the 12th Plan has identified handlooms as one of the priority sectors that will create large scale employment opportunities. It has also identified areas for action in order to overcome certain constraints that cut across sectors. In the context of micro and small enterprises, the areas for action identified are access to capital and credit, technology and productivity, marketing and production inputs, and clusters. Since a majority of the handlooms units are individual enterprises, the areas for action for MSEs identified in the Approach to the 12th Plan, would equally apply to the handlooms sector. Besides, the challenges facing the sector also need to be addressed in the 12th Plan.

5.2 For the handloom sector, the vision for the 12th Five Year Plan should be to develop a strong, competitive and vibrant sector in order to provide sustainable employment to the weavers and ancillary workers, particularly belonging to the disadvantaged sections of the population and to ensure faster, more inclusive growth of the sector. In line with the vision, the focus of action by the Government should be on strengthening the raw material delivery systems, achieving universal financial inclusion of weavers/ancillary workers, professionalizing the existing institutions with emphasis on strengthened marketing & brand building initiatives, promoting weaver welfare programmes, restructuring the cluster development approach and establishing robust monitoring and evaluation systems. The thrust should also be on introduction and intensification of partnerships with the private sector for greater efficiency and faster growth. Further, design and product diversity, including development of niche products, should be emphasized to enable handloom goods to gain a competitive edge and be able to respond to rapidly changing consumer trends. In order to achieve these objectives, it is recommended that the existing programmes in the 11th Plan may be continued along with suitable consolidation and streamlining and, in addition, some new initiatives may be introduced.

Raw Material Availability

5.3 For ensuring adequate availability of yarn, multi-pronged strategy is required. Keeping in view the evaluation report (2011) on the Mill Gate Price Scheme (MGPS) by Mott MacDonald, and with the aim of improving the effectiveness of the Scheme, the Steering Committee makes the following recommendations:

- a) Hank Yarn Obligation Order should be implemented with greater force and strictness to ensure compliance by the concerned spinning mills.
- b) Hank Yarn Price Monitoring Committee should ensure that as far as possible, prices of hank yarn remain reasonable and stable.
- c) The scope, coverage and guidelines of the Scheme should be modified so as to improve service delivery. The role of NHDC which is implementing the scheme should be enhanced.
 - (i) NHDC regional offices should act as resource agencies to sensitize the weavers and help form societies or groups. They can also consider mobilizing resource persons for strengthening and capacity building of societies/groups to help form better linkages with financial institutions.
 - (ii) More depots should be allocated to the areas dominated by weaver population and should be in proportion to the concentration of the weaver population.
 - (iii) Yarn depots should also supply yarn in smaller quantities to meet the requirements of independent weavers.
 - (iv) Agencies which are eligible to avail the benefit of the scheme should also include reputed NGOs, SHGs, Producer Companies, weaver entrepreneurs, etc. Mechanisms should, however, be put in place to assess the requirements of these agencies so that the yarn obtained is used for captive production alone in demarcated areas only.
 - (v) NHDC should maintain close liaison with spinning mills and others as well as with the transporters so that improvement in service delivery can be

assured, in terms of minimizing delays in yarn supply and providing desired choice of yarn (mill, quality & type).

- (vi) To increase coverage, NHDC can associate with NGOs/ private players on a PPP mode with suitable safeguards, to operate yarn depots for ensuring availability of choice yarn to weavers on a sustained basis. This is especially recommended for the NER.
 - (vii) Greater awareness regarding operation of yarn depots should be ensured. This should include placing all information by NHDC in public domain through their website. The information should include the location of the depots and details of supplies made to individual depots, covering quantity, quality, counts and pricing of the yarn. NHDC should also take steps to computerize depot operations to make available information on further distribution of yarn by depots, to ensure greater transparency.
 - (viii) NHDC should increase its role and supplies of silk and wool as also other varieties of yarn.
 - (ix) A comprehensive monitoring and evaluation mechanism for the Scheme should be worked out by the Ministry of Textiles and guidelines for the same clearly laid, to bridge the gaps in service delivery.
 - (x) A mechanism should be worked out for reviewing the rates of reimbursement of expenses on transportation, depot operations, and administrative expenses of NHDC, at regular intervals, keeping in view the specific requirements of different regions and prevailing market conditions, etc. as well as availability of other resources such as corpus fund. While undertaking such reviews, suitable modifications in the Scheme may be considered so as to address the issues identified in the report of M/s Mott MacDonald as also the recommendations of the Expert Committee (**Annexure VII**).
- d) **Waiving of Value Added Tax (VAT) & CST:** Special efforts should be made to give thrust to the handloom industry. These include waiving off taxes such as VAT

and CST, specifically for the agencies which procure yarn through NHDC. The proposal may be initiated with a pilot project in select States and replicated after thorough examination of the outcomes.

- e) Yarn depots should also undertake supply of dyes and chemicals in small sachets in order to make raw materials easily accessible.
- f) A mechanism should be put in place to introduce a hank yarn subsidy scheme for intermittent periods with multi-agency implementation and appropriate safeguards. Thrust should be to make yarn available at competitive prices to handloom weavers only. Care should be taken that support is not cornered by exporters, merchants, etc.
- g) Other alternatives for ensuring regular availability of desired varieties of yarn at competitive prices should be explored. These may include promoting decentralised small spinning units and interventions like the Malkha process involving re-establishment of the link between farmers growing cotton and weaving locally in the same area.

Credit Availability

5.4 To meet the credit requirements of weavers and make it available to them at reasonable rates, the Steering Committee makes the following recommendations:

- a) Financial literacy should be provided to all weavers if they are to benefit from the facilities being extended under various Schemes.
- b) Each holder of Weaver's ID Card should have a bank account.
- c) Possibility of issuing Weaver Credit Card linked to the ID Card should be studied and implemented.
- d) Margin money support should continue and it should cover one weaving cycle of production and sale.
- e) Interest subsidy should be considered to bring the rate of interest at par with that for agriculture sector.
- f) The State Governments should foster the role of SHGs and link them with banks, Micro Finance Institutions (MFI) / Grameen /Sewa Banks, etc. to enable access to

credit. NHDC should also assist in obtaining credit facilities from banks at least to those weaver groups /agencies that need to procure reasonable quantities of yarn.

- g) Professional, time-bound evaluation of the Schemes should be conducted by organizations of repute in the 12th Plan.

Infrastructure and Cluster Model

5.6 Cluster Development Approach during the 12th Plan should focus on sustainability of the clusters that were taken up in the 11th Plan period, failing which the entire efforts made so far may become futile. The recommendations of the Steering Committee are as under:

- a) Consolidation of existing clusters should be given priority, and should include funding for hard interventions like formation of consortia/producer companies, upgradation of looms, commissioning of CFCs/ dye houses, etc.
- b) New clusters should be taken up in those States/areas where none have been assisted so far and where there is a concentration of weavers. The level of interventions should be based on the requirements of specific areas to be covered. Group Approach Projects and State-specific Projects should continue to be taken up, based on requirements.
- c) Women workers should be recognized as contributors and be enumerated in any mapping and diagnostic exercises in their own individual capacities, whether as weavers or as pre- and post-loom workers. They must be given weaver cards and insurance cards. Special attention must be paid to female heads of weaving households, including where women have stepped forward to be involved in weaving. Focused training and skill upgradation programmes must be instituted to help women workers manage weaving and weaving related production. Existing training modules and schemes should be more inclusive of women workers and it should be ensured that women get equal access to training and infrastructure under the schemes.
- d) Eligibility of implementing agencies should be broadened to include NGOs, associations and other institutions of repute which have local and regional experience and relevant expertise.

- e) Emphasis should be on more efficient management of clusters so that they become sustainable. Towards this end, the prospective Implementing Agencies (IAs) should be required to present a feasibility study and implementation plan for respective clusters. This business plan should be used as one of the basic parameters for monitoring as well. The plan should spell out mechanisms to ensure long term sustainability of the cluster, including measures for enhanced energy, water and sanitation management, either by making suitable provisions within the project components and/or through convergence of activities and developmental schemes of relevant Government departments.
- f) The IAs should also be responsible for integrating interventions like awareness generation programmes, capacity building of weavers, establishment of credit linkages, imparting financial literacy, and aiding the formation of SHGs / producer groups where necessary, into their business plans. Such soft interventions should be suitably capped at reasonable levels with reference to the total project cost.
- g) A dedicated Cluster Development Executive (CDE) and a Designer-cum-Marketing Executive (earlier known as Design Executive) should be appointed on full-time contractual basis for each cluster.
- h) Scheme should continue allocation of up to 10% allocation (as existing) for promotion of innovative ideas, and allocate up to 7% for monitoring and evaluation by independent, professional agencies and up to 5% for publicity, awareness generation and performance linked incentives.
- i) For ensuring immediate availability of funds with the IAs, a State Level Implementation Society should be formed in the States to which funds can be transferred by the Ministry of Textiles. The Society should, in turn, pass it on to the IAs.
- j) A Cluster Cell should also be set up in the office of DC, Handlooms to deal with cluster programme management, including related activities such as liaising with State Governments/IAs, examining the proposals, releasing financial assistance and monitoring the progress.
- k) An advisory group of professionals, civil society representatives (NGOs, etc.) and weavers should be formed to assist the Cluster Cell.

- l) Mentors/monitors should be engaged at the field level in all States to undertake activities such as advising the IAs in implementation of the Cluster Development Programme, following-up with the State Governments / IAs, and monitoring and reporting the progress to DC, Handlooms.
- m) To supplement the credit available from institutional sources such as Scheduled Commercial Banks, Cooperative Banks, RRBs, etc., for weavers particularly those residing in interior/remote/rural areas, provision should also be made for lending through Micro Finance Institutions (MFIs) along with interest subvention and credit guarantee cover.

Marketing, Exports and Brand Promotion

5.7 To ensure widespread availability of the handloom products to all segments of the customers, the Steering Committee makes the following recommendations:

- a) The strategy for the 12th Plan should be to market handloom products along the pattern of 'Incredible India' campaign.
- b) Celebrity endorsement should be encouraged and celebration of 'India Weaves Week' at all the Indian Embassies/ High Commissions abroad through the Handloom Export promotion Council, is suggested.
- c) Impetus should be given to awareness generation amongst civil society and the youth for sustainable consumption of handloom items.
- d) Linkages should be created with the tourism industry to promote textile tours to handloom weaving centres and follow the alternate marketing strategy of bringing customers to weavers. The rich tradition of the handloom sector should be leveraged to develop tourism potential in individual States, by showcasing the unique skills and products of this sector, not just through short-term fairs and exhibitions, but by establishing permanent arrangements with live demonstrations of the crafts along with sales counters, at strategic locations, which could serve as captive marketing channels particularly for weavers located in nearby areas.
- e) Collaboration could be considered with other Departments/sectors such as Khadi & Village Industries and Handicrafts as products of these sectors have common attributes of handmade and also possessing cultural value.

- f) Thrust should also be to enter niche markets and enhance availability of requisite handloom products both internationally and within India.
- g) The existing programmes for organizing exhibitions under the Marketing and Export Promotion Scheme should be continued, along with widening of the eligibility criteria for Implementation Agencies to ensure at least 25% participation from the NGO sector/ producer companies/ management firms with requisite experience and expertise and also by engaging event management agencies. The Scheme may also include organization of Mega Handloom Expos in metros for greater and direct exposure of weavers to urban markets through, inter alia, provision of financial support (TA/DA/hotel accommodation, etc.) to weavers.
- h) The coverage of the Handloom Mark should be enlarged considerably so that within a definite time frame, all handloom products are sold with the Handloom Mark.
- i) The feasibility of introducing a Powerloom Mark for all powerloom products should be examined, to differentiate the products and ensure that powerloom products are not sold as handloom products, thereby safeguarding the interests of the consumers.
- j) Steps should be taken for strict enforcement of the Handloom Reservation provisions under the Handloom (Reservation of Articles for Production) Act, 1985, through, inter alia, setting up zonal offices in major handloom States, reviewing the penalty provisions, bringing the implementation of the Handloom Mark Scheme under the Act and exploring the feasibility of a separate national accredited testing laboratory for handloom products. (The issue regarding inclusion of items woven with blended yarns into the Reservation List, being a policy matter, should be reviewed and clarified by M/o Textiles separately).
- k) State Handloom Development Corporations as well as the Apex Organizations should be strengthened to provide support to handloom weavers in the respective States. Strengthening the supporting infrastructure, consolidation of delivery mechanisms and partnership with private players should form the core elements of the strategy to strengthen these organisations.
- l) All existing infrastructural aspects (such as interiors, visual merchandizing, stock rotation and professional management) should be reviewed and requisite provisions made in existing structures as well as for new structures. Such action should be taken

for urban haats (in metros/cities) and mini haats (near small towns) on Dilli Haat format, for capturing both urban and rural markets.

- m) CFCs promoted under Cluster Development Programme should act as warehouses, wholesale markets and distribution centers to enable exporters, manufacturers and boutique owners to source high quality handloom fabrics.
- n) Retail stores should be promoted in major cities and State capitals under a single brand name and under PPP mode.
- o) A web-portal should be created to provide e-marketing platform with B2B and B2C facility.
- p) Design Studios should also be set up to provide innovative designs/ colour forecasts with appropriate linkages with reputed design institutions.
- q) To boost the export of handloom products, Display-cum-CFC and Quality Testing Units should be set up at Panipat (Haryana) and Karur (Tamil Nadu) in PPP mode by internationally accredited testing agencies.
- r) Publicity for existing GI-certified products and enhanced pre- and post-registration awareness programmes should be made a priority in the 12th Plan.

Human Resource, Skill and Research & Development

5.8 The recommendations of the Steering Committee are as under:

- a) To overcome the existing training and skill gaps, the 12th Plan should aim at strengthening all the Weavers' Service Centers (WSC) and the Indian Institutes of Handloom Technology (IIHT) by installing new and updated machinery and further consolidating them with financial, infrastructural and faculty support. WSCs and IIHTs should also undergo regular evaluations. While priority should be given to consolidation of existing infrastructure, 3 more WSCs in NER and 2 in other emerging handloom States such as Jharkhand and Himachal Pradesh, should also be considered.
- b) Eligibility of training/ implementing agencies may be broadened to include NGOs, Associations of NGOs, Design Institutes, Management Institutes and other organisations of repute which have local and regional experience and relevant expertise.

- c) To support the preservation, revival, archiving and documentation of languishing handloom crafts, the 12th Plan should support establishment of a Textile Museum/Conservatory/Resource Centre and constitution of Textile Chair(s) in leading regional and National Universities.
- d) Collection of statistical data relating to the sector at regular intervals should also be facilitated.
- e) An evaluation of the activities of the National Centre for Textile Design (NCTD) by independent and professional design institutes of repute and rationalization of the working of the Centre should be undertaken.

Social Security

5.9 The existing programmes extending social security benefits to weavers and ancillary workers should be continued, with certain modifications being made to ensure greater efficiency in implementation. The recommendations are as under:

- a) In the Health Insurance Scheme and the Mahatma Gandhi Bunkar Bima Yojana, coverage should be extended to both BPL and non- BPL households.
- b) The **Health Insurance Scheme** should be extended beyond a single insurance provider to include multiple service delivery organizations, each for a different geographical unit. This would help to reduce dependency on one entity and create a pool of service providers to ensure greater sensitivity to regional specificities.
- c) The health insurance cover should be expanded to be at par with the provisions of the schemes of the Ministry of Labour & Employment.
- d) Biometric cards along with photo health ID cards should be used for better targeting.
- e) Aged parents of the primary card holder should be eligible to avail benefits within overall ceiling.
- f) The list of empanelled hospitals should be expanded and made readily available in public domain.
- g) The process of claim payments should be re-evaluated in the 12th Plan and an annual evaluation of the Scheme's progress should be undertaken by an independent organization of repute.

- h) The onus of awareness generation among beneficiary communities and sensitization of implementing personnel to community-specific needs should be made a part of the mandate of the insurance provider, through suitable provisions in legal contract, if necessary.
- i) The **Mahatma Gandhi Bunkar Bima Yojana** should be modified to allow enhancing the age limit under the Scheme to 70 years.
- j) An Endowment Policy with a Survival Benefit as an optional 'Add-on' benefit should be considered, with the additional premium being borne by the beneficiary who chooses to opt for the same.
- k) Scholarships under the Scheme should be continued in the 12th Plan.
- l) Financial assistance should be considered for at least 10 children of weavers who are enrolled in five-year degree Technical / Professional courses.
- m) For both schemes, the sharing of premium between Government of India and the State/weavers should be modified to 90:10 for NER (including J&K)/ SC/ST/ Senior Citizens (above 60 years) and Women card holders.
- n) More awareness about both the Schemes should be generated through special camps and localized publicity in weaver concentrated areas.
- o) A new intervention in the form of a **Pension Scheme** should be considered, aimed at providing social security of pension and also to promote small savings during the productive life of the weavers. The Scheme should be open to all weavers and ancillary workers in the age group of 18 to 60 years. It may initially cover 6 lakh weavers. This may be implemented with the support of the National Social Security Fund announced in the Budget Speech for 2010-11 for supporting schemes for unorganized workers.
- p) Another new intervention, called the **Distress Relief Fund**, should also be considered, aimed at extending support to weavers during various crises such as natural calamities, human induced disasters, severe economic distress and weaver suicides. The State Government and Director (Handlooms) should be involved in implementation of the Scheme. For this purpose, a revolving fund of ` 1 crore per year may be placed at the disposal of each State Director (Handlooms) for providing immediate aid.

Looms Improvement and Better Ergonomics

5.10 The production process for handlooms involves continuous and repetitive movements which adversely impact the health of weavers in various ways such as by inducing body pain, pulmonary problems, chronic bronchitis, decrease in hand-grip strength and strain on eyes. Hence, the recommendations of the Steering Committee are as under:

- a) The 12th Plan should support the development of modified looms, accessories, and pre- and post- loom processes to reduce drudgery of weavers. Cycle wheel charkha and mechanical winding machines (pre-loom activities) and pneumatic jacquards, multiple shuttle box motion on frame/pit looms, washing and calendaring machines, and small jiggers (post-loom activities) should be provided to weavers.
- b) Awareness campaigns should be undertaken to encourage weavers to take up preventive maintenance of looms, including periodic replacement of loom accessories.
- c) Arrangements should be worked out for easy access to technical support in handloom clusters through CFCs, State /Apex handloom agencies, etc.
- d) All interventions should be carried out as part of the IHDS.

Environmental Compliance and Occupational Health & Safety

5.11 The 12th Plan should encourage greater environmental compliance through the following steps:

- a) Strategies should be adopted to quantify environmental impact while planning for cluster development, so that suitable arrangements can be made for controlling the disposal of toxic effluents and mitigating water wastage.
- b) Waste management training should be extended to all weavers/ancillary workers.
- c) Installation of Effluent Treatment Plants (ETP) should be made mandatory for all dyeing units, which could be set up in the PPP mode.
- d) All the above basic components should be considered under the IHDS.

5.12 To improve health and safety of weavers and ancillary workers, the following recommendations are made:

- a) Cluster-level diagnostic studies should be conducted by research organizations/ individuals/ institutions/ NGOs to map the existing health hazards. The studies should be incorporated into the cluster development business plans to evolve suggestions for improving safety of weavers/workers and increasing awareness amongst them.
- b) Support should be extended to the clusters for retrofitting of work-sheds with proper lighting and ventilation along with distribution of low-cost safety equipment kits.
- c) Small cost-effective measures like providing suitable masks/gloves/ventilation for workers in dye houses should be provided free of cost.
- d) Yarn and handloom dyeing units should be made aware of the ban on azo dyes.
- e) NHDC should ensure the availability of azo-free dyes (in small packets of 20 gms each) in all yarn depots and yarn banks.
- f) Steps should be taken to promote vegetable dyeing and suitable training and awareness-building workshops should be conducted for dyeing based on chemical dyes.
- g) Solar powered systems should be provided at subsidized cost for housing units and/or worksheds of weavers.

Special Assistance to the North Eastern Region (NER)

5.13 For development and transformation of the NER into a vibrant and dynamic center of handloom production, the following recommendations are made:

- a) All existing schemes, including welfare schemes, should be continued with adequate consolidation and strengthening.
- b) The focus of the 12th Plan should be on upgrading looms, dye houses and worksheds after in-depth evaluation and review of existing infrastructure. Accessories should be supplied wherever in short supply.
- c) SHGs should be formed and training facilities upgraded to ensure 100% coverage of handloom workers.

- d) A **new scheme of Minimum Economic Size (MES) commercial units** is recommended for implementation immediately. This may be a Central Sector Scheme, aimed at enhancing raw material and credit card distribution and making margin money directly available to weavers. It can also help make prototypes based on traditional designs and aid marketing.
- e) **Three special initiatives are also suggested-** (i) An Advisory Group of Experts for the Region should be set up, for undertaking continuous monitoring and evaluation of projects; (ii) A Marketing Consultant, besides NEITCO (North Eastern Industrial & Technical Consultancy Organization, Guwahati), who has adequate experience in promoting special products, should be appointed to establish greater linkage with buyers; and (iii) A Design Consultant with knowledge of local systems, structures, environment, education, values and human resource, should also be appointed to link and develop local tribal design knowledge with the markets.
- f) An Apparel Designing & Training Institute should also be set up, linked with one Special Weavers' Service Centre.
- g) NER's distinctive designs and apparel woven on back-strap looms must be developed and promoted as a special brand in consultation with designers, promoters and fashion shows.
- h) Organization of Mega Expos in NER and similar Expos in metropolitan cities in the PPP mode should be carried out in the 12th Plan.
- i) Opening of show-rooms in select metropolitan cities should also be planned.
- j) Ministry of Textiles should coordinate with the Ministry of Tourism to develop and promote cultural tourism, and enable handloom clusters to become centres of heritage tourism in the NER.

Financial Outlays and Physical Targets for the 12th Plan for Handlooms

5.14 The financial outlays and physical targets proposed for the handloom sector in the 12th Plan are given below in Tables 5.1 and 5.2 respectively:

Table 5.1: Proposed Financial Outlay for the Handloom Sector during 12th Plan

(` in crore)

Proposed Interventions	Proposed Outlay for 12th Plan
Raw Material Availability	2140.00
Credit Availability	770.00
Infrastructure and Cluster Model	1551.00
Marketing, Exports and Brand Building	2217.50
Social Welfare Measures and Environmental Compliance	1109.50
Training, HRD, R&D & Technical Processes	325.00
North Eastern Region	152.00
Total	8265.00
Revival, Reform and Restructuring Package (announced in Budget 2011-12)	2937.00
Grand Total	11202.00

Table 5.2: Proposed Physical Targets for the Handloom Sector during 12th Plan

Proposed Interventions	Targets*
Marketing, Exports, Brand Building and Promotion of Handloom Products	Marketing Events: 3540. Urban Haats: 125 Retail Outlets: 100 Weavers to be benefitted under Marketing Incentive Component: 45 lakh International Fairs & Exhibitions: 125 Export Projects: 50
Infrastructure and Cluster Model	Consolidation of Clusters: 400 New Clusters/Projects: 530
Raw Material	Yarn to be supplied: 7500 lakh Kgs Depot-cum-Warehouse to be opened:10
Credit	Margin Money support to 5 lakh weavers Credit Guarantee & Interest Subvention for credit mobilization targetted at ` 14000 crore
Social Welfare measures and Environmental Compliance	Health Insurance Scheme: 18 Lakh beneficiaries per year MGBBY: 10 Lakh beneficiaries per year New Pension Scheme: 8.50 Lakh weavers Distress Relief Yojana: 1.15 Lakh weavers Solar lighting; 5.00 Lakh weavers Loom Improvement & Better Ergonomics: 5 lakh Looms
Training, HRD, R&D & Technical Processes	Improvement in infrastructure & machinery in existing WSCs Setting up 5 new WSCs and 2 IIHTs Introduction of degree courses No of Trainees to be trained: 2.35 lakh R&D Projects: 20 J&K Project: 1 Textile Museums: 1 Environment Compliance Projects: 50 Revival & documentation of languishing handloom crafts: 10
North Eastern Region	MES Units: 300 Common Worksheds: 550 Other Events / projects / initiatives: 61

***Tentative**

PART B: HANDICRAFTS

CHAPTER 6: Situational Analysis

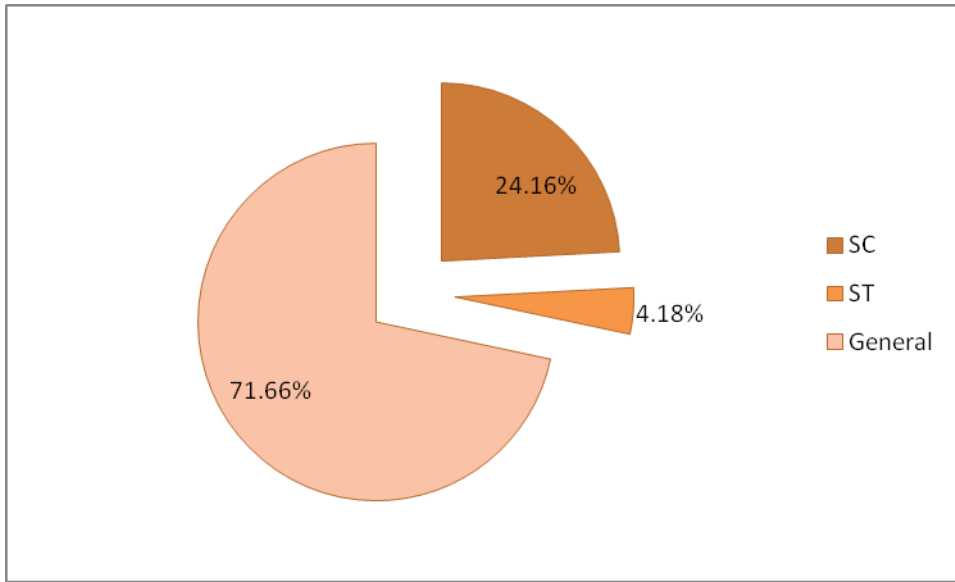
Introduction

6.1 Handicrafts refer to items made by hand with the use of simple tools, generally artistic and /or traditional in nature, used for decorative purposes, including gifts and souvenirs as well as for utility purposes. India's main handicraft items are Woollen Hand Knotted Carpets produced in Bhadohi-Mirzapur, Agra and Shahajahanpur (UP), Srinagar (J&K) and Jaipur (Rajasthan); Art metalware produced in Moradabad and Aligarh (UP), Thanjaur and nearby areas (Tamil Nadu), tribal areas of Chattisgarh and MP; Wooden Artware in Saharanpur (UP), Jodhpur (Rajasthan), Mysore (Karnataka); Lace & Crochet goods in Narsapur (Andhra Pradesh); Cane & Bamboo Products in Tripura, Assam, and other NE States; Embroidered goods in Kutch, Lucknow and Srinagar; and Zari & Zardosi items and Hand-printed textiles.

6.2 Handicrafts activity is predominantly carried out in the unorganized household sector. The artisans/manufacturers are household members practicing handicrafts activity jointly at their residence, who if need arises, employ other handicraft artisans for work. In India as well as in many other regions of the world, handicrafts sector is identified as the second largest sector of rural employment after agriculture. The Approach Paper for the 12th Plan has identified handicrafts as one of the priority sectors, along with handlooms, that will create large scale employment opportunities.

Employment Generation

6.3 The Handicrafts Census is yet to be completed, which will indicate the precise extent and nature of the sector. However, as per latest available estimates, employment in this sector has risen from 65.72 lakh in 2005-06 to 68.86 lakh crafts persons in 2011-12. Of the total lakh crafts persons, 24.16 % belong to the Scheduled Castes, 4.18% are Scheduled Tribes and 47.4% are women. 22.99% belong to minority groups.



6.4 Pending completion of the Handicrafts Census, a proposal is being followed up by the M/o of Statistics & Programme Implementation to include Handicrafts in the Sixth Economic Census scheduled to be conducted by the Ministry during 2012-13.

Production and Exports

6.5 There is no objective criterion for assessment of domestic production of handicrafts in the country, as there is no primary data on total production in the sector. It is estimated by Ministry of Textiles that exports constitute about 60% of the total production of the handicrafts sector, and the remaining 40% is consumed domestically. While the export figures are compiled by the Export Promotion Council of Handicrafts (EPCH) and Carpet EPC (CEPC), figures of domestic production are derived and, thus, only indicative in nature.

6.6 At the end of the 10th Plan (2006-07), export of handicrafts was at its peak, with total exports (inclusive of carpets) estimated at ` 17,288.00 crore. But towards the beginning of the 11th Plan, the industry suffered a severe setback due to the global economic recession in 2008, especially as USA being the leading importer of Indian handicrafts was badly affected. Thus, exports of handicrafts (inclusive of carpets) declined by 37.89% in the second year of the 11th Plan (2008-09) to ` 10,891.73 crore. However, despite a worldwide

slowdown, steps taken by the Government led to total handicraft exports increasing by 3.05% in 2009-10, followed by a 20.51% increase during 2010-11, to reach a level of ` 13,526.70 crore. Exports have further increased by 24.58% during the last year (2011-12) of the 11th Plan and amounted to ` 16,851.27 crore. The revival of the industry has now led to the return of many artisans who had left the sector earlier. Figure 6.1 gives year-wise exports of handicrafts and carpets. Table 6.1 indicates the growth rate of exports of handicrafts and carpets as well as total exports during the 11th Plan; Table 6.2 indicates total production and growth rate of production of handicrafts in the 11th Plan.

Figure 6.1: Export of handicrafts and carpets in the 11th Plan

(` Crore)

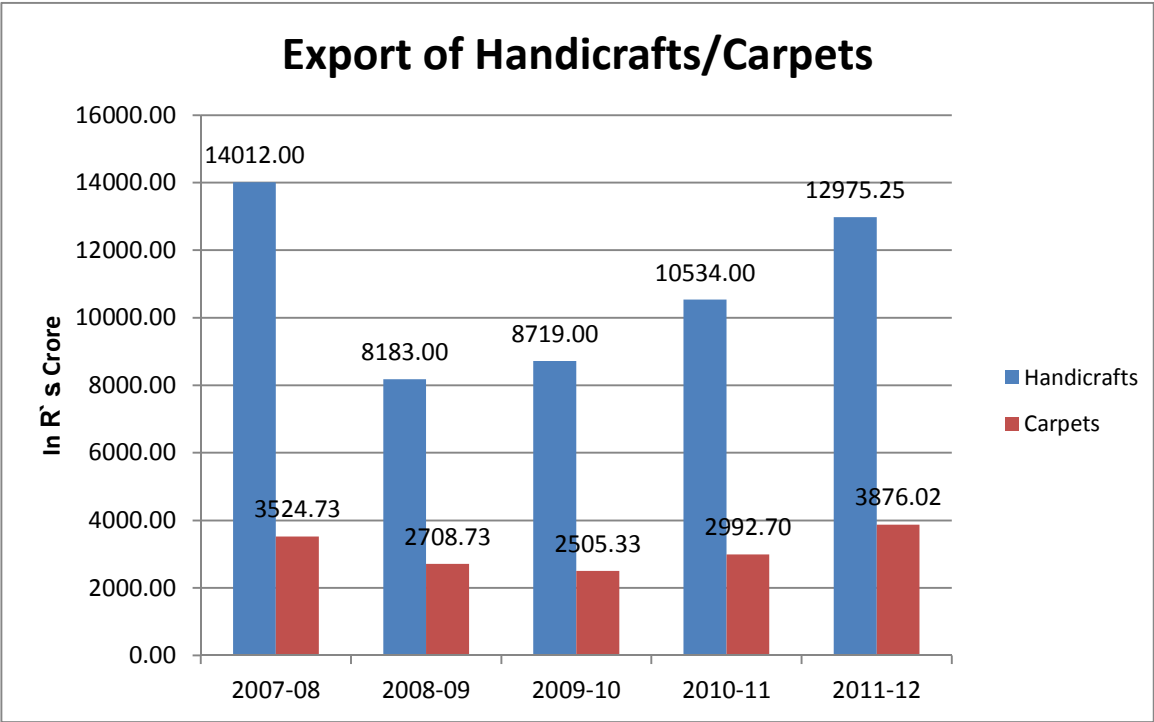


Table 6.1: Growth of exports of Handicrafts in the 11th Plan

(₹ Crore)

EXPORTS	2007-08	2008-09	2009-2010	2010-11	2011-12
Handicrafts	14,012.00	8,183.00	8,719.00	10,534.00	12,975.25
Growth (%)	(-)18.94	(-)71.23	6.55	20.82	23.18
Carpets	3,524.73	2,708.73	2,505.33	2,992.70	3,876.02
Growth (%)	(-)11.43	(-)16.78	(-)7.51	19.45	29.52
Total Exports	17,536.73	10,891.73	11,224.33	13,526.70	16,851.27
Total Growth in Exports(%)	(-)16.34	(-)37.89	3.05	20.51	24.58

*Source: EPCH and CEPC***Table 6.2: Growth of Production of Handicrafts in the 11th Plan**

(₹ Crore)

YEAR	HANDICRAFTS		CARPETS		Total Production	Growth in Production (%)
	Exports	Production	Exports	Production		
2007-08	14,012.00	28,024.00	3,524.73	3,877.20	31,901.20	-
2008-09	8,183.00	16,366.00	2,708.73	2,979.60	19,345.60	(-)39.35%
2009-10	8,719.00	17,438.00	2,505.33	2,755.86	20,103.86	3.91%
2010-11	10,534.00	21,068.00	2,992.70	3,291.70	24,359.70	21.16%
2011-12	12,975.25	25,950.50	3,876.02	4,306.68	30,257.18	24.20 %

Source: EPCH and CEPC

6.7 Despite the revival of the handicrafts industry in the last two years of 11th Plan and the large production base within the country, India's share in total world handicrafts exports is estimated to be less than 2%, thereby pointing towards the potential for raising exports of Indian handicrafts in the largely unexplored international market.

CHAPTER 7: Schemes/Programmes for the Handicrafts Sector in the Eleventh Plan

7.1 At the beginning of the 11th Plan, the eight existing operational schemes were clubbed and converted into six Schemes. Subsequently, two more Schemes were introduced. All the eight Schemes are in the Central Sector and being implemented through the Development Commissioner for Handicrafts. The Schemes are aimed at providing welfare measures to the artisans and also need-based interventions for holistic and sustainable development of the handicrafts sector. The Scheme are:

1. Babasaheb Ambedkar Hastshilp Vikas Yojna (AHVY)

7.2 The Babasaheb Ambedkar Hastshilp Vikas Yojna (AHVY) was launched in 2001-02. The Scheme has five components. (i) **Social interventions** include diagnostic survey and mobilization of artisans and issue of ID cards to the artisans, (ii) **Technological interventions** include development & supply of improved modern tools, design and technical development workshops, training of artisans, and organizing seminars and symposium, (iii) **Marketing interventions** include organizing exhibitions, publicity, setting up Handicrafts Emporia, market assessment & product assessment studies, study- cum-exposure tours for artisans/other stakeholders, establishment of warehousing-cum-worksheds and entrepreneurship development programmes, (iv) **Financial interventions** include margin money support, wages to cluster manager, engagement of experts/consultants / institutions for providing need-based assistance, and credit guarantee, and (v) **Infrastructure-related interventions** include establishment of Resource Centre for major crafts, establishment of e-kiosks, creation of raw material banks, and setting up Common Facility Centres (CFCs).

7.3 The Mid-Term Appraisal of the 11th Plan by the Planning Commission has rated AHVY as one of the most successful schemes in terms of coverage and outreach. The Scheme has been able to increase the sales and provide market linkage to more than 70%

of the artisans covered, leading to improvement in the economic conditions of the artisans.

2. Design and Technology Upgradation Scheme (DTUS)

7.4 The Design and Technology Upgradation Scheme has eight components. (i) Financial assistance to Central Government sponsored institutions; (ii) Skill up-gradation through training of trainers and assistance to Shilpgurus; (iii) Financial assistance for development and supply of modern improved tools, equipment and process technologies; (iv) Assistance for design and technology upgradation through workshops and integrated projects for design development; (v) Documentation, preservation and revival of rare and languishing crafts; (vi) National Award for outstanding contribution in Handicrafts sector; (vii) Financial assistance for institutions to be set up under State Initiatives including Design Centres, Design Banks and Museums; and (viii) Product Development for Exports.

7.5 The Mid-Term Appraisal of the 11th Plan has stated that around 50% of the artisans reported improvement after attending design workshops and more than 80% reported increase in work orders after attending design development programmes.

3. Marketing Support and Services Scheme (MSS)

7.6 The objective of the MSS scheme is to enhance the access of artisans to various markets and marketing channels, and also create awareness about handicrafts amongst consumers and public at large, both in domestic and international markets, along with creation of marketing infrastructure. The Scheme has three broad components. (i) Domestic marketing through Crafts bazaars, exhibitions, sourcing shows, setting up Urban Haats, Emporia, and Warehousing facilities; and organizing Workshops, (ii) International marketing including workshops and training programmes, craft exchange programmes, participation in fairs and exhibitions, road shows, reverse buyer-seller meets and market studies abroad, and (iii) Publicity and marketing.

7.7 The Mid-Term Appraisal of the 11th Plan has indicated that more than 90% of the artisans reported increase in marketing accessibility and sales due to the Scheme and more than 80% reported increase in their income levels.

4. Human Resources Development Scheme (HRD)

7.8 The aim of the HRD Scheme is to provide trained and qualified workforce capable of establishing a strong production base, coupled with improvements in quality and use of appropriate techniques, processes and innovative designs to meet present day market requirements. The Scheme has five key components. (i) Training through established institutions, (ii) Training in innovative designs for artisans involved in hand block printing, terracotta, etc., (iii) Training of artisans/ SHG leaders/ NGOs in non-technical skills such as micro finance/ entrepreneurship development/ preparation of business plans/ preparation of project reports/ packaging/export procedures/ documentation, (iv) Conducting seminars/ workshops for dissemination and creation of awareness about schemes/ programmes, technological developments, market intelligence, amongst artisans and stakeholders, and (v) Training through Guru Shishya Parampara for passing the expertise along with appropriate technology and indigenous methods by master craftspersons to the artisans and provide gainful employment in rural areas.

7.9 The Mid-Term Appraisal of 11th Plan has indicated that nearly 88% of the beneficiaries reported increase in production after training and accessibility to new designs and techniques, and about 80% of the beneficiaries felt that the impact of these trainings/workshops is long term.

5. Handicrafts Artisans' Comprehensive Welfare Scheme:

7.10 The Scheme is aimed at addressing the welfare needs of the artisans in respect of health and insurance, and has two sub-schemes. (i) **Rajiv Gandhi Shilpi Swasthya Bima Yojana** (RGSSBY) aims at financially enabling the artisans' community to access healthcare facilities. The Scheme covers the artisans' family of four, comprising self and any other three members of the family from amongst the dependent parents, spouse and children. All craftspersons, whether male or female, between the age group of one day to 80

years are eligible. One artisan family receives the benefits for 3 years. The Scheme was initially being implemented only through ICICI Lombard General Insurance Company. In addition, Reliance General Insurance Company has also been engaged recently. The Scheme provides insurance cover of ` 100,000 for accidental death / disability, and mediclaim benefit of ` 15, 000 per family per annum. GOI's contribution to the premium is 80% (general artisans) / 90% (artisans belonging to North East Region/ SC/ ST / BPL families) and the artisan's contribution is 20% / 10% respectively. (ii) **Janashree Bima Yojana for Handicrafts Artisans** provides life insurance protection to handicrafts artisans, whether male or female, between the age of 18 – 60 years. The Scheme was launched in 2003 and is being implemented by LIC. It provides life insurance cover of ` 30,000 for natural death, ` 75,000 for accidental death or permanent disability, and ` 37,500 for partial disability. Additional benefits are extended in the form of an associated Scheme of LIC – “Siksha Sahyog Yojana” under which not more than 2 dependent children of the beneficiary studying in classes 9th to 12th are given scholarships at the rate of ` 300 per quarter per child.

7.11 The office of DC (Handicrafts) also implements a **Pension scheme** titled ‘Financial assistance to artisans in indigent circumstances’ under Non-Plan funding. This Scheme focuses only on the National awardees, National Merit Certificate (NMC) Holders and State awardees. Any person of the age 60 years or above and having an annual income of less than ` 15,000 is eligible to get a pension of ` 1000 per month.

6. Research and Development Scheme (R&D)

7.12 The R&D Scheme was introduced in 1956-57 as a Central Sector Scheme on all-India basis to generate feedback on economic, social, aesthetic and promotional aspects of various crafts and artisans in the sector. The Scheme consists of five components. (i) Conducting surveys/ studies of specific crafts for which adequate information is not available, including problems related to availability of raw material, technology, design, and common facilities; living and working conditions of artisans and issues related to brand building and promotion of Indian Handicrafts, (ii) Census of handicraft artisans, (iii)

Registration of Crafts under Geographical Indication Act, (iv) Setting up/strengthening Testing Laboratories, and (v) Assistance to exporters for adoption of global standards and bar coding, including Handicrafts Mark for generic products.

7. Scheme for Infrastructure/capital

7.13 The Scheme provides support for development of building infrastructure for the offices of the DC, Handicrafts.

8. Integrated Development Package for J&K

7.14 The Scheme provides financing for taking up specific programmes in the State of Jammu & Kashmir.

Physical and Financial Performance of the Schemes for Handicrafts

7.15 The Physical and Financial performance of the Schemes for the Handicrafts sector during the 11th Plan is given in Tables 7.1 and 7.2 respectively, below:

Table 7.1: Physical Performance of Schemes for the Handicrafts Sector during the 11th Plan

Schemes	Target	Achievements in first four years	Target for 2011-12
1. Babasaheb Ambedkar Hastshilp Vikas Yojana	Clusters: 600	536	120
2. Design and Technological Upgradation Scheme	Events: 1186	1380	249
3. Marketing Support & Services (MSS) Scheme	Domestic marketing events: 1070	1598	216
	International events/fairs: 743	259	259
4. Human Resource Development Scheme	Training through institutions: 120 Guru Shishya Parampara: 350	1097 Training Programmes	211 Training Programmes
5. Handicrafts Artisans' Comprehensive Welfare Scheme	40.80 lakh artisans	Health insurance: 27.83 lakh Bima Yojana: 12.39 lakh	Health insurance: 8.40 lakh Bima Yojana: 1.00 lakh
6. Research and Development Scheme	Census of Handicrafts, Studies as per requirement & 6 testing labs	Census work commenced and 86 studies commissioned	Need-based

Table 7.2: Financial Performance of Schemes for the Handicrafts Sector during the 11th Plan

(` crore)

Schemes	Approved Outlay for 11th Plan	Actual Expenditure in first four years	Outlay for 2011-12
1. Babasaheb Ambedkar Hastshilp Vikas Yojana	246.58	181.15	65.00
2. Design and Technological Upgradation Scheme	69.07	61.30	16.00
3. Marketing Support & Services Scheme	237.62	186.09	65.00
4. Human Resource Development Scheme	34.91	32.69	17.75
5. Handicrafts Artisans' Comprehensive Welfare Scheme	328.51	252.39	69.00
6. Research and Development Scheme	30.69	19.01	8.25
7. Infrastructure/ capital	23.65	15.91	4.00
8. Integrated package for J&K	4.04	4.04	--
Total	975.07	752.58	245.00

CHAPTER 8: Major Challenges facing the Handicrafts Sector

8.1 The handicrafts sector, despite the immense economic and social significance, remains beset with several constraints such as lack of infrastructure facilities, inadequate availability of quality raw material at reasonable prices, depletion of natural resources, decentralized status of the industry, lack of access to credit, lack of focused approach, absence of brand image, less penetration in domestic market and growing competition from machine-made products.

Resource Mapping

8.2 Several crafts in the country are an integral part of our history and tradition, but they are languishing due to lack of recognition being accorded to them and continue to remain neglected. The lack of proper processes and systems for identification, documentation and mapping of all crafts and clusters is still a major challenge.

Handicrafts Census

8.3 The lack of adequate and authentic data on craftspersons, including their socio-economic status, livelihood conditions and details of their families, is a major bottleneck which adversely affects planning and policy making for this sector which is the second largest employment generating sector after agriculture. Urgent completion of the proposed Handicrafts Census is required in order to bridge the existing gaps.

Welfare of Artisans

8.4 Although detailed figures are not available to assess the exact status of handicraft artisans in the country, scheme-based assessments have revealed the need to reposition and improve upon the implementation of all welfare oriented programmes. Ensuring easy accessibility to health centres, quick and objective settlement of claims and effective claim redressal mechanisms are some of the immediate priorities that need action. Inadequate efforts to improve livelihoods, occupational health and safety, education and social security remain impediments in holistic growth of the handicrafts sector and its people.

Credit and Raw Materials

8.5 Most artisans are from economically disadvantaged sections of the population and lack resources required to meet working capital and other requirements. They do not have regular access to formal credit sources, which leads them to the local moneylenders and gradually fall into the debt cycle. Similarly, most artisans obtain their raw materials locally and normally do not get access to good quality raw materials, with the result that the returns on their output are meagre and erratic.

Infrastructure and technological gaps

8.6 The availability of infrastructure required by the handicrafts sector has been less than satisfactory, leading to a loss of competitiveness. Formal institutions/organisations for facilitating production, marketing and distribution of handicrafts in an organized manner are lacking and often non-functioning, that hampers the development of regular markets for the artisans who end up being dependent on local traders and middlemen. They do not have direct access to markets within the country as well as abroad. The situation is further escalated by the lack of technological upgradation, as age-old technology and methods of production are still utilized, resulting in inefficient operations and low-quality of output.

Technical Resource Gaps

8.7 There are no direct linkages between the handicraft producers and designers as is the case with the apparel and fashion sectors where big brands are identified by designers and vice-versa. There is also a lack of comprehensive data on equipments that are used by various crafts in the industry, apart from lack of concentrated efforts to develop good quality, low cost tools that can be supplied to artisans. The design banks are fairly outdated and redundant unless they undertake continuous revision through, inter alia, increasing use of internet. Designers often lack requisite knowledge on practical application of crafts. The training programs introduced to upgrade skills of artisans are also treated as a one-time activity, with no mechanism to institutionalize learning; the knowledge gained is rarely put to practical use or developed further. A base set of products and labour standards need to be

created to enable products to be retailed as craft products and be eligible for government support and promotional schemes.

Monitoring and Evaluation

8.8 A critical success factor for any scheme is a robust monitoring and evaluation system by independent agencies to ensure timely completion of project activities, and attainment of project objectives in terms of increased incomes of artisans, increased output, maximum coverage and sustained impact. Hence, there is a need for a strong monitoring system, preferably web-based, to introduce transparency and regularly track the performance of ongoing clusters and other schemes to initiate mid-course corrections, if required.

Consolidation

8.9 Out of more than 2800 handicraft clusters covering 506 districts across the country, 1396 clusters in 397 districts have been covered under the AHVY Scheme under implementation since 2001. However, the Scheme has not been able to convert artisan SHGs into self-sustained community-based enterprises in most clusters. Hence, adequate measures are necessary to ensure consolidation of all existing clusters introduced in the earlier Plans, which is a big challenge for the 12th Plan. At the same time, for equitable growth of the handicrafts sector, the remaining clusters spread over 109 districts, also need coverage in a phased manner.

Regional Imbalances

8.10 Regional imbalances continue to prevail throughout the country with visible gaps in production and consumption (sales). This is evident from the fact that the northern and central regions account for bulk of the exports, whereas the remaining regions contribute only marginally.

Programmatic inefficiencies

8.11 Various programmatic inefficiencies need to be evaluated. For example, implementing agencies are facing challenges in acquiring land for Urban Haats as per their requirements. Financial parameters also need to be reviewed and revised. Thus, eligibility criteria, financial aspects, fund release pattern and such parameters need to be reviewed for the entire sector.

Limited role of private enterprise

8.12 The implementation of the AHVY is carried out largely by NGOs and other institutions. Accordingly, implementation of project interventions is limited by the capacity of the NGOs/ Implementing Agencies (IAs) , particularly as the latter do not have enough exposure to current developments in the field of design, technology and management. Also, they have limited linkages with the market, thereby limiting the sustainability of their operations. The IAs often have limited capacity to sustain operations after the funding support under the Scheme has stopped. There is, therefore, a strong need for greater private participation in the implementation process to supplement Government resources and bring about greater efficiencies and ensure attainment of project targets. The private sector can provide professional management and handholding support to assist IAs in attaining project objectives on one hand and facilitating the Office of DC, Handicrafts on the other hand, so that schemes are implemented in a targetted manner and desired outcomes are achieved. There is also a need to take steps for ensuring greater transparency and accountability. Marketing and other relevant components of other Schemes could have a PPP model to incentivize the private sector to invest in infrastructure. Support for commercially viable producer groups and entrepreneurs through institutions such as SIDBI and NABARD need to be considered, along with suitable tax incentives for private investment in design, capacity building, quality control and retail.

CHAPTER 9: Recommendations and Proposed Outlays/Targets for the Handicrafts Sector in the Twelfth Plan

9.1 While the measures introduced in the 11th Plan have helped in the revival of the handicrafts sector, certain concerns such as infrastructure gaps, inadequate social security for crafts workers, the largely unorganized nature of the sector and lack of consolidation of existing programs, continue to impede its growth. In this context, the 12th Plan provides a window of opportunity to fully meet the developmental objectives of the sector and, accordingly, outline a strategy to consolidate the gains made thus far, envisaging expansion where necessary and enabling the weaver and artisanal communities to lead a life of dignity and economic well-being. Through such an approach, the sector could meet the 12th Plan objectives of faster, more inclusive and sustainable growth, and reverse the adverse employment outcomes in the handicrafts sector witnessed in the recent past.

9.2 The vision for the Handicrafts sector in the 12th Five Year Plan should be to create an equitable, world-class globally competitive and enabling environment, and provide sustainable livelihood opportunities to the artisans through innovative product designs, improvement in product quality, introduction of appropriate technology including modern technology, wherever required, and preserving traditions, thereby resulting in balanced socio-economic development and inclusive growth of the sector. In line with this vision, the priority areas for action should be (i) consolidation of existing infrastructure, (ii) introduction of measures to ensure sustainability of the sector, (iii) institutionalization of independent and scientific evaluation and continuous monitoring of all existing programmes and (iv) compulsory scientific mapping of artisanal communities, market trends and consumer profiles through intense data management and based on such data, introduce new schemes/programmes, where necessary. The objectives should be to enable requisite growth of the artisans, with emphasis on sustainability and viability of their businesses and quality improvement in their standards of living. In order to achieve these objectives, it is recommended that the existing programmes in the 11th Plan may be continued but with suitable modifications and consolidation. Besides, some new initiatives are also suggested.

Cluster Development Interventions

9.3 As the focus of the 12th Plan strategy should be on strengthening existing skills, harnessing design development efforts, intensifying forward and backward linkages, and fostering compliance, quality control and other capacity building components, the recommendations of the Steering Committee are as under:

- a) Raw materials and facilities made available from CFCs should be of excellent quality and offered at competitive prices, so that cost-effective production of handicraft items is made possible, resulting in continuous employment generation for artisans.
- b) Details on raw material availability and other related information such as cost price, technical specifications and quantities, and current on-date stock position should be made available in the public domain through a website accessible by all stakeholders involved in the clusters.
- c) More raw material banks, CFCs and e-kiosks should be established, preferably in PPP mode and based on demand for the same.
- d) State Corporations and Producer Companies or NGOs should also be considered as Implementing Agencies under AHVY, as greater private partnership would help sustain operations even after scheme-related funding support recedes.
- e) The consolidation exercise should also include core issues of water and energy management, sanitation facilities for workers, crèche facilities for women artisans, introduction of renewable sources of energy.
- f) Appropriate partnerships and convergence with relevant Ministries need to be taken up.
- g) The existing clusters should be evaluated by independent, professional and reputed organisations.
- h) New clusters should be demand and need-driven and be set up under the PPP mode. The feedback received from evaluation of existing clusters should be taken into consideration while taking up new clusters. DPRs should be prepared by professional agencies, in consultation with the cluster stakeholders, and must include aspects of sustainability over a period of 10 years, besides a section on strategies to

mitigate adverse environmental impact, occupational health and safety hazards.

While setting up such cluster centres, the following should be ensured:

- i. Stress on improving baseline surveys – increase time period from 3 to 6 months.
 - ii. Expansion of criteria for selection of Implementation Agencies to include State Corporations and Producer Companies, all reputed design and art institutes, besides the existing list.
 - iii. Expansion of the role of Implementation Agencies to include sensitization and awareness generation campaigns in the regions allotted.
 - iv. Evolution of methodologies to ensure that artisans' aspirations are reflected in the design of the project and a bottom-up approach of plan implementation is institutionalised.
 - v. Capacity building of artisans is undertaken.
 - vi. Strong marketing strategy with provisions for hiring qualified and committed designers, is adopted.
 - vii. Design Workshops based primarily on proper market research and creation of a digitized design bank, are organised.
- i) The above steps are necessary, particularly the involvement of the private sector along with mechanisms for requisite transparency and accountability, so that each of the clusters become sustainable, vibrant and resourceful centers of craftsmanship.
 - j) Schemes that focus on equity and debt support for commercially viable producer groups and entrepreneurs through institutions such as SIDBI and NABARD, should be introduced. A single-window clearance system should be created and incentives in the form of time-bound tax breaks for private investment in design, capacity building, quality control and retail, should be introduced.
 - k) A base set of products and labour standards should be created to enable products to be retailed as craft products and be eligible for government support and promotional schemes.

l) Crafts should be preserved, documented and promoted in a holistic way through creation of Museums and Design Development Centres to build upon local crafts with a view to sustaining and popularizing them.

Credit

9.4 In order to overcome the constraints in credit availability, there is a need to revise and improve the existing Schemes. The recommendations are as under:

- a) Micro Finance Institutions (MFIs) and Non-Banking Finance Companies (NBFCs) which are extending working capital finances along with hand-holding support to rural industries on reasonable terms, should be tapped as additional sources of credit to be availed through the various existing Schemes.
- b) Additional provisions should be made for interest subvention.
- c) Banks should be advised to ensure that lending to artisans and weavers which falls under priority lending, should be at least 10% of such lending.
- d) The Scheme of Artisan Credit Card (ACC) should be given due thrust by the banks for easier access to working capital by the artisans, even through ATMs.

Design and Technology Upgradation

9.5 For promoting technological interventions in the sector, the recommendations are as under:

- a) Introduction of new designs, including dissemination of already developed designs, and development / adoption of innovative technologies and technical processes, should be undertaken to enhance competitiveness of the handicraft products for ensuring export growth as well as domestic sales.
- b) Prototypes developed in design workshops and integrated projects must be showcased in exhibitions organized by DC, Handicrafts and made available in public domain digitally, i.e. through e-portal and digital bank.
- c) The process of empanelment of designers should be reviewed to identify professional personnel as also sponsor young designers to attend marketing events.
- d) Awards/scholarships for young crafts persons (under 35 years of age) should be introduced to encourage and give recognition to young generation crafts persons.

Moreover, Shilp Gurus and National Awardees should be conferred identifiable honours with suitable financial component at par with other National honours.

- e) Besides the existing Central /State Government-sponsored institutions, only Design & Technical Institutes of repute should be identified for development of innovative technologies, tools, safety equipment, process technology and consequent appropriate adoption by artisan communities through training and upgrading of skills.
- f) Financial support should be extended after entering into appropriate MOUs aimed at extending tangible and identifiable benefits to the artisans and/or to the sector at large. The MOUs should consist of clear roles of each party, targets and outcomes, and be oriented towards ensuring long-term sustainability and effective functioning of the sector.
- g) For dissemination purposes, State Corporations, Producer Companies and NGOs with satisfactory record should be approached and extended appropriate financial assistance.
- h) In addition to financial support already being extended to EPCH for setting up international centres, design cells, etc. under the Mega Cluster Scheme, a one-time support should be considered for CEPC/EPCH for setting up a design cell for research and design development for different centers. The resultant knowledge should be shared and made available not only to its members but to all artisans/SHGs through an openly-accessible website.
- i) CEPC/ EPCH should also be provided financial assistance for engaging national and international designers so that new designs are developed continuously as per the current needs of the domestic and international markets. Such assistance for the designers should include designer's fee, travel, boarding and lodging. CEPC/EPCH should also ensure that master crafts persons are engaged in the design prototype development stage. All designs developed should be made available to the cluster through an openly accessible website.
- j) Information on design trends including colour forecasts, etc. should be mandatorily disseminated through a website by Central/State Agencies or Design & Technical Institutions of repute. Additionally, these agencies may be encouraged to have tie-

ups with National and International agencies for obtaining information and disseminating the same.

Marketing Promotion

9.6 To increase sales of handicraft products through marketing, the recommendations are as under:

- a) Export Promotion Council of Handicrafts (EPCH)/Carpet Export Promotion Council (CEPC) should adopt focused domestic marketing programmes for introducing exquisite handicraft items in domestic markets to increase domestic sales and provide the much-needed cushion to the artisans.
- b) **New Initiative** - The marketing strategy should be to focus on a sustained basis on **brand building and promotion of the 'Handcrafted in India'** brand through a dedicated campaign so as to promote domestic sales and exports. Key features of this new initiative should include:
 - i. Initiation of a new consumer awareness scheme for domestic markets.
 - ii. Introduction of national level events on the lines of National Handlooms Expo for more visibility to the sector which may have participation of State Corporations, artisans, NGOs and handicraft clusters.
 - iii. Organization of reverse buyer /seller meets in clusters.
 - iv. Provisions for hiring experts / event management companies to organize marketing events.
 - v. Meticulous planning backed with proper publicity of craft bazaars, etc. for exhibition and sale of genuine handicraft products.
 - vi. For successful implementation of these measures, involvement of the private sector, including the civil society, should be promoted. The PPP mode should be encouraged at all levels in marketing promotion to achieve well-managed and functional kiosks and/or shops at museums, airports, hotels, railways stations, metros, etc.
 - vii. Detailed documentation of each marketing event and dissemination of information to participants through e-platforms and introduction of handicraft products into local value chain markets, should be undertaken.

- c) Linkages should be created with the tourism industry to promote tours to handicraft centres and follow the alternate marketing strategy of bringing customers to handicraft artisans and carpet weavers. The rich tradition of the handicrafts sector should be leveraged to develop tourism potential in individual States, by showcasing the unique skills and products of this sector, not just through short-term fairs and exhibitions, but by establishing permanent arrangements with live demonstrations of the crafts along with sales counters, at strategic locations, which could serve as captive marketing channels particularly for artisans located in nearby areas.
- d) Support to pre-GI and post-GI activities at various levels should be extended.
- e) Domestic warehouses for artisans/SHGs /Producer Companies should be facilitated to boost domestic sales, apart from supporting the establishment of warehouses abroad at selected locations. Warehousing should be considered either in outlets assisted under the Infrastructure Scheme of Marketing or in Urban Haats or be promoted on rental basis. However, both for domestic as well as for overseas exhibitions, rationalisation of assistance should be considered. This need not be on en-block basis, but instead, be based on adequate research and reliable feedback mechanisms.
- f) Adherence to compliance issues should be ensured so that products meet the acceptable international quality standards, and simultaneously, also convey their historical, cultural and traditional significance.

Infrastructure

9.7 The recommendations are as under:

- a) Thrust should be on consolidation and strengthening of existing infrastructure facilities to provide artisans with 21st Century state-of-the-art work conditions.
- b) **A New Scheme** called **‘Infrastructure and Technology Development Scheme’** should be introduced for development of infrastructure with focus on technology development, aimed at tapping the enormous market potential for handcrafted products both domestically as well as abroad. Infrastructure components of existing Schemes (AHVY, DTUS and MSS) should be shifted to the new Scheme to take up

infrastructure in a focused manner. Under the new Scheme, the following suggestions are made:

- i. Besides the existing Urban Haats, establishment of Mini Urban Haats should be considered.
 - ii. Construction of warehouses in urban centres should also be considered.
 - iii. Facility centres for provision of marketing-related information and testing facilities through accredited laboratories meeting international standards should be set up.
 - iv. Special emphasis should be laid on establishment of Handicrafts Museums/Conservatories/Resource Centres for preservation, revival, archiving and documentation of languishing crafts, to promote knowledge of traditional products processes. A Special National Museum on subsequent developments that have taken place, especially in post-independent India, and up-gradation of the existing National Museum should also be considered.
 - v. Emporia should be extended greater support for renewal and refurbishing of resources through this Scheme. They should source maximum goods directly from artisans.
- c) New components should be added to the above Scheme, which should include Craft Institute upgradable to University, Advanced Handicraft training schools, introduction of advanced courses in existing design institutions, setting up Testing Laboratories, and structuring and revitalizing existing institutions on selective basis based on independent evaluation.

Human Resource Development & Training

9.8 The recommendations are as under:

- a) Besides improving skills of trained artisans, nearly one lakh trained artisans should be added to meet the requirements of the sector, by improving effectiveness of training programmes through:
 - i. Improving the guidelines for syllabus/training modules;
 - ii. Introducing the concept of participatory training;
 - iii. Publicising the training programmes; and

- iv. Strengthening monitoring and feedback mechanisms.
- b) It should be ensured that agencies provide better infrastructure in terms of necessary equipments, hygienic environment, furniture, toilets, electricity and special arrangements for women artisans.
- c) The training courses should be broad-based to cover use of IT, enterprise management, capacity building and conducting seminars and workshops.
- d) Procedures for processing of applications for sanction of various programmes should be streamlined.
- e) Craft training programmes should be offered at post-graduate and under-graduate levels through recognized institutions of higher and professional learning such as the Central Universities and National and State level organizations, so that formal degrees can be awarded for craft courses. The core subject areas of such programmes should be Craft Design, Craft Technology and Craft Marketing and Management.
- f) Practicing and learned craftspersons should be associated for conceptualization of training programmes.
- g) The Design Mentorship and Apprenticeship Program should promote sustainability in design development and management, provide additional training and design inputs to arts graduates, and motivate professionals to work in the crafts sector in a sustained manner. In order to ensure success of this Programme, only institutions with necessary experience and proven credibility of working in the national crafts sector such as NID, NIFT, Indian Institute of Crafts and Design (IICD), Industrial Design Centre (IDC) at IIT-Bombay and other such organizations, should be allowed to take the role of Implementation Agencies.
- h) Based on studies on preservation, revival, archiving and documentation of languishing crafts, and on occupational health and safety issues, suitable programmes should be considered to generate awareness amongst artisans to enable them to adopt/make requisite changes in their operations/working.

Social Security

9.9 Provision of a holistic and sound social security net that includes access to health facilities through health insurance, life insurance, as also insurance against disabilities,

pension and relief under distress is the minimum requirement that is essential to enable artisans to work with dignity and lead a life of economic and social well-being. Hence, the following recommendations are made:

- a) The existing programmes for health and life insurance (i.e. Rajiv Gandhi Shilpi Swasthya Bima Yojana and Janashree Bima Yojana) should be continued with improved delivery, monitoring and grievance redressal mechanisms.
- b) The health insurance cover should be expanded to be at par with the provisions of the schemes of the Ministry of Labour & Employment. In addition, the settlement period should be reduced, beneficiary identification should be ensured through issue of photo health ID cards/biometric cards for better targeting, and multiple insurance companies should be engaged, each company being allotted exclusive geographical areas.
- c) The onus of awareness generation among beneficiary communities and sensitization of implementing personnel to community-specific needs should be made a part of the mandate of the insurance provider, through suitable provisions in the legal contract, if necessary.
- d) Innovations should be attempted to provide unique facilities within the prescribed outlays.
- e) A **Pension Scheme** should be introduced through the support of the National Social Security Fund.
- f) Financial support should be provided to artisans who are in indigent circumstances, by shifting the existing non-plan Scheme to the Plan side.
- g) A **Distress Relief Fund** should be instituted to support artisans during disasters or situations of crisis.

Research & Development

9.10 The recommendations of the Steering Committee are as under:

- a) The Handicrafts Census should be concluded as early as possible in the initial period of the 12th Plan, in order to arrive at a baseline figure of the number of craftspersons. This should also include the issue of Artisan Cards. In the future, the Census should be initiated through a single agency.

- b) Research studies conducted should be made available online so that the same could be accessed by all concerned.
- c) Support should be extended for undertaking environmental craft review processes and for indicating the corrective measures required to be taken.
- d) Support should also be extended for funding studies for low-cost solutions, studies on preservation, revival, archiving and documentation of languishing crafts, occupational health and safety issues, preparation of leaflets to publicise these concerns and propagate the use of safety equipment.
- e) Special advocacy efforts should be made to enable artisans to avail benefits of housing and other welfare schemes introduced/implemented by other Government Ministries, in particular the Ministry of Rural Development.

North Eastern Region

9.11 A new initiative called the ‘**North Eastern Regional Development Scheme**’ should be introduced to tap the potential of handicrafts in the NER, by facilitating access to market opportunities, providing infrastructure support for improved quality and productivity and, thereby, increasing competitiveness. This will also enable introduction of an institutional framework of development. The proposed Scheme should follow an integrated and inclusive model for overall development and promotion of handicrafts and handcrafted textiles from all States of the North East. It should have the following components:

- a) Capacity Development / Skill Development / Training.
- b) Design & Product Development
- c) Infrastructure Development.
- d) Market Access

Financial Outlays and Physical Targets for 12th Plan for Handicrafts

9.12 The financial outlays and physical targets proposed for the Handicrafts Sector in the 12th Plan are given below in Tables 9.1 and 9.2 respectively:

Table 9.1: Proposed Financial Outlay for the Handicrafts Sector during 12th Plan

(` in crore)

	Name of the Scheme	Proposed Outlay For 12th Plan
<u>1</u>	Babasheb Ambedker Hastshilp Vikas Yojna	425.00
<u>2</u>	Design and Technology Upgradation Scheme	146.81
<u>3</u>	Marketing Support and Services Scheme	537.40
<u>4</u>	Human Resource Development Scheme	201.25
<u>5</u>	Handicrafts Artisans Comprehensive Welfare Scheme	721.25
<u>6</u>	Research and Development Scheme	90.00
<u>7</u>	Special Package for NER	120.00
<u>8</u>	InfrastructureScheme	715.00
	Total Outlay	2956.71

Table 9.2: Proposed Physical Targets for the Handicrafts Sector during 12th Plan

Name of the Scheme	Targets*
1. Babasheb Ambedker Hastshilp Vikas Yojna	Consolidation of clusters: 400 New Clusters: 600
2. Design and Technology Upgradation Scheme	Interventions: 2075
3. Marketing Support and Services Scheme	Domestic Exhibitions: 2880 (including Publicity) International Exhibitions/events: 448 Export growth (CAGR): 18%
4. Human Resource Development Scheme	Interventions: 6790
5. Handicrafts Artisans Comprehensive Welfare Scheme	Beneficiaries: 1.5 crore
6. Research and Development Scheme	Survey/studies/workshops; 325 Other need based activities like Geographical Indication certification for compliance
7. Special Package for NER	Facilitate Artisans into export market: 5000 Employment Generation: 4.5 lakh man days
8. Infrastructure Scheme	Infrastructural projects: 400

*Tentative

CHAPTER 10: The Way Forward - Vision and Overarching Recommendations for Handloom and Handicrafts Sectors

10.1 The vision for the handloom sector is to develop a strong, competitive and vibrant sector in order to provide sustainable employment to the weavers and ancillary workers, particularly belonging to the disadvantaged sections of the population and to ensure faster, more inclusive growth of the sector. For the handicrafts sector, the vision is to create an equitable, world-class globally competitive and enabling environment and provide sustainable livelihood opportunities to the artisans through innovative product designs, improvement in product quality, introduction of appropriate technology including modern technology, wherever required, and preserving traditions, thereby resulting in balanced socio-economic development and inclusive growth of the sector.

10.2 To achieve the vision for the handloom and the handicrafts sectors, the overarching recommendations that pertain to both sectors are as under:

- i. **A unified ‘Handmade in India’ brand should be promoted for Indian craft products, and back-end capacity building services and welfare support to producers should be provided to enable them to compete in the market** - All the three sectors of handloom, handicrafts and khadi and village industries deal with ‘craft’ items, which is a common thread that runs through these three sectors. This calls for a holistic approach in formulation and implementation of policy for all the three sectors together. The administrative division between handlooms, handicrafts, khadi, coir, micro-industries and other cottage industries, prevents efficient conceptualization of programmes, budgetary allocations and promotion and branding of Indian crafts for all the sectors in a unified manner. Global best practices are currently moving towards a broader rubric of promoting and commercializing creative and cultural industries in a holistic framework. In a rapidly integrating global market place, the focus, therefore, should be on promoting a unified **‘Handmade in India’** and removal of artificial divisions that compartmentalize administration of common sectors, thereby leading to more efficient utilization of resources and improved performance of the sectors.

Effective steps should be taken by the corporate sector as well as by the Central and the State Governments to popularize the use of handloom and handicraft products within their enterprises/Departments.

- ii. **In the 12th Plan, the overall policy framework should focus on consolidation, impact evaluation and efficacy of implementation of clusters** - The dispersed and decentralized nature of the sectors restricts development of competitive responses by actors in the market. In this context, the cluster development approach is an important step in promoting aggregation of producers and building their capacities to operate in markets. Hence, the existing cluster development schemes, both for handloom and handicrafts, should be continued along with proper evaluation and suitable consolidation as well as streamlining.
- iii. **Social welfare schemes should be strengthened for ensuring better living conditions for weavers, artisans and ancillary workers** - Social welfare schemes initiated in the 11th Plan, specifically health and life insurance programs as also schemes for marketing support and technology upgradation, should be consolidated and expanded, and new schemes should be initiated to address environmental, occupational health and safety measures, which would reduce the drudgery of the workers and provide a more healthy and improved living environment to them.
- iv. **Women workers should be recognized as contributors and be included in various schemes/programmes in their own individual capacities**, whether as weavers or as pre- and post-loom workers, or even as artisans. Focused training and skill upgradation programmes must be instituted to help women workers manage weaving and weaving related production. Existing training modules and schemes should be more inclusive of women workers and it should be ensured that women get equal access to training and infrastructure under the schemes.
- v. **Financial inclusion and financial literacy support programs should be promoted** – These are important as they would enable the weavers, artisans and ancillary workers to avail credit-related benefits available to them under the various schemes. It would also

encourage them to rely more on formal channels such as banks, MFIs and NBFCs, and thus come out of the vicious cycle of debt and resultant poverty.

- vi. **There should be a clear focus on supporting entrepreneurship, private sector and business growth for sustainable growth of the handloom and crafts sectors in India** - Specific initiatives to promote entrepreneurship and competitiveness should include reforming existing government schemes and implementation structures to include PPP as well as instituting promotional measures and reforms to encourage private entrepreneurship and investment in the sectors. Tax incentives/ breaks and excise, sales and VAT exemption should be part of a larger programme of enterprise promotion within the sectors. FDI in furniture, textiles, apparel, home and personal accessories must have a compulsory mandate to procure 20%-30% from MSMEs in the handloom and handicrafts sector. The eligibility criteria for access to schemes, the service delivery and implementation success should be examined in the light of a clear focus to liberalize the sectors and involve private sector as far as possible.
- vii. **Handloom cooperatives should be reformed by providing incentives to well-functioning cooperatives and absorbing dysfunctional cooperatives** into cluster development schemes to make existing assets and infrastructure available to the local community. Formation of Self-Help Groups (SHGs) among the weavers and artisans, including ancillary workers in such clusters will enable the dysfunctional entities to get revived in a different form but one that will make the clusters become more sustainable and that too, over a shorter period of time, by availing the various facilities available under the cluster schemes.
- viii. **Arts and crafts education should be given its due place in the mainstream educational systems** - Modules on crafts studies should be integrated into the curricula of reputed mainstream universities and management institutions, in order to educate, inspire and draw young people into joining these sectors. Preservation, documentation, archiving and revival of languishing crafts should be undertaken immediately to prevent crafts from dying and the country losing invaluable heritage.

Annexure-I

VSE-19(12)/2010
Planning Commission
(Village & Small Enterprise Division)

Yojana Bhavan,
Sansad Marg, New Delhi 110001
April 5, 2011

ORDER

Subject: Constitution of Steering Committee on Handloom & Handicrafts Sector for the Twelfth Five Year Plan

It has been decided to constitute a Steering Committee on Handloom & Handicrafts Sectors with a view to strengthening the sectors and achieving the objectives laid down in the approach paper for 12th Plan.

The composition of Steering Committee is as under:

1.	Dr. (Ms.) Syeda Hameed , Member, Planning Commission, Yojana Bhawan New Delhi	Chairperson
2.	Senior Adviser (Handlooms & Handicrafts), Planning Commission, Yojana Bhawan New Delhi	Member
3.	Secretary (Textiles), M/o Textiles, Udyog Bhawan New Delhi	-do-
4.	Secretary, Ministry of Rural Development, Shastri Bhawan New Delhi	-do-
5.	Secretary, Ministry of Commerce , Udyog Bhawan New Delhi	-do-
6.	Secretary, Ministry of Development of NER , Vigyan Bhawan Annexe New Delhi	-do-
7.	Secretary, Ministry of Social Justice , Shastri Bhawan New Delhi	-do-
8.	Deputy Governor (In-charge of Credit Policy to VSE sector), Reserve Bank of India , Mumbai	-do-
9.	Managing Director, NABARD, Plot No. C-24,G Block Bandra Kurla Complex, Bandra-East, Mumbai 400051	-do-
10.	Member Secreatry, Central Silk Board, Ministry of Textiles , CSB Complex, BTM Layout, Madivala, Bangalore - 560 068	-do-

11	Director General, National Institute of Fashion Technology, NIFT Campus, Hauz Khas, Near Gulmohar Park New Delhi 110016	-do-
12	Secretary In charge of Handlooms Govt. of Orissa, Secretariat, Bhuvneshwar Orissa	-do-
13	Secretary In charge Handlooms, Govt of Andhra Pradesh Hyderabad (A.P.)	-do-
14	Secretary In charge of Handlooms& Handicrafts, Govt. of Assam, Secretariat, Dispur, Assam	-do-
15	Managing Director , Tamil Nadu Handloom Weavers' Cooperative Society (Cooptex), 5-A, Pantheon Road Egmore, Chennai, Tamil Nadu 600008	-do-
16	Director, Handloom & Handicrafts, Govt. of Tripura, A.R.Complex, Agartala-799001	-do-
17	Managing Director, CCIC Ltd, Jawahar Vyapar Bhawan, Janpath New Delhi 110001	-do-
18	Shri Adarsh Kumar E-13, 2 nd Floor, Jangpura Extn. New Delhi-110014.	-do-
19	Development Commissioner (Handlooms), Ministry of Textiles, Udyog Bhawan , New Delhi 110011	-do-
20	Development Commissioner (Handicrafts), Ministry of Textiles, West Block-7, R .K. Puram , New Delhi 11066	-do-
21	Ms Geeta Ram President, Industree Crafts Federation 57, Prithvi Avenue, Chennai-600018 Tamil Nadu	-do-
22	Usha Krishna President,World Crafts Council Auras Corporate Centre, Third Floor 98-A Dr. Radhakrishnan Salai Chennai 600 004	-do-
23	Ms. Gulshan Nanda C-II/2300 Vasant Kunj New Delhi	-do-
24	Ms. Jasleen Dhamija C-265 Golf View Apartment DDA Saket New Delhi	-do-

25	Managing Director, Jharcraft, DIC Campus,Ratu Road, Ranchi,Jharkhand	-do-
26	Chairman, Export Promotion Council of Handicrafts, EPCH House, Pocket 6&7 ,Sector-C, LSC, Vasant Kunj, New Delhi Delhi	-do-
27	Dr. Shariq Farooqi, Director , Craft Development Institute Srinagar (J&K)	-do-
28	Mr. Chinmaya Mishra 6 Bijasn Road Opposite Mahavir Bag Indore (MP)	-do-
29.	Ms. Judy Frater Founder Kalaraksha Kutch (Gujarat)	-do-
30	Mrs. Ritu Sethi, Craft Revival Trust, S-4, Khirki Extension, Malviya Nagar, New Delhi-110017.	-do-
31	President, Tangail Tantujibi Unnayan Sahakari Samiti Ltd.Samabay Sadon P.O. Fulia Colony, Dist. Nadia (West Bengal)	-do-
32	Arvind Ojha, President, Urmul Marusthali Bunkarvikas samiti 4, Adarsh Nagar, Phalodi Distt Jodhpur 342301	-do-
33	Ms. Saraswati Kavula , Joint convener, National Alliance of People's movement, B- 310,1-9-1089/90, Sonata Apartments, Vidyanagar , Hyderabad 500044	-do-
34	Mr. Anis Ansari IAS Retd. VC, Urdu Arabic Persian University, Lucknow Uttar Pradesh	-do-
35	Prof. Babu Mathew Prof. Labour Laws National Law School, Delhi Sector 14- Dwarka New Delhi	-do-
36	Mr. Hareesh Shah 17, Napean Sea Road Mumbai-400036	-do-
37	Ms. Maha Shweta Maha Rati Expert on Handicrafts and Handlooms Patna University Bihar	-do-

38	Dr. Renu S. Parmar Adviser (I&VSE) Planning Commission Yojana Bhawan New Delhi	Convener
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2. Terms of reference are as under:

- x) To critically assess the progress made in the handloom & handicraft sectors in the 11th Plan in terms of whether living standards of weavers/ artisans and ancillary workers have improved.
- xi) To devise a focused strategy for improving livelihoods in these sectors in the 12th Plan.
- xii) To suggest measures to improve welfare of weavers / artisans by bringing them under Social Security measures like pension and insurance and by ensuring better occupational health.
- xiii) To undertake a technology mapping of handloom/handicraft clusters and to devise technological improvements that enhances productivity, quality and reduces drudgery.
- xiv) To critically assess the input / deficit in these sectors and to suggest measures to overcome them.
- xv) To critically evaluate the distribution and marketing network in these sectors and comment on areas of positive intervention by Govt. agencies.
- xvi) To clearly demarcate areas where Govt. interventions is necessary and those where PPP or NGO partnership is possible/desirable.
- xvii) To critically review the linkages between Central & State sector schemes and suggest measures for strengthening these linkages/ dovetailing schemes.
- xviii) Any other issue that may be considered necessary by the Steering Committee.

3. The Chairperson may constitute Working Group (s)/Sub Groups as may be considered necessary and also co-opt members for specific inputs

4. The Official members will be entitled to payment of TA/DA from their respective offices as per the rules applicable to them. The non-official members of the Committee will be paid TA/DA by the Planning Commission as per SR 190 (a) for attending meetings of the Committee and the expenditure will be borne by Planning Commission. Air travel is to be undertaken only on Air India.

5. Steering Committee will be serviced by the VSE division, Planning Commission.

6. The Committee will submit its report by 30th Sep, 2011.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)
Ph: 23096605
Email :rsparmar@nic.in

To,

Chairman and Members of the Steering Committee

Copy To:

- 1. PS to Deputy Chairman, Planning Commission.
- 2. PS to Minister of State (Planning).
- 3. PS to all Members, Planning Commission.
- 4. PS to Member-Secretary, Planning Commission.
- 5. All Principal Advisers/ Sr. Advisers/Advisers /HODs, Planning Commission.

6. Director (PC), Planning Commission.
7. Administration (General-I) and (General-II), Planning Commission.
8. Under Secretary (Adm. I) to the Government of India.
9. Accounts-I Branch, Planning Commission.
10. Information Officer, Planning Commission.
11. Library, Planning Commission.

Dr. (Mrs.) Renu S Parmar
Adviser (Industry & VSE)
Ph: 23096605
Email: rsparmar@nic.in

Annexure-II

VSE-19(12)/2010
Planning Commission
(Village & Small Enterprise Division)

Yojana Bhavan,
Sansad Marg, New Delhi 110001
April 27, 2011

ORDER

Subject: Constitution of Steering Committee on Handloom & Handicrafts Sector for the Twelfth Five Year Plan

In continuation to this Office Order of even number dated 5th April, 2011, it has been decided to include the following as the Member of the Steering Committee:

Mrs. Kasturi Gupta Menon,
President,
Craft Council of India,
GF Temple Trees,
New No.37, Venkatanaraana Road
T. Nagar, Chennai -600017.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)
Ph: 23096605

To,

Chairman and Members of the Steering Committee

Copy to:

1. PS to Deputy Chairman, Planning Commission.
2. PS to Minister of State (Planning).
3. PS to all Members, Planning Commission.
4. PS to Member-Secretary, Planning Commission.
5. All Principal Advisers/ Sr. Advisers/Advisers /HODs, Planning Commission.
6. Director (PC), Planning Commission.
7. Administration (General-I) and (General-II), Planning Commission.
8. Under Secretary (Adm. I) to the Government of India.
9. Accounts-I Branch, Planning Commission.
10. Information Officer, Planning Commission.
11. Library, Planning Commission.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)

Annexure-III

VSE-19(12)/2010
Planning Commission
(Village & Small Enterprise Division)

Yojana Bhavan,
Sansad Marg, New Delhi 110001
May 27, 2011

ORDER

**Subject: Constitution of Steering Committee on Handloom & Handicrafts
Sector for the Twelfth Five Year Plan**

In continuation to this Office Order of even number dated 5th April, 2011, it has been decided to include the following as the Member of the Steering Committee:

Ms. Mridula Jain
C/o M/s Shingora Textiles Ltd.,
H C 28
Phase-I Focal Point
Ludhiana
Mobile: 09872490200
Landline: 1615026815

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)
Ph: 23096605

To,
Chairman and Members of the Steering Committee

Copy to:

1. PS to Deputy Chairman, Planning Commission.
2. PS to Minister of State (Planning).
3. PS to all Members, Planning Commission.
4. PS to Member-Secretary, Planning Commission.
5. All Principal Advisers/ Sr. Advisers/Advisers /HODs, Planning Commission.
6. Director (PC), Planning Commission.
7. Administration (General-I) and (General-II), Planning Commission.
8. Under Secretary (Adm. I) to the Government of India.
9. Accounts-I Branch, Planning Commission.
10. Information Officer, Planning Commission.
11. Library, Planning Commission.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)

**VSE-21(3)/2011
Planning Commission
(Village & Small Enterprises Division)**

Annexure-IV

Yojana Bhavan,
Sansad Marg, New Delhi 110001
May 20, 2011

ORDER

Subject: Constitution of Working Group on Handloom Sector for the Twelfth Five Year Plan

It has been decided to constitute a **Working Group on Handloom Sector for the Twelfth Five Year Plan** with a view to strengthening the sectors and achieving the objectives laid down in the approach paper for 12th Plan.

COMPOSITION OF WORKING GROUP ON HANDLOOM SECTOR

1.	Secretary (Textiles)	Chairperson
2.	Ms Jasleen Dhamija, C-265,Golf View Apartment, DDA Saket, New Delhi	Co-chair
3.	Adviser (I&VSE), Planning Commission	Member
4.	Principal Secretary, Govt. of Tamil Nadu	-do-
5.	Principal Secretary, Govt. of Uttar Pradesh	-do-
6.	Secretary, Handlooms & Textiles, Govt. of Assam	-do-
7.	Managing Director, COOPTEX, Tamil Nadu	-do-
8.	Commissioner, Handlooms & Textiles, Govt. of West Bengal	-do-
9.	Commissioner, Handlooms & Textiles, Govt. of Madhya Pradesh	-do-
10.	Managing Director, NABARD, New Delhi	-do-
11.	Representative of M/o DoNER	-do-
12.	CMD, HHEC, New Delhi	-do-

13	Managing Director NHDC Lucknow	-do-
14	Executive Director HEPC , Chennai	-do-
15	Shri Sunil Sethi, President, FDCI, New Delhi	-do-
16	General Manager CCIC of India, New Delhi	-do-
17	Textile Commissioner Mumbai	-do-
18	Member Secretary , Central Silk Board, Bangalore	-do-
19	Representative from NIFT	-do-
20	Ms. Shyama Sundari, Dastkar Andhra, Andhra Pradesh.	-do-
21	Shri Prasanna, 27, Patalamma Temple Street, Basaqqvanagudi, Bangalore 560004.	-do-
22	Sh. Ajit Biswas, Katwa Shilp Sahakari Samiti , Ghoshat, P.O. Katwa, Distt Burdwan 713130(WB)	-do-
23	Shri Manoj Mishra, Senior Faculty, EDI, Ahmedabad	-do-
24	G. Ramaniya. Venkatagiri. Andhra Pradesh (M: 919440044111)	-do-
25	Ms. Sumita Ghosh, Founder Rangasutra	-do-
26	Ms. Anjali Kalia, Designer, Delhi	-do-
27	Ms. Aditi Ranjan, (Specialist on North East Region) NID, Ahmedabad	
28	Prof in-charge Textile Deptt., IIT ,New Delhi	-do-
29	Ms. Archana Shah Designer/Entrepreneur, Gujarat	-do-
30	Ms. Kirtika Singh Executive Director AIACA, Delhi	-do-
31	Mr. Mohan Rao Founder President Rashtriya Karmika Jana Samakhya, Chirala (A.P.)	-do-
32	Ms. Yomah Konyak President Konyak Ngupuh Shekho Khong Zakloma Ward, New site colony, Mon- 798621	-do-

	Nagaland (M) 09436015056, (O)03869-221457	
33	Mr. M S Shriram Bangaluru (NABARD, Cooperatives and Credit flow)	-do-
34	Ms. Rita Kapur Chisti New Delhi 09810054147	-do-
35	Ms Uzamma, Hyderabad	-do-
36	Economic Advisor, MOT	-do-
37	Dr. Zohmangaiha, Chairman, Mizoram Apex Handloom and Handicraft Cooperatives Society Ltd (MAHCO) Treasure square, Aizawl 796001	-do-
38	Development Commissioner for Handlooms	Member Secretary

2. Terms of reference are as under:

Government Schemes

- i. To examine and review the existing policies, schemes and programmes (including Evaluation, Monitoring and Awareness) in the 11th Plan in respect of handloom sector with specific reference to the following:
 - a. Raw Material i.e. Yarn, Dyes & Chemicals.
 - b. Credit flow to individual weavers, master weavers and cooperative societies.
 - c. Looms & Accessories, other infrastructural support such as Worksheds, CFCs, Design Studios, Handloom Parks etc.
 - d. Training, Human Resource Development and Research & Development to meet requirements of handloom sector.
 - e. Distribution, Marketing & Promotion of handloom products, including brand-building.
 - f. Social welfare measures such as health insurance, life insurance, pension schemes etc.
 - g. Cluster development scheme.
 - h. Brand-building measures undertaken.
 - i. Functioning of institutions like the Weavers Service Centres, apex marketing bodies and others.
- ii. To suggest measures for establishing and strengthening synergies with State Governments and other agencies for better linkages.
- iii. To clearly demarcate areas where Government interventions are necessary and those where PPP or NGO partnership is possible/desirable.

North – East

- iv. To review the efficacy of the ongoing schemes & programmes in the North-East Region and to suggest appropriate policy options for development of handloom sector in that region for the 12th Plan.

Inputs

- v. To suggest ways & means and strategy to ensure availability of raw materials i.e. yarn, dyes and chemicals for the handloom sector in the 12th Plan.

Credit

- vi. To suggest mechanisms to improve credit flows to individual weavers, master weavers and cooperative societies in the 12th Plan.

Infrastructure

- vii. To suggest and develop ways and means to provide looms and accessories, other infrastructural support such as worksheds, CFC, design studios, handloom parks etc. in the 12th Plan.

Brand Building , Marketing & Entrepreneurship

- viii. To suggest strategy for improving distribution, marketing and promotion of handloom products
- ix. To review Handloom Mark and other brand building efforts and suggest ways to enhance brand building efforts in the 12th Plan.
- x. To review Geographical Indicators registered in the Handloom Sector and make recommendations for improving implementation and usage of GIs.
- xi. To project the level of exports of handloom products during 12th Plan by taking into account past performance, present trends, patterns of world trade and globalization of textiles trade etc. and to finalize the strategy for the handloom sector product-wise and market-wise for overseas markets.
- xii. To consider whether master weavers can be co-opted in the overall developmental process for handloom sector in the 12th Plan and if so, how?
- xiii. To assess the current models of clustering in the handloom sector & suggest appropriate interventions in the 12th Plan for achieving economies of scale, technology upgradation & product improvement
- xiv. To review and suggest measures to promote private entrepreneurship including producer companies and to revitalize State Handloom Development Corporations and Apex Co-operatives in handloom production, design development, brand building, marketing, retail and export of handloom products.

Artisan Welfare

- xv. To suggest measures for improving the living standard as also welfare of handloom weavers and ancillary workers in the 12th Plan, e.g. Health, Insurance, Pension Scheme etc.
- xvi. To review and suggest measures to enhance environmental impact on weaver communities.
- xvii. To review and suggest measures to enhance occupational health and safety, including better ergonomics for weavers.
- xxviii. To consider launching of the Distress Relief Fund to meet the crisis needs of handloom weavers.

Research, Education, Training and Technology

- xix. To suggest means to provide better livelihood to handloom weavers through training, HRD and R & D programmes and undertake technological improvements in loom technology, pre and post loom processes to enhance productivity, quality and reduction in fatigue in the 12th Plan

- xx. To suggest measures to create reliable documentation of handlooms, design vocabularies, technology mapping and other related aspects.
- xxi. To recommend measures to mainstream handloom education.
- xxii. To review existing institutes and suggest measures to enhance crafts education in various educational institutions and weaver training centers.
- xxiii. To suggest measures to recognize and promote innovations in design, technology, tools and other weaving-related spheres.

In Addition

- xxiv. To make such other recommendations as may be appropriate to enhance awareness, increase the market for handloom products and improve living standards of weavers.
-
- 7. The Chairperson/Co-Chair may constitute Working Group (s)/Sub Groups as may be considered necessary and also co-opt members for specific inputs.
 - 8. The Official members will be entitled to payment of TA/DA from their respective offices as per the rules applicable to them. The non-official members of the Committee will be paid TA/DA by the Planning Commission as per SR 190 (a) for attending meetings of the Committee and the expenditure will be borne by Planning Commission. Air travel is to be undertaken only on Air India.
 - 9. Working Group will be serviced by the Office of DC (Handlooms), Ministry of Textiles, Government of India, Udyog Bhawan, New Delhi.
 - 10. The Group will submit its report by 30th August, 2011.
 - 7. Shri A.K. Khullar, Joint Adviser (VSI), Planning Commission, (Room NO.346), Yojana Bhawan, New Delhi –Telephone No.23753116, e-mail: akkhullar@nic.in will act as Nodal Officer for this Working Group and any further query/communication in this regard may be made with the Nodal Officer.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)
Ph: 23096605
Email :rsparmar@nic.in

To,
Chairman and Members of the Working Group

Copy To:

- 1. PS to Deputy Chairman, Planning Commission.
- 2. PS to Minister of State (Planning).
- 3. Prime Minister's Officer, South Block, New Delhi.
- 4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
- 5. PS to all Members, Planning Commission.
- 6. PS to Member-Secretary, Planning Commission.

7. All Principal Advisers/ Sr. Advisers/Advisers /HODs, Planning Commission.
8. Director (PC), Planning Commission.
9. Administration (General-I) and (General-II), Planning Commission.
10. Under Secretary (Adm. I) to the Government of India.
11. Accounts-I Branch, Planning Commission.
12. Information Officer, Planning Commission –*for uploading in the website of Planning Commission.*
13. Library, Planning Commission.

Dr. (Mrs.) Renu S Parmar
Adviser (Industry & VSE)
Ph: 23096605
Email: rsparmar@nic.in

Annexure-V

VSE-21(3)/2011(1)
 Planning Commission
 (Village & Small Enterprises Division)

Yojana Bhavan,
 Sansad Marg, New Delhi 110001
 May 20, 2011

ORDER**Subject: Constitution of Working Group on Handicraft Sector for the Twelfth Five Year Plan**

It has been decided to constitute a **Working Group on Handicraft Sector for the Twelfth Five Year Plan** with a view to strengthening the sectors and achieving the objectives laid down in the approach paper for 12th Plan.

The composition of Working Group is as under:

1.	Secretary (Textiles)	Chairperson
2.	Ms. Gulshan Nanda, C-2, 2300, Vasant Kunj, New Delhi 110070	Co-chair
3.	Adviser (I&VSE), Planning Commission	Member
4.	Principal Secretary I/C Handicrafts , Govt. of J&K	-do-
5.	Principal Secretary I/C Handicrafts, Govt. of Uttar Pradesh	-do-
6.	Secretary, Textiles, Govt. of Orissa	-do-
7.	Representative from M/o DoNER	-do-
8.	Representative from M/o of RD (Saras-Capart)	-do-
10.	Executive Director, (NID), Ahmadabad	-do-
11.	MD (NABCON)	-do-
12.	MD Small Industries Development Bank of India (SIDBI)	-do-
13.	Executive Director , Carpet Export Promotion Council (CEPC)	-do-
14.	Executive Director, Export Promotion Council for Handicrafts (EPCH)	-do-
15.	Managing Director, North Eastern Handicrafts & Handloom Dev. Corpn. (NEHHDC)	-do-
16.	Managing Director, Central Cottage Industries Corpn. (CCIC)	-do-
17.	Principal Secretary I/C Handicrafts, Govt. of Manipur	-do-
18.	MD, Handicraft Development Corporation of Andhra Pradesh.	-do-
19.	MD, State Handicraft Development Corporation of Tamil Nadu.	-do-
20.	Mr. Ashoke Chatterjee	-do-
21.	Ms. Laila Taiyabji Dastkar New Delhi	-do-

22	Ms. Anita Reddy, Chittoor.	-do-
23	Ms. Rati Vinay Jha, Delhi	-do-
24.	Ms. Shyamlu Dudeja, Designer, Kolkata	-do-
25	Ms. Ritu Sethi, Chairperson, Craft Revival Trust, S-4, Khirki Extension, New Delhi 110017	-do-
26	President Brassware Artware Manufacturers Association Jai Mandir Building Opp Kotwali Moradabad 244001	-do-
27	Ms. Ruchira Ghosh, Chairperson, Crafts Museum	-do-
28	Executive Director, National Centre for Design Project Development (NCDPD), New Delhi.	-do-
29	Shri RCM Reddy, IL&FS, New Delhi	-do-
30	Chairman/President, AICMA, Bhadohi.	-do-
31	Shri Vijai Mahajan BASIX, D 9, First Floor, Greater Kailash Enclave - I, New Delhi 110 0 48.	-do-
32	Mr. Dunu Roy Director Hazards Centre 09910687627.	-do-
33	Rajendra Mishra Craftsperson (stone cutting) Orissa 9861072590	-do-
34	Mohd. Ayub Craftsperson (woodcarving) Delhi 9868724798	-do-
35	Development Commissioner for Handicrafts, MoT, GoI	Member Secretary

2. Terms of reference are as under:

Government Schemes

- i. To review of the efficacy of on-going schemes and examine the need for their continuation/modification. This would include scope and coverage of the schemes especially for revamping the schemes to focus on underserved states, underserved players, merger of micro schemes into integrated schemes, improving the delivery

- mechanism etc., improving the system of monitoring, creation of a strong database and increasing awareness amongst all stakeholders in the 12th Five Year Plan.
- ii. To suggest a policy framework for the planned development of this sector during the 12th five year plan period
 - iii.. To assess the role of the Institutions working in the Handicrafts Sector and suggest ways for monitoring and strengthening them.
 - iv. To suggest incorporation of new components in the existing schemes or formulation of new plan schemes to meet sectoral requirements and propel growth in production employment and export in the 12th Five Year Plan.
 - v. To suggest measures for establishing and strengthening synergies with the State Governments and other agencies for better implementation of the plan schemes.
 - vi. To review and clearly demarcate areas where Government interventions are necessary and those where PPP or NGO partnership is possible/desirable.

Brand Building , Marketing & Entrepreneurship

- vii. To make a projection of the level of exports of handicrafts to be achieved by the end of 12th Five Year Plan.
- viii. To review brand building efforts and suggest ways for enhancement in the 12th plan
- ix. To review Geographical Indicators registered in the Handicraft Sector and make recommendations for improving implementation and usage of GIs.
- x. To suggest measures/new initiatives to be taken for increasing market share of Indian handicrafts in the global market.
- xi. To explore ways for implementing public-private partnership model in different areas for sustainable development in the 12th plan.
- xii. To review and suggest measures to promote private entrepreneurship in handicraft production, design development, brand building, marketing, retail and export of handicraft products.
- xiii. To review and suggest product standards to enhance the market for craft products in domestic and international standards.

Infrastructure and technology

- xiv. To suggest measures/new initiatives to be taken for improving the physical infrastructure.
- xv. Review and suggest measures to improve technology/upgradation that benefits craft artisans.

Inputs – Credit, Raw Materials

- xvi. To suggest ways and means for enhancing availability of raw materials and to enhance credit flows to craft artisans/producers.

Artisan Welfare

- xvii. To assess whether living standards and livelihood of artisans have improved and suggest measures for enhancement.
- xviii. To suggest ways and means for ensuring proper working environment and easy access to health care facilities and insurance cover to artisans particularly for disadvantaged sections of the population such as SC & ST.
- xix. To review and suggest measures to enhance environmental impact on craft artisans.
- xx. To review and suggest measures to improve occupational health and safety standards, including better ergonomics for artisans.

Research, Education and Training

- xxi. To review existing institutes and suggest measures to enhance crafts education in various educational institutions.
- xxii. To undertake a technology mapping in the major artisanal clusters and to suggest measures to recognize and promote innovations in design, technology, tools and other craft-related spheres.
- xxiii. To suggest measures to create reliable documentation of craft heritage, design vocabularies and other related aspects.
- xxiv. To recommend measures towards mainstreaming crafts education.

Crafts Promotion

- xxiv. To review the likely achievement of levels of demand, capacity, production etc. by the end of 2011-12 and to suggest appropriate action for future.

In Addition

- xxv. To make any other recommendations in areas/aspects that may be of importance to the development of the sector.

3. The Chairperson/Co-Chair may constitute Working Group (s)/Sub Groups as may be considered necessary and also co-opt members for specific inputs

4. The Official members will be entitled to payment of TA/DA from their respective offices as per the rules applicable to them. The non-official members of the Committee will be paid TA/DA by the Planning Commission as per SR 190 (a) for attending meetings of the Committee and the expenditure will be borne by Planning Commission. Air travel is to be undertaken only on Air India.

5. Working Group will be serviced by the Office of DC (Handicrafts), Ministry of Textiles, Government of India, R.K. Puram, West Block No.7, New Delhi.

6. The Group will submit its report by 30th August, 2011.

7. Shri A.K. Khullar, Joint Adviser (VSI), Planning Commission, (Room NO.346), Yojana Bhawan, New Delhi –Telephone No.23753116, e-mail: akkhullar@nic.in will act as Nodal Officer for this Working Group and any further query/communication in this regard may be made with the Nodal Officer.

Dr.(Mrs.) Renu.S. Parmar
Adviser (Industry &VSE)
Ph: 23096605
Email :rsparmar@nic.in

To,
Chairman and Members of the Working Group

Copy To:

1. PS to Deputy Chairman, Planning Commission.
2. PS to Minister of State (Planning).
3. Prime Minister's Officer, South Block, New Delhi.
4. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
5. PS to all Members, Planning Commission.
6. PS to Member-Secretary, Planning Commission.
7. All Principal Advisers/ Sr. Advisers/Advisers /HODs, Planning Commission.
8. Director (PC), Planning Commission.
9. Administration (General-I) and (General-II), Planning Commission.
10. Under secretary (Adm.I) to the Government of India.
11. Accounts-I Branch, Planning Commission.
12. Information Officer, Planning Commission –*for uploading in the website of Planning Commission.*
13. Library, Planning Commission.

Dr. (Mrs.) Renu S Parmar
Adviser (Industry & VSE)
Ph: 23096605
Email: rsparmar@nic.in

Annexure-VI

VSE-3(2)/2010
Government of India
Planning Commission
(VSE Division)

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Sansad Marg, yojana Bhawan,
New Delhi
2nd February, 2010

OFFICE MEMORANDUM

Subject: Constituting of an Expert Committee on Development of Handlooms.

With a view to giving impetus to the handloom sector in which 65 Lakh weavers are involved, an Expert committee on Development of Handlooms is being constituted.

Composition of the Expert Committee

1. Shri Arun Maira
Member,
Planning Commission,
Yojana Bhawan
New Delhi-110001
Chairman
2. Shri Jyotiirditya M Scindia
Minister of State,
Ministry of Commerce
New Delhi 110001
+91 11 23061194, +91 11 23062166
Co-chair
3. Dr. Syeda Hameed
Member,
Planning Commission,
Yojana Bhawan
New Delhi-110001
Co-chair
4. Mr. Prasanna
27, Patalamma Temple Street,
Basaqvanagudi
Bangalore-560004
5. Ms Sunita Kohli
Founder & Chairperson
Museum of women in the Arts of India
31 Golf Links, Ground floor, Garden Apartments

New Delhi-110048

6. Mrs. Ritu Sethi
Craft Revival Trust
S-4, Khirki Extension
Malviya Nagar
New Delhi-110017.
 7. Ms. Anita Lal
Good Earth, Delhi
 8. Ms Rehana Riyawala
SEWA, Ahmedabad
 9. Mr. William Bissel
Fabindia Overseas Pvt. Ltd.
B-26, Okhla Industrial Area Phase-I
New Delhi-110029
Ph. 2681107, 8, 9, 50, 51(41751405)
 - 10 Mr. Haresh Shah
17, Napean Sea Road
Mumbai-400036
Hareshshah_1952@yahoo.com
 - 11 Ms. Firoza Mehrotra
Spl. Consultant
Planning Commission,
Yojana Bhawan
New Delhi-110001
- Convener

2. The terms of Reference of the Expert Committee are to consider and suggest the following:

- 1) Strategy for increasing the income of weavers and ancillary workers through higher productivity using better technology/technologies.
- 2) Steps to combat occupational health hazards of weavers and ancillary workers.
- 3) Social security measures including insurance, medical benefits, pensioners etc.
- 4) Provision of timely, adequate and reasonably priced inputs for the sector.
- 5) Implementation and expansion of Handloom Reservation list and feasibility of adoption of 'Power loom Mark' to enhance the vibrancy of the handloom sector.
- 6) Strategy for grater visibility of handloom products & behavioral change communication strategies of the user.
- 7) Any other issue contributing to development and expansion of the handloom sector.

3. The expenditure on TA/DA in connection with the meetings of the Expert Committee will be borne by the parent Ministry / Department to which the Officers belong. Non-official members of the Expert Committee will be entitled to TA/DA as admissible to Group –A Officers of India under SR. 190 (a) and the expenditure will be borne by Planning Commission. .Air Travel is to be undertaken only on Air-India.

(Firoza Mehrotra)
Special Consultant / Telefax No. 23096609

To,

Chairman and all the Members of the Expert Committee

Copy to:

1. PS to Deputy Chairman, Planning Commission.
2. PS to MOS (Planning).
3. PS to All the Members, Planning Commission
4. PPS to Secretary, Planning Commission
5. All Heads of Divisions, Planning Commission
6. PS to sr. Adviser (H&H), Planning Commission
7. PS to Senior Adviser (Admn.)
8. PS to Principal Adviser (PC)
9. Administration-1 Branch/ Accounts Branch

(Firoza Mehrotra)
Special Consultant / Telefax No. 23096609

Main Recommendations of the Expert Committee on Development of Handlooms

2.1 Supply Chain: Raw Materials:

Yarn:

2.1.1 Although real time mapping exercise may not be possible, supply side information of NHDC, Textiles Commissioner and Central Silk Board are put on line immediately. The information should necessarily have details of varieties/broad classification of supplies and information should be easily accessible by all. Knowledge Kiosks should also be set up.

2.1.2 There is a need to study the existing yarn supply system of NHDC including functioning of yarn depots, yarn corpus fund to determine their utility and to see if the benefits are being disseminated to the weaver community at large or are being reaped by a select few. Accordingly, modifications to the Mill Gate Price Scheme and tie up with large-scale spinning mills (on which the handloom sector is currently dependent) would also be required. It is specially needed in NER, and a few other States, where yearly off-take is comparatively less and it takes considerable time in transportation from mills to destination.

2.1.3 The Office of D C (Handlooms) should clearly lay down the guidelines for operation of Corpus Fund sanctioned under IHDS/ other cluster scheme.

2.1.4 Greater awareness about local yarn depots and the nature of the assistance is needed.

2.1.5 Whereas the efforts made by M/o Textiles in getting import duty on silk yarn reduced from 30% level to 5% level is appreciated, NHDC should continue its efforts to supply silk yarn also through imports.

Dyes & Chemicals:

2.1.6 Considering colour fastness, colour matching etc as an important area, it is essential to conduct training workshops for correct chemical dyeing, building in safety aspects and information of waste water treatment and disposal.

2.1.7 Handloom dyeing units need to be made aware of the ban on azo direct dyes as products made using them are not acceptable any longer.

2.1.8 The dyers must be trained to use vat and reactive dyes in dyeing of yarn. Besides, it is imperative to ensure awareness on different classes/range of good quality of dyes as well as their availability at reasonable prices, even in small packs in existing handloom clusters.

2.1.9 Knowledge Kiosks should be set up and information /details on availability of dyes, dye recipes etc be made available by agencies like NHDC, Weaver Service Centres and others on line. There is also a need to develop One Stop Shop for weavers for sourcing all the support facilities. Weaver Service Centres could act one such stop/shop centre.

2.1.10 Dye houses may be needed in some clusters but not at all places and therefore funds should also be made available for up-grading existing dye houses including for replacement of machinery, equipments, vessels, testing facilities etc.

2.2 Production:

(i) Looms , Equipments and accessories

2.2.1 Modified /developed looms through R&D activities should be tested in the field associating weavers and only accepted version of looms region wise should be promoted.

2.2.2 Research & Development including innovation on technological improvements in loom technology, accessories, pre and post loom processes etc should continue to be a priority and need support at all stages for better productivity and quality, as also to enable reduction in the drudgery of the weavers.

2.2.3 Weavers need to be persuaded to undertake preventive maintenance of looms, including periodic replacement of loom accessories. Arrangements should be worked out for easy availability of spares and technical support in handloom clusters through Common Facility Centers, State /Apex handloom agencies etc.

2.2.4 The up-gradation of looms & loom accessories etc should be given adequate thrust and further assistance given for acquiring new looms must also be extended to those weavers who operate outside the SHGs and co-operative fold.

(ii) Skill Development, HR, Education

2.2.5 Up-gradation of skills and building capacities in the entire weaving chain needs to be taken up. Apart from this, skills in production planning, costing, quality control and marketing as well as in design development are also required.

2.2.6 Curricula ought to be created in consultation with master weavers so that the new generation of weavers learns not only about new technologies and CAD but also about traditional design vocabularies.

2.2.7 It is imperative that different schools of weaving and their respective oral knowledge are passed down to the younger generation so as to ensure a distinct USP in their product range to meet the needs of an increasingly homogenous global market.

2.2.8 High skill training programs on the Draw-loom and Gattuwa Loom must be provided to practicing weavers to further upgrade their skills. The work of masters in these techniques must be considered for the higher priced heritage niche markets and promoted as such.

2.2.9 Government should honour master weavers with degrees from forward looking universities. A program could be initiated for this as a simple dissertation on their craft and techniques. The information can be documented and archived for future reference.

(iii) **Design Development:**

2.2.10 There is a need to marry technology with the product and to contemporize the handloom products through computerized design interventions.

2.2.11 The weavers need to continue to receive consistent inputs in design & development. Design interventions need to also build on the specific advantages of handloom products with designs developed that are not easily replicable on the power-looms.

2.2.12 The designers need to translate market information, keeping regional variations and characteristics in mind, into a production friendly design brief taking into cognizance the saleability of a new design introduced.

2.2.13 With the clearly noticeable decline in the saree market and the increased preference to the stitched garments, design development needs to focus on developing this aspect, along with furnishing and other allied lines.

2.2.14 With growing global interest in organic and handloom products, the handloom sector will stand to gain and therefore production of organic handloom products need adequate support.

2.2.15 It must be ensured that the items listed on the Handloom Reservation Order are not cannibalized by the Power Looms & Mechanised Textile Sector and the enforcement of this regulation be made stricter. Wherever required, specifications of items listed in the reservation order are broadened to include blended yarns as well.

2.2.16 It is imperative that obtaining GI registration alone will not be sufficient but this initiative also has to be supported through aggressive enforcement machinery and brand building for the benefit of the sector and the weavers at large.

(iv) Credit:

2.2.17 Since availability of working capital is an important input into the weaving process, working capital loans on easy repayment terms need to be arranged to weavers so as to have working capital for a 3 month period i.e. to cover seasonal market cycles. Office of DC (Handlooms) may expedite the process of bringing in Weavers' Credit Cards on the pattern of Artisan Credit Cards (ACCs) with the help of Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE).

2.2.18 NHDC should also assist in obtaining credit facilities from banks at least to those weaver groups/agencies who are procuring reasonable quantities of yarn.

3 & 4 Marketing & Distribution:

3.1 Markets should be taken to handloom products and not vice versa. It is necessary to be in touch with markets.

3.2 In case of those clusters producing yardage for apparel and furnishing industry, CFC's should become wholesale markets/ distribution centers, where from Exporters, Manufacturers, Boutique owners can source high quality handloom fabrics.

3.3 In the policy for IHDS, successful clusters should be provided with funds for developing CFC's as state of the art distribution centre for handlooms in that area.

3.4 State Corporation /Apex bodies should be persuaded to strengthen/ revitalize their marketing outlets. PPP model should also be promoted by States in managing their outlets.

3.5 Market incentive scheme could be extended beyond State owned showrooms.

3.6 Government should promote procurement of products directly from clusters and also their direct marketing without the intervention of intermediaries.

3.7 High value saree / fabric should have a tag with a short write up about the craft and its traditional usage, special techniques of weaving, etc.

3.8 Promotional ads and buyer seller meets should be initiated only there is a clear availability of the volumes of fabrics and working out the time lines needed.

3.9 Awareness should be generated amongst civil society and the youth for sustainable consumption of handloom items. The message should be that by wearing handlooms, Youth would help in sustaining millions of their countrymen who have traditional and fast depleting knowledge and skills.

3.10 It is imperative that handlooms are made 'cool' again in the domestic market and that pride in wearing them is inculcated among the Youth.

3.11 Handlooms need a Generic Brand Advertising Campaign. Handlooms need to be promoted as an alternative clothing or lifestyle choice for the youth.

Others:

4.1 The ICICI Lombard Health Insurance Card must be issued with a photograph to ensure there is no misuse as innumerable instances of the same have been reported. The format of the card ought to follow that of the Smart Card already in use by M/o Labour. Further claim filing process should be made simpler and user friendly.

4.2 Efforts should be made for inclusion of Weaver's home also under other Central / State schemes meant for civic amenities for provision of electricity, drinking water supply etc.

Record note of the discussions held in the First meeting of the Steering Committee held on 9th May 2011 for Twelfth Five Year Plan 2012-17 in respect of Handloom & Handicraft Sectors.

List of participants is annexed.

Senior Adviser (H&H), Ms. Vandana Kumari Jena welcomed all the participants on behalf of Member (SH) to the first meeting of Steering Committee. She briefly outlined the broad objectives laid down for 12th Plan – “to achieve faster, more inclusive and sustainable growth”. She highlighted that whereas 11th Plan have focused mostly on the cluster based approach, social security, technology transfer etc , but in the 12th Plan real focus would have to be on the inclusion aspect as majority of weavers/ancillary workers and artisans are women besides belonging to SCs / STs & Minorities and most of them are from NER. Therefore there will be a need for enhancing capacity and skills; faster generation of employment efficiency, inclusion, technology, innovation etc.

In her opening remarks, Member (SH) mentioned that even after 6 years of her association with these sectors, she feels that she is still grappling with their complexities. She mentioned that one of the stated objectives for the approach to the 11th Plan was to provide sustainable employment and higher socio economic status to handloom weavers and the artisan community leading to economic development, particularly of rural areas. However, mid-term review of the Plan undertaken through studies, meetings held with nodal departments /consultative group of experts, regional consultations with NGOs/ minority groups and others had revealed that a lot was still to be achieved to ameliorate their conditions and for improving their socio economic status. Further, it had emerged that although citizens groups broadly supported the stated objectives of existing government programmes, the design and institutional arrangements were not adequately strong and greater devolution to and empowerment of local governing and implementing bodies was needed. Besides there was a strong demand from all sectors to improve service delivery and increase awareness about existing schemes and their nodal contact points.

She also highlighted that these sectors not only reflect our rich cultural heritage, but also the binding force that unite various diverse segments, encouraging co-existence of communities from varied faiths, cultures, classes and castes thus strengthening the secular, cultural, social and moral fabric of our country. She therefore suggested that we should aim to take corrective measures to achieve greater efficiency in programme implementation, as well as strive to capture new challenges that may have emerged and introduce relevant and special initiatives for socially vulnerable groups and disadvantaged/backward regions including the North-Eastern Region and revitalize the handicrafts and handloom sectors of India.

Adviser (I&VSE), Dr. Renu S. Parmar gave an over view on the programmatic interventions planned for the 11th Plan, findings of mid-term appraisal and recent annual plan reviews, highlights of the 3rd handloom census undertaken by the M/o Textiles through NCAER as well as the aims for the 12th Plan period through a Power Point Presentation.

She stated that as per mid-term review, the performance of cluster schemes (Integrated Handloom Development Scheme and Baba Saheb Ambedkar Hastshilp Vikas Yojana) was initially slower but they have reached some kind of critical mass, with awareness about the schemes further spreading. The Welfare Scheme providing life insurance and access to healthcare for weavers/artisans and their families has been found to be conceptually useful, however various suggestions have been made for streamlining the scheme further. Exports of handicraft items had fallen to 50% level compared to the year 2006-07 and further many schemes like the Pension Scheme and the Thrift Fund Scheme could not take off at all. She informed that handloom Census has revealed that although no of weavers have come down, there is increase in full-time workers from 44% of the adult handloom workforce as per second census to 64% as per the third census and there is increase in days of work per weaver household from 197 person days as per second census to 234 person days as per the third census.

Planning commission is expecting early completion of Handicraft Census so as to have authentic data base as well as more relevant information on crafts, craftspeople and can be utilized for rational planning.

She further mentioned that there is a need to create an efficient and transparent environment for nurturing enterprise, promoting concepts of business management and costing, enhancing productivity, incentivizing R&D, including support for innovation and providing access to credit. There is also the need to critically assess input deficits in these sectors and suggest measures to overcome them, review and strengthen linkages between Central & State sector schemes and introduce a strong distribution and marketing strategy/policy including quality control and packaging. We need to focus on empowering the weavers and artisans; making their standard of living higher and overall we need to look at the person behind the loom and the person behind the craft while at the same time looking at other related issues.

She invited the attention of participants to the fact that although “Terms of Reference “(TORs) for the Steering Committee cover almost all issues, the following TORs should also be added.

- To clearly articulate the goals to be achieved in the 12th Five Year Plan.
- To critically assess the progress of Government schemes in the handloom & handicraft sectors in the 11th Plan and to suggest improvements

Adviser (I&VSE) further apprised the members that with a view to give impetus to the sector, Planning Commission in February 2010 had set up an Expert Committee on Development of Handlooms under the chairmanship of Mr. Arun Maira, Member Planning Commission. The committee has Minister of State Mr. Jyotirinditya Scindia and Dr.(Ms.) Syeda Hameed, Member Planning Commission as co-chairs. Other members of committee are eminent persons from the handloom field and officials from the M/o Textiles. Committee had deliberated on 4 major issues i.e. issues related to Supply side, Production side, Distribution & outward chain and Marketing etc. However a few issues like steps required for combating occupational hazards of weavers, review of social security measures, and strategy for increasing the income of weavers and ancillary workers through higher productivity and better technology could not be taken up by this committee. Since this committee will be meeting on 11th May 2011 for the last time, the recommendations of the Expert Committee, as finalized, will be made available to the Steering Committee to enable them to take the recommendations further for framing schemes and programmes for 12th

Plan period. The issues which could not be considered by the expert committee and mentioned above would be taken up by the Steering Committee, which, in any case, constitutes the main points in the TORs.

Member (SH) requested the participants to share their concerns and give their suggestions which could be kept in view while carving out the strategy for 12th Plan.

Dr Farooqui from Craft Development Institute Srinagar mentioned that there is a need for recognition of craft education at every level starting from school level to higher level of learning and craft courses should be recognized for formal degrees or professional programmes. Besides, expertise should be developed associating practicing and learned weavers / craftsmen/ artisans for craft conceptualization training. Even experienced and practicing weavers and craftsmen are given appropriate recognition for their knowledge and standing in the field and they be considered for inclusion at faculty level in the craft institutions. He also informed that obtaining GI registration alone will not be sufficient but this initiative also has to be supported with setting up necessary testing facilities/labs for hallmarking e.g. Paschmina and aggressive enforcement machinery so as to take appropriate legal action against misuse to defend National interests.

Ms. Jasleen Dhamija at the outset supported the point mentioned by Dr. Farooqui that there is a need to mainstream formal education for handloom and handicrafts and this should not be marginalized .She said that in the Performing Arts stream, performers have today become faculty members , but Master craftsmen and experienced weavers are still recognized only as technicians in the institutions and this trend is not praise worthy for these important sectors. She also wanted to know the status of evaluation of various schemes and the agencies that are doing the evaluation.

Ms. Ritu Sethi from Craft Revival Trust further added that in our country craftsmanship has been traditionally handed down from parents to children and is mostly oral. This practice needs to be formalized through imparting such education in institutions and even in clusters. Course curriculum etc. also needs to be drawn up.

Ms. Kasturi Gupta Menon shared her experience of improving awareness about the schemes. She said that for this, schemes should be translated in local languages and then publicized for better understanding by beneficiaries including State Govt. functionaries at lower level. She also suggested that there should be close monitoring on the enrollment of weavers and artisans under health insurance schemes , as presently, one beneficiary is being counted up to 5/6 times e.g. one through actual name, second with caste surname, third with other sub-names etc. and therefore inflating overall number of beneficiaries covered under the schemes. Since insurance agency get premium per beneficiary, they benefit by garnering increased quantum of overall premium.

She also invited attention of M/o Textiles that as pointed out earlier also by her in other forums, coverage of weavers under handloom cluster Schemes of GOI should be holistic i.e. all the weavers and other workers in that cluster should be reached in true spirit. This would definitely inculcate confidence among the weavers and beneficiaries of the targeted cluster for overall better outcome.

Sh. Adarsh Kumar from AICA also stressed that for ensuring planned development of these sectors there is a need for organization of formal craft education and recognition of crafts people so that qualified crafts people in adequate numbers are available. He

highlighted the fact that under PPP, co-business issues should also be looked into, so as to identify the needs of the entrepreneurs and how these could be addressed, and participation of entrepreneurs is incentivized. He complimented the Planning Commission for flagging the issue of Environment & Occupational Hazards under TORs of Steering Committee for the 12th Plan, as an area of concern for craft people and weavers. He further apprised the Steering Committee that AICA had done surveys in nearly 10/12 locations and would be pleased to share their findings.

Sh. R.N.Choubey D.C.(Handlooms), M/o Textiles, GOI, at the outset mentioned that as far as handlooms are concerned, there are two handloom paradigms in India, one North East handloom India paradigm which is oriented towards domestic production with a large workforce of women and other rest of India handloom paradigm having largely commercial production with mostly male weavers belonging to categories like backward/ SCs/ STs/ Minorities etc. and therefore altogether different approaches would be necessary for the holistic development of this sector. On the issue of evaluation of Plan Schemes taken up for implementation in the 11th Plan period, he informed that their office is getting all of their schemes evaluated through independent evaluating agencies and their reports are expected to be received by Aug 2011. He further clarified that each of the evaluating agencies was identified on the basis of competitive bidding process as well as their expertise.

Sh. Dharendra Kumar MD, Jharkraft, Ranchi informed that through their development programmes they are trying to provide sustainable employment opportunities for their people in sericulture, cotton & silk handloom weaving and handicraft sectors and that too in mostly Naxalite affected areas. The outcomes of their efforts are also quite satisfactory. However two main issues are being faced by them for which they need support. These are (a) Weavers and artisans are not getting adequate credit facilities for meeting their needs under cluster development programmes even after contacting agencies like NABARD, RRBs, Commercial Banks directly as also through the interventions of State level bankers' coordination committee etc. (b), Institutions also need adequate credit support facilities for operating their marketing outlets in metropolitan towns and these are also not forthcoming. Presently they are somehow making arrangements through State Govt. support and therefore full potential of the programmes is not being harnessed.

Sh. H.P. Basak from Fulia in West Bengal apprised that there is shortage of availability of fine counts of yarn in West Bengal. Since most of these yarns come from Southern State mills, some traders and agents create artificial shortage and price volatility. NHDC does some supplies but their operations are not efficient leading to delays. He also mentioned that presently prices of cone yarn is cheaper than hank yarn and since they mostly use hank yarn, hank yarn subsidy scheme should be reintroduced so as to reduce the input costs. He informed that because of high prices of yarn and price realization of end product not increasing proportionately, the weaver is most affected in terms of a cut in wages. Some of the weavers are also leaving weaving and accepting other trades which are not as rewarding, he apprised. He highlighted the fact that the cooperatives structure for handlooms is still viable and should continue to be promoted at least in West Bengal. He stressed the need for strict enforcement of Handloom reservation list for the benefit of handloom weavers.

Ms. Kasturi Gupta Menon, at this point suggested that handloom weaving vocation should be included under NREGA.

Ms. Kritika Singh Executive Director AICEA suggested that there is a need to go for professional business model in handloom and craft sectors. Looms and other technical development should be taken up associating weavers and craftsmen.. Local communities need to be roped in for improving the environment systems, effluent disposal systems and other welfare activities.

Member (SH) at this point invited the attention of all concerned to the new policy framework that envisages product branding and promotion through brand Icons.

Sh Haresh Shah desired that there is a need for having real time mapping of clusters so that one is aware of the capacities and capabilities etc. Information should also be available on the type of looms and what type of cloth could be woven, in which period and how many weavers are available etc. This data would be of tremendous use for the persons going to obtain orders and organizing production etc.

Sh. Choubey informed that real time mapping is not possible for such a decentralized sector. However a lot of data has already has been mapped and the same has also been revealed by handloom census. Sh. Gupta informed that their office has hosted two websites ,one on crafts covering nearly 30000 products and other on craft clusters covering nearly 20000 products and giving addresses of nearly 5000 artisans /groups who could be approached for sourcing etc. He was of the view that more could be done.

Smt. Sonali Sen Gupta, GM, RBI informed that as per RBI norms, banks do not require any collateral security for loans up to Rs. 10.00 lakhs and loans/credit up to Rs 50000 for weavers /artisans fall under priority lending and banks have to ensure that priority lending should constitute at least 10% of their total lending. She felt that in addition to provisions existing for extending credit without collateral guarantee and CGTMSE is further supporting guarantee coverage, it should more be of help to banks to sanction loans easily. Although, lending is a commercial decision of the banks, she suggested that actual cases where such difficulties are coming should be taken in State level bankers' coordination committee for redressal. She also suggested that Artisan Credit Card (ACC) route could be followed for obtaining credit by weaver/ artisan groups.

Sh. S.S.Gupta, D.C. (Handicrafts) at this point apprised that last year their department after a lot of dialogue with banks at the highest level and with intervention by Secy. (Textiles) could get 60000 ACC issued to their artisans but banks could extend credit to only 11000 artisans. He mentioned that credit support by the banks is a very big hurdle and need to be resolved.

Dr. H.N.V. Prasad, CGM NABARD apprised the committee that NABARD is primarily a refinancing institution to cooperative banks. NABARD has observed a discouraging trend in refinancing for handlooms in as much as it has gone down from Rs. 808 crore in 1999-2000 to Rs 250 crore during the year 2010-11, as most of the weaver societies became ineligible for financing /credit facilities and further District cooperative banks were not able to adhere to the banking regulation act provisions thereby making them ineligible for refinancing. Considering these facts, Honorable Finance Minister in February 2011 has made budget announcement for waiver of loans to handloom weavers. This shall open up the credit lines to handloom cooperatives. Modalities are being worked out by M/o Textiles. He further suggested that for area specific issues, one may have to

approach Regional Banks of NABARD besides the forum of State level bankers' coordination committee.

Member Secretary, Central Silk Board suggested that in general region /area specific schemes should be formulated as one scheme for whole of India cannot meet the development needs.

Raj Malhotra, Chairman, EPCH informed that foreign buyers are now insisting that minimum standards for environment, safety, minimum wages etc are followed in the working units before they could be associated for supplying products to them . Accordingly, EPCH has taken initiatives in organizing seminars and distributed leaflets for creating awareness on the needs of safety requirements and for implementing common compliance code for improving social life of artisans.

Sh. Mahasweta Devi from Patna (Bihar) appraised the steering committee that the number of high skilled weavers is diminishing and weaver folk are going to greener pastures. She suggested that the concept of Bunkar Mitras could be followed in the handloom sector on the lines of Krishaka mitras for agriculture. There is a need for streamlining the system of supply of yarn in clusters and to bring down the prices of yarn. State Govt. should consider procurement of their textile needs/ requirements from handlooms only and they should set up a Weaver Commission in each state. Recently State Govt. of Bihar has successfully implemented loan waiver scheme for the benefit of weavers in the State. However this has been restricted to the bank loans. On similar lines loans taken through other institutions (like SC/ST /Backward corporations and others) should also be waived off. In Bihar, clusters under IHDS should also be sanctioned to Govt. of Bihar in place of/in addition to NGOs for larger coverage of weavers. She also pointed out that ACASH have not able to obtain revision of procurement rates for many items for past many years and this is causing loss to the weavers. Most importantly, she called for revival and support for erstwhile Design Institutions set up across the country in earlier fifties that are presently either lying dormant or languishing. She gave example of one such institute that was set up by her father late Mr.Upendra Maharathi in Bihar.

Summing up the discussions, Member (SH) stressed the need to holistically take up issues relating to credit, improving livelihoods of people engaged in these sectors including their welfare etc.

List of participants of the 1st Steering Committee meeting held on 9th May 2011 in respect of Handicrafts & Handloom Sectors for 12th Plan.

Planning Commission		
1.	Dr.(Ms.)Syeda Hameed,	Member in chair
2.	Ms.Vandana Jena	Senior Adviser (H&H)
3.	Dr.(Ms.)Renu Singh Parmar	Adviser(I&VSE)
4.	Ms. Sudha P. Rao	Adviser (PC)
5.	Shri A.K.Khullar	Joint Adviser(VSE)
6.	Ms Ajita Vidyarthi	Consultant O/o Member (SH)
7.	Ms. Astha Kapoor	Consultant, PC
8	Shri V.K.Goyal	Consultant(VSE)

Ministry of Textiles		
1.	Mrs. Rita Menon	Secretary
2.	Sh. R.N.Choubey	DC(Handlooms)
3.	Sh. S.S.Gupta	DC (Handicrafts)
4.	Ms. M Sathawoty	Member Secretary, Central Silk Board
5	Sh. Sohan Kr. Jha	ADC(Handlooms)
6.	Sh. Dinesh Singh	ADC(Handlooms)
7.	Ms.Meenu S.Kumar	CEO, O/o DC(Handlooms)
8.	Dr.Md. Nazmuddin	ADC(Handlooms)
9.	Sh.Manoj Jain	Dy. Director,O/o DC(Handloom)
10.	Dr.Md. Nazmuddin	ADC(Handlooms)
11.	Sh.Manoj Jain	Dy. Director,O/o DC(Handloom)
12.	Sh. Nirmal Singh	CMD, HHEC, and MD CCIC
13.	Sh. R.K. Singh, GM, CCIC	GM, CCIC
14.	Sh. Raj Kumar Malhotra	Chairman EPCH
15.	Sh. Rakesh Kumar	ED, EPCH

Other Members		
1.	Ms. Jasleen Dhamija	
2.	Ms. Gulshan Nanda	
3.	Ms. Kasturi Gupta Menon	
4.	Sh. M.S. Farooqui ,	Dir, CDI, Srinagar
5.	Shri Adarsh Kumar	AIACA
6.	Ms. Kirtika Singh	AIACA
7.	Sh. Dharendra Kumar,	MD, Jharkraft
8.	Ms. Ritu Sethi	M/s Craft Revival Trust
9.	Sh. Haresh Shah	
10.& 11	Smt. Sonali Sen Gupta, GM, RBI Sh. S. Mugun Than, AGM, RBI	Representing Deputy Governor , RBI
12 & 13	Dr. H.N.V. Prasad, CGM Mumbai Dr. Sudhanshu K.K. Mishra AGM, New Delhi	Representing MD NABARD, Mumbai
14.	Ms Gita Ram	President, Industree Crafts Federation, Chennai
15.	Mr. Haripada Basak	Representing Weaver cooperative Society Fulia West Bengal
16.	Ms. Mahashweta Maharati	Patna Bihar
17.	Sh. Y.M. Reddy, MD, APHDC	Representing Secy I/c Handicrafts Govt. of A.P.
18.	Sh. N. Sankaralingam, GM (Adm.)	Representing MD Co-optex
19	Sh. T. Ethirajulu, Addl. Director, H&I	

Record note of the discussions held in the 2nd meeting of the Steering Committee held on 4th November 2011 for Twelfth Five Year Plan 2012-17 in respect of Handloom & Handicraft Sectors.

List of participants is annexed.

Adviser (Industry &VSE) welcomed the participants to the 2nd meeting of the Steering Committee being held under the Chairpersonship of Dr. (Ms.) Syeda Hameed, Member, Planning Commission. .

Member (SH) requested participants for their brief introduction, since some of them are participating for the first time.

Initiating the proceedings, **Adviser (Industry &VSE), Dr. Parmar** apprised the committee that the members are already aware that in the context of the Twelfth Five Year Plan (2012-17), Planning Commission had constituted a Steering Committee on Handlooms and Handicraft sectors, the first meeting of which was held on 9th May 2011. Further, two Working Groups on each of these sectors were constituted by the Planning Commission under the Chairpersonship of Secretary (Textiles), GOI and Co-chairs from Civil Society representatives namely Ms. Jasleen Dhamija on WG on Handlooms and Ms. Gulshan Nanda on WG on Handicrafts with other members representing Central / State Govt. Departments, Financing Intuitions, National / State Handloom & Handicraft Agencies, Co-operative Societies, individuals and experts in the field.

She further apprised the Steering Committee that both the Working Groups had a number of meetings and had circulated draft reports among its members for further comments if any. Both members of the working groups as well Planning Commission had given their comments on the reports.

Only, the Executive Summaries of these reports were circulated to the members of the Steering Committee as full reports were received recently in the Planning Commission. However, copies of these would be mailed to the members shortly.

Adviser (I&VSE) further recalled that in the last Steering committee meeting held on 9th May 2011 it was apprised to the members that with a view to give impetus to the handloom sector, Planning Commission, in February 2010 had set up an Expert Committee on Development of Handlooms under the chairmanship of Mr. Arun Maira, Member, Planning Commission. The committee had Union Minister of State for Commerce Mr. Jyotrinditya Scindia and Dr. (Ms.) Syeda Hameed, Member, Planning Commission as Co-chairs. Other members of committee were eminent persons from the handloom field including Secy. (Textiles) and others from M/o Textiles. The Committee had deliberated on 4 major issues i.e. issues related to Supply, Production, Distribution & Outward chain and Marketing etc and was to finalize their recommendations in its meeting convened on 11th May 2011. Thereafter these were to be handed over to the Steering Committee for inclusion in schemes and programmes for handloom sector for 12th Plan period. Since, the recommendations of the Expert committee were made available to relevant Working Group, it has to be seen by the Steering Committee, whether the same have been duly taken on

board during deliberations by the Working Group and if not, Steering Committee would take a view afresh.

She requested D.C. (Handlooms), Shri R.N. Choubey to make his presentation. **Shri Chobey** informed that in their Working Group, there were 20 official members and 18 non official members i.e from civil society and in all 21 meetings were held by their group/sub-groups. Approved outlay for 11th Plan (for 5years i.e. 2007-2012) was Rs. 1370 crore and actual expenditure in first four years (i.e. from the year 2007-08 to 2010-11) has already surpassed this figure. Further, since no funding limit for outlay of the 12th Plan was indicated to them, their Working Group unanimously was of the view that there should be no sub-optimal funding for handloom sector which employs nearly 43 lakh weavers and ancillary workers.

Shri Choubey highlighted the findings of 3rd handloom census undertaken by NCAER on their behalf in the year 2010 which has both disturbing inferences as also a positive outlook to the sector. Disturbing inferences are that whereas both the no. of handloom weavers and no of looms have decreased from 2nd census (1995) to 3rd census (2010) (no of weavers decreased from 65.51 lakh to 43.32lakh, no of looms decreased from 34.87 lakh to 23.77 lakh), positive features are man-days worked per weaver per annum have increased to 234 days compared to 197 days earlier, share of full time weavers to total weavers have risen to 64% from 44% reported earlier. Also share of idle looms has decreased to 4% from 10%. However, handloom production, which is a derived figure continues to be around 6800/6900 million sq. meters annually, valuing around Rs. 30000 crore.

He informed that evaluation studies of all 5 schemes operated in 11th Plan were undertaken through third party and it has been revealed that in general funds allocated are not sufficient, coverage of the schemes is restricted to limited users, there were delays in supplies of yarn, constraints in accessibility of credit, high cost of credit, debt overhang, lack of man-power and other resources with Weaver Service Centers ,absence of dedicated Cluster Development Executive in Clusters, time lag in release of funds between submission of Utilization Certificate of the previous release and release of the next installment, lack of design-market linkages, considerable delay in claim reimbursement of social security claims, no relief for weavers in distress and there is a need for more publicity including brand promotion etc.

Member (SH) at this point desired to know about the evaluating agencies especially relating to extending credit to weavers. It was informed that NABARD did the study and for the Ministry, it was a third part evaluation.

Continuing his presentation, Shri Choubey informed that the Working Group has made recommendations for modifications in the existing schemes, increase in the financial allocations, addition of new components and introduction of some new schemes like Distress Relief Fund Scheme for Weavers, Schemes for environment compliance and safety measures for weavers, Pension scheme, introduction of hank yarn subsidy scheme, Warehouses cum depots for yarn supplies to take care of the needs of individual weavers specially in NER, exclusive support/ facilities for handlooms in NER. . The Working Group has also recommended steps for better access to raw materials, consolidation of existing clusters through extra support to bridge gaps, credit at reasonable terms with provisions of increasing margin money support, design development and their linkage with marketing, up-gradation of Diploma courses to Degree course as also establishment of Chairs in Universities, issue of Bio-metric cards etc. with financial outlay of Rs. 10464 crore for 12th Plan period.

.Besides policy recommendations have also been made which include introduction of "Power-loom Mark", taking up with States for exemption of Yarn Supplies under Mill Gate Price Scheme from the imposition of VAT &CST, arrangements for supply of quality dyes in

small packets from NHDC depots/offices, celebration of "India Weaves Week" at Indian Embassies, conduction of "Textile Tours" to handloom weaving centers in association with M/o Tourism & M/o Culture.

Development Commissioner (Handicrafts), Sh S.S.Gupta in his presentation highlighted that in four years of 11th Plan, they have sanctioned 536 clusters under Baba Saheb Ambedkar Hastshilp Vikas Yojana, 1380 Design events, 1598 Domestic marketing events, participation in 259 international shows, 1097 HRD training programmes, covered 27.83 Lakh artisans under Rajiv Gandhi Swasthya Biima Yojana, commissioned 86 studies.

He informed that in the first three years of the 11th plan period, great challenges were faced due to the changing economic climate and the global recession. However, on account of various policy initiatives of the Government, the last two years of the plan period have seen improvement and increasing growth rates. The operational schemes of the 11th plan showed merit, registering a growth of approximately 20% in exports. Many artisans who had left the sector, started to get involved in the industry again. Despite the difficulties faced by the sector in the 11th plan, it has shown resilience and is growing stronger.

He informed that Working Group in its first meeting while setting the contours of the coverage, constituted five sub-groups for deliberations on the handicrafts sector and each of the sub-group had met three times. The recommendations of the sub-group were considered by the Working Group which finalized the report after incorporating suggestions made by their members. WG has recommended vision for 12th Plan as

" To create a globally competitive Handicrafts Sector and provide sustainable livelihood opportunities to the artisans through innovative product designs, improvement in product quality ,introduction of modern technology and preserving traditions."

The Working Group has projected that based on average growth in exports of handicrafts @ 18% per annum, the exports of handicrafts is expected to reach Rs. 28368 crore by the year 2016-17 and production to Rs. 47280 crore , considering 40% of the production of handicrafts is consumed in domestic market and 60% is exported. Similarly, the production of carpets is expected to reach Rs. 8977 crore by the end of 12th Plan period. Total employment is expected to reach 17.3 million by 2016-17.

He informed that WG has recommended a broad strategy to achieve the projected targets .This include product & design development and process development, market compliance, infrastructure development, livelihood and working environment through focused attention on Women, Minority and SC/ST Communities , Brand building, support to GI certification both for pre and post actions, Advocacy and Policy support ,Documentation - Preservation and Revival of Rare and Languishing Crafts , modifications in eligibility criterion, sanctioning of projects based on a DPR to be prepared by a professional agency, model of one craft one village, repositioning of infrastructure components from existing scheme , renaming some of the scheme components to reflect the true nature of the activities being undertaken in the component and remove complexity etc, HRD & Entrepreneurship Development, besides availability of credit and raw materials etc., Working Group has also recommended taking up more Cluster Development Programmes, Establishment of Advanced Handicraft Training Schools and Testing Laboratories, Structuring & Revitalizing of existing institutions into Centre of Excellence & Syndication of their activities and up-gradation of Craft Institutes to University etc.

Working Group has recommended financial outlay of Rs. 4519 crore for 12th Plan with increase in financial allocations to the schemes to align them to the current market trends and to make them sustainable for the future, and to also include Rs. 415 crore for past liabilities.

Member (SH) then called upon both Co-chairs Ms. Dhamija and Ms. Nanda to share their experiences.

Ms. Jasleen Dhamija, Co-chair of the Working Group on Handlooms at the outset expressed that it has been a wonderful exercise and some very good concepts had emerged. These are (a) recognition of master weavers under GOI schemes, which would increase coverage to 60% level (b) introduction of credit guarantee mechanism etc. Further, since Ministry has already completed handloom census and it had reportedly issued weavers card to almost all the handloom weavers, and this card should be considered a passport for availing all services.

However some areas could not get enough attention during the deliberations, such as introduction of PPP model in raw material supplies and marketing including establishment of retail stores/franchise shops as it is very difficult for Govt. agencies to undertake commercial activity efficiently. Further something need to be done for protection of health of weavers and revamping of State Government Institutes with the help of professionals for Design Studios, colour forecasts, strengthening of the existing Weavers Service Centre, which have become marginalized, by filling up the vacant posts, making funds available for contractual hiring of high class design & technical staff. There should be upgrading of the equipment. Rather than expending money on buildings as well as on setting up new Weavers Service Centre except in States, which do not have them especially in the new States, as well as in North East, we need to strengthen, support and upgrade the existing Weavers Service Centres. We also need to bring the Handlooms into the main stream of education by involving IIT in the Designs movement. This has been successfully done in J&K Design Centre. She further emphasized immediate need for decentralization of the office of Development commissioner for Handlooms for extending better reach to weavers, quick release of funds and proper monitoring etc. Govt. should also consider convergence with other Ministries and Departments such as Khadi where a large no of their showrooms are almost languishing.

Ms Gulshan Nanda Co-chair of Working Group on Handicrafts mentioned that in all 17 meetings were held in their Group and all of them were quite fruitful and she would like to extend her appreciation for the Secy. (Textiles) and Office of DC (Handicrafts) for their courtesy and appreciation. However, she felt that State Government representation was inadequate. She also mentioned that the concern of craftspeople and the survival of the handicrafts has been the foremost in the minds of all those who have worked concertedly to review the Plans and policies.

She highlighted some key observations such as a) need to have an All India Census on Handicrafts by one agency with classification for gender, location, class, caste, children at work and their education levels; b) to define the terminology for handicrafts as it is presently not comprehensive) to ensure immediate evaluation of all ongoing Plan Schemes so as to assess as how many craftsmen have actually been benefitted and to what extent their income, living condition and working conditions have improved; d) to consider domestic production /sale and artisans employed as key indicators with exports following but not dominating ;g) to have craft related concept to supplement cluster approach to ensure coverage of craft communities and h) documentation, preservation and sharing in a visible way so that traditions are not lost etc which need to be considered on priority. She also indicated that NREGA wages are impacting the handicraft artisans as quite a few are leaving handicraft work and going for NREGA, and if this continues longer, there may not be enough artisans left in the handicraft sector.

DC Handicrafts informed that the agency engaged for census work did complete 40% of its work, following which the survey had stopped. Alternatives are currently being explored. Regarding evaluation of the programmes, he mentioned that interim reports are already there and final reports are awaited. On the definition of handicrafts, DC (Handicrafts) informed that in one case, Honorable Supreme Court had defined Handicrafts and, they are approaching Law Deptt for their opinion as to how the definition can be reviewed.

Member (SH) then invited views of other participants.

Sh Chinmaya Mishra: mentioned that reduction in the no of looms and handloom weavers by nearly 20% should be a cause of concern for all and it requires deep introspection, as justifying the outcome in census from other parameters may not be in the interest of handloom sector.

He emphasized that there is a need for ensuring quality control in the production and marketing of handicraft products even domestically, as presently, whatever is being sold through marketing exhibitions organized under the banner of D C (Handicrafts), 90% are not handicraft items. Quality control and standards are equally, rather important for domestic markets as for exports.

He also informed that infrastructure developed under cluster and other development programmes are being rented out to garment units to act as tailoring shops and this practice need to be checked.

He desired that special emphasis is required for Bundelkhand region on the lines of NER, as there had been very rich traditions both for handloom and handicraft activities in this area. He said, already Planning Commission is taking some steps for development of Bundelkhand region and if specific attention is also ensured for the handloom and handicraft sectors, artisans and weavers of the area can be benefited. There are large numbers of looms in Bundelkhand region which are presently not working and these could be revived by providing specific support.

Further in handloom expos, individual weavers should be given at least 50% participation and handloom mark should be made compulsory for the units/individuals who participate in these expos.

Sh Anis Ansari suggested strengthening of State handloom agencies in providing requisite support to weavers more on the marketing front. In the State of UP, UP Handlooms and UPICA are practically dormant on account of their poor financial condition. These agencies need revival by the State and GOI should extend support to enable them to continue to serve the development process.

He further invited attention to the proposed financial package for handloom weavers of Rs. 3000 crore, and said that the loan waiver should be extended only to individual weavers and funds should be directly credited to their account and not through societies as quite a number of their members are reported as bogus.

Shri Ansari further brought out that in Varanasi/Muradabad area, indigenous silk is not used in production of silk handloom products, instead, they largely use imported silk from China and, therefore, its availability should be ensured in the weaver clusters of Eastern U.P. without any duty. He also drew attention to the fact that cotton yarn prices have gone up almost three times in the past 24 months and Government of India should take necessary steps including provision of subsidy on yarn. to overcome this price volatility. He called for ensuring of regular and un-interrupted power supply for handloom clusters. He specifically asserted that there is urgent need to ensure easy sourcing of appropriate technological techniques so as to help weavers in bringing down the costs and

improving productivity since mechanized Chinese goods are getting into the market at much cheaper rates which will be detrimental to the handloom weavers.

Sh Ansari suggested that on the lines of recent announcement made for making 4% reservation for items to be procured from SC/ST entrepreneurs (out of 20% reservation for goods to be procured by PSUs from MSME sector), compulsory procurement of some percentage of textile items from handlooms by Govt. Deptts. be also made. He also suggested earmarking of Special Component Plan for handloom sector on the lines of Special Component Plan outlay being earmarked for SC/ST category to mitigate resource crunch for the handloom sector.

Mrs Kirtika Singh of AIACA indicated that centralization in the offices of DC (Handlooms) and DC (Handicrafts) has led to reduced focus on service delivery and accountability. She suggested for fuller use of information technology so as to ensure easy and immediate access to the schemes, to know the processing status, including requirement information / documents at one go, timelines for release of funds with other related details for improving efficiency and faster development. Studies conducted by these offices should also be easy accessible by any one. She also suggested that to a large extent all schemes but more importantly the marketing schemes must have a PPP model which should suitably ensure incentivizing the private players to invest in building and owning rural infrastructure. Welfare based approach of the plan have to be differentiated from market based functions.

Member (SH) at this point while endorsing the view point of Mrs. Kirtika, called for systematic change in the approach in the 12th Plan period. As against manual processing and up-keeping of information, change should be undertaken to make them IT enabled which would lead to better service delivery, improving efficiency, including transparency and accountability in the system. Member (SH) further informed that already a number of GOI offices and Departments are announcing citizen charters which envisage timelines for specific work failing which penal action would be taken

Sh Haresh Shah called for greater need for inclusion of Information Technology in all areas. The Working Group reports on handlooms suggest positioning of a cluster executive in each cluster for better coordination and monitoring. There is, however, a need that the information gathered is put on IT enabled platform so that the information is available to all and for future reference as well. Similarly, NHDC could disseminate information on yarn and Dyes & Chemicals for the benefit of all. Presently no of designs developed under various GOI schemes remain in offices and do not get passed on to artisans and weavers. Similarly, there is dire need for disseminating the information on raw material vendors, availability, supply details etc and these can be put on line to enable entrepreneurs/weavers/artisans to make use of the same. This would facilitate monitoring as well.

He further pointed out that a number of buildings had come up in handloom clusters/ towns/ Districts under various handloom schemes, which are either defunct or used for purposes other than handloom related activity. If the locations of all infrastructure developed is recorded and put on line through effective IT use, these resources could be used for other programmes under handloom sector.

Shri Shah also called for convergence among various institutions as most of them are taking similar steps.

Sh. Farooqi of CDI Srinagar suggested that under HRD, greater emphasis is required on Quality Development of Personnel, their leadership qualities and skills for conceptualization etc., so that they can lead the conversion of resources to development of sectors. More Institutions need recognition in the field of providing quality education in the handicrafts.

Mr. Basak from Co-operative Society of West Bengal brought out two points. Firstly, that under proposed recommendations of working group - welfare component, there is no mention of Provident Fund Scheme for the weaver-member of the Co-operative societies. He mentioned that this scheme was in existence earlier but contribution was miniscule – Rs. 90/ only p.a. per head from each Govt. It therefore did not work very well He requested its reintroduction with enhanced contribution at reasonable higher/ honorable rates by the Govt. Secondly, that under bi-lateral agreement arrived at between two countries (India and Bangla Desh) - 47 items of cotton clothes have been allowed for import from Bangla Desh free of duty. Some goods have already infiltrated in the West Bengal market. All these are inferior power loom products and very cheaply priced. This would eventually adversely affect handloom industry of West Bengal and rest of the country. The policy therefore calls for immediate review.

Ms. Mridula Jain invited attention to the fact that handlooms promoted by the entrepreneurs of woolen shawls in Ludhiana (Pb.) be also covered under development programmes of the O/o DC (Handlooms). Member (SH) suggested that, separate discussions be held by her with DC (Handlooms) on this as how support from their schemes could be availed of for the benefit of handloom weavers in Punjab.

Judy Frater from Kalakshetra pointed out that artisans and weavers largely have adequate technical skills. Yet they require skills in other areas like business management, obtaining credit etc. She also called for the need for extending due respect to artisans and weavers by all. She also suggested for more publicity about schemes and programmes

Shri Abdul Khaliq Ansari from All India Momin Conference requested that keeping in view the scope and coverage for social measures, financial outlays for the scheme need appropriate raise, weavers/artisans pockets and colonies should be included for development under the minority concentration development programme of M/o Minority Affairs; special emphasis to provide 20% special incentive to State Govts for Government purchases of handloom products, funding pattern under cluster scheme to 90:05:05 for the State of U.P. also, ensuring objective assessment by Nationalized Banks for credit availability to weavers, direct release of claim amounts to weavers instead of hospital/organization under social welfare measures ; early completion of handicraft census, increase awareness about development and welfare schemes in the concerned areas. He also desired that handicraft census should be completed early. Yarn is available to weavers through traders. NHDC should open yarn warehouses in all weaving clusters and make yarn available to weavers directly and credit availability as well as terms of credit to weavers should be at par with those extended to farmers.

Ms. Kasturi Gupta Menon supported the proposal for introduction of hank yarn subsidy scheme recommended by the group for ensuring supply of hank yarn at competitive prices compared to cone yarn. She called for concentrated attention on training on dyeing as awareness on dyeing techniques and use of dyes continues to be a great shortcoming

She mentioned that Handloom Reservation Act as it stands today does not have any teeth. Although, GOI does give some money to States to meet the costs of 3/4 officers' staff for implementation of the Reservation Act, the implementation is crippling. Already, West Bengal is getting affected and many weavers from Fulia had left handloom weaving and are reported to be working in Gujarat in trades other than handloom weaving. Handlooms of Eastern India, which is essentially in the States of West Bengal, Orissa and Assam need to be, supported fully, otherwise these would disappear soon from the map.

On the decentralization aspect, she said that Office of Development Commissioner has nearly 21 Weaver Service Centers in major handloom centers and these WSCs were extending design and other support to weavers and therefore acting as field arm. Over a period of time, quite a no, of technical staff had left or retired and posts have not filled up

since then and therefore, the WSCs are not able to function as well. There is a need to fill up technical posts besides WSCs could engage professionals and experts on contract basis for extending their coverage.

She also supported the need for early completion of handicraft census. She said that scheme of promoting Urban Haats is an excellent scheme and Urban Haats should be promoted in Kolkatta, Chennai. Scheme should have provision for acquisition of land for this purpose as no State Govt. would be willing to provide land free of cost.

She however was apprehensive about the scheme on promoting warehouses abroad, firstly as the experiment of HHEC in running warehouse for carpets was not successful and secondly, M/o Commerce is already extending financial support for exports as well as exporters and therefore there is no need to have similar schemes to support exporters under handicraft sector. Similarly, present assumption that 60% of the production of handicrafts is exported and only 40% is consumed domestically does not appear fair. Actually large share of handicraft production is consumed domestically and only a small percentage is exported, say around 20%. Early completion of handicraft census, can perhaps throw some light on this. She also said that corporate sector needs to be approached to extend support to artisans under CSR (Corporate Social Responsibility).

Ms. Ritu Sethi mentioned that most of the points which she wanted to make have already been covered by other civil society representatives. Yet, she would like to highlight the fact that the bulk of the handicraft items that are exported are manufactured products produced in factory conditions or mass produced not necessarily engaging handicraft artisans. These, therefore have to be segregated and further manufactured handicrafts should not largely be supported for assistance and support from handicraft budget. Manufactured handicrafts should and would fall under M/o Commerce and supported accordingly. This issue was touched by Ms. Kasturi Gupta Menon indirectly in the context of promoting warehouses.

She also said that the schemes and programmes of handicraft sector therefore would need a systemic and radical look and for which purpose, whole report of the working group on handicrafts would have, as how the support from GOI schemes are getting targeted at and who are the real beneficiaries.

Sh Dharendra Kumar of Jharkhand informed that **Cluster** and other schemes have successfully been able to provide livelihood and sustainable model in the sector and this could be replicated. Weaver are now able to get higher earnings in the range of Rs. 6000 to Rs 8000/- pm and artisans are able to get Rs. 3000/ pm. Weavers and artisans are being identified based on their capabilities, so that level of their expertise is harnessed. Opening of rural marts are being opened by them. They are supporting presently nearly 2 lakh persons and that too in mostly Naxalite affected areas. and their target is to cover 10 lakh persons.

Ms. Usha Krishna reiterated that there is a need to expose children in schools right from 6th standard till 12th to craft education to enable them to understanding the value of craft ,its heritage etc right from early stage . This may enable some of them to opt for these as a vocation directly or take up such streams which help or support handlooms and handicrafts and further support marketing as they themselves would also buy for their self-use.

Senior Adviser (Handlooms & Handicrafts), Ms. Vandana Jena called for tie-up with M/o HRD for compulsory procurement of cloth for school uniforms and dresses for Aanganwadi workers from handloom sector and such procurement be extended 30% special incentive instead of 20% special incentive proposed by the working group as this would encourage handlooms, showcasing handlooms and provide captive market for some

of the handloom production. She also suggested for procurement of other textile items like curtains, bed- sheets etc in Govt. offices / Deptts. from handloom sector.

Sr. adviser further invited attention that in the reports much has not been mentioned on gender budgeting except provision of toilets for women in clusters. Since 70% of handlooms weavers and ancillary workers are women, it is more necessary and important that more and more women are engaged as designers, cluster executives as also marketing personnel etc.

At the end, Dr. Parmar mentioned that it is appearing that we are up-scaling almost all interventions specially cluster based interventions both in terms of outlays as also numbers. Instead, it would be better to assess as to how the existing clusters have performed and consolidate the gains. The emphasis should be on strengthening the existing clusters which would perhaps mean putting in more time and effort into existing clusters rather than spreading resources thinly across more and more clusters, so as to ensure sustainability. Although this does not mean that no new cluster programmes would be taken up, it should be on selective basis perhaps for heritage clusters etc. At the Central level, the effort should be to select only major clusters across the country for intensive intervention, the rest being developed largely by the State Govts. by funds released by the Centre to designated Nodal Authorities. Efforts may be made to assess as far as possible how the existing schemes have performed and what could be done to improve their efficacy. Findings of evaluation studies should also be guiding principle for the Steering Committee, while considering the recommendations of the working groups.

Adviser further informed that based on the recommendations of the working groups, expert committee report on handlooms, views expressed by the members of the Steering Committee and other representations/references received at the Planning Commission, a small group consisting of Ms. Jasleen Dhamija, Ms. Gulshan Nanda, Ms. Ritu Sethi, Mr. Haresh Shah, Mr. Faroqi and Ms. Kirtika Singh would work out a draft on major recommendations to be made by the Steering Committee

Member (SH) summed up the discussions stating that improving livelihoods of people engaged in these sectors including their welfare etc is of prime importance. We must leverage innovation a problem solving approach to promote shift towards transparent & improved service delivery; institutionalize e-governance for efficient administration of programmes and monitoring of implementation, only then can we generate the growth that can lift artisans and weavers out of their debilitating state of poverty and empower them to attain their potential.

List of participants in the Second Meeting of the Steering Committee on Handicrafts & Handloom Sectors for Twelfth Five Year Plan held on 4th Nov 2011 at 10.30 AM in Room No. 228 Yojana Bhawan under the Chairpersonship of Dr. (Mrs.) Syeda Hameed, Member, Planning Commission .

Planning Commission		
1.	Dr.(Ms.)Syeda Hameed,	Member in chair
2.	Ms.Vandana Jena	Senior Adviser (H&H)
3.	Dr.(Ms.)Renu Singh Parmar	Adviser(I&VSE)
4.	Shri A.K.Khullar	Joint Adviser(VSE)
5	Shri V.K.Goyal	Consultant(VSE)
Civil Society Members		
6	Ms. Jasleen Dhamija	
7	Ms. Gulshan Nanda	Craft Revival Trust, New Delhi
8	Ms..Kastur Gupta Menon	President, Crafts Council of India, Chennai
9.	Ms. Ritu Sethi,	Craft Revival Trust, New Delhi
10.	Ms. Judy Frater	Kala Kshtra, Kutch
11	Sh. Chinmaya Mishra	Indore
12	Shri Hari Panda Basak	Tangail Tantujibi Unnayan Sambay Samiti Fulia
13	Shri Hareesh Shah	Mumbai
14	Ms. Usha Krishna	World Craft Council, Chennai
15	Ms. Gita Ram	Industree Craft Foundation, Chennai
16	Ms. Kirtika Singh	All India Craft Workers Association of India
17	Sh Anis Ansari	ViceChancellor Manyawar Shri Kanshiramji UP Urdu, Arabi-Farsi University, Lucknow
18	Ms. Mridula Jain,	Shawl Club Ludhiana
19	Shri Abdul Khaliq Ansari	All India Momin Conference , New Delhi
20	Shri Abdul Rashid	All India Momin Conference , New Delhi
Representing other Ministries / Departments /Institutions/State Govts		
21	Sh Avinash Kapoor	AGM ,RBI
22	Sh. Rajiv Shukla	AGM,NABARD
23	Ms. Kirti Saxena	Economic Adviser, M/o DoNER
24	Sh. Sanoj Kumar Jha	Director (Commerce), M/0Commerce
25	Sh. Sudhir Singh	Dy Secy. ,M/o Rural Development
26	Sh. Atul Chaturvedi	Principal Secy. Govt of Assam, Dispur
27	Sh. Vijay Pingale	MD. Cooptex, Chennai
28	Sh Dharendra Kumar	MD, Jharcraft, Ranchi
29	Sh. M.S. Farooqi	CDI, Srinagar

Ministry of Textiles		
30.	Sh. S.S.Gupta	DC (Handicrafts)
31	Sh. R.N.Choubey	DC(Handlooms)
32	Sh. Sohan Kr. Jha	ADC(Handlooms)
33	Sh. Dinesh Singh	ADC(Handlooms)
34	Ms. Alka Arora	ADC (Handicrafts) & MD CCIC
35	Ms.Meenu S.Kumar	CEO, O/o DC(Handlooms)
36	Dr.Md. Nazmuddin	ADC(Handlooms)
37	Sh. Rohit Bharadwaj	Director (Handicrafts)
38	Sh.Manoj Jain	Dy. Director,O/o DC(Handloom)
39	Sh. Navnit Sharma	A.D. O/o DC (Handlooms)
40	Sh. M. Purushothaman	A.D. O/o DC (Handlooms)
41	Sh J.K. Baveja	MD, NHDC Lucknow
42	Sh. Pramod Nagpal,	Sr.GM, CCIC
43	Sh R.K.Singh	CCIC
44	Dr. R.D.Singh	Joint Secy. (T) ,CSB, New Delhi
45	Sh Arvind Vadhera	
46.	Sh. Rakesh Kumar	ED, EPCH
47	Sh. R.K. Srivastava	ED, NCDPD