

## **CHAPTER – 13**

### **HANDICRAFTS**

#### **INTRODUCTION**

13.1 The Handicrafts sector plays a significant & important role in the country's economy. It provides employment to a vast segment of craftpersons in rural & semi urban areas and generates substantial foreign exchange for the country, while preserving its cultural heritage.

Some of the promising areas in the crafts sector during the Tenth Plan had been:

- Exports continued to grow for high value-added crafts products.
- Consumer tastes changed rapidly on account of economic liberalization.
- Focus on quality and product diversification with increasing consumer awareness.
- Increasing challenge offered by availability of mass-produced competing product lines using different raw materials (often man-made) and mechanised production techniques.
- Government policy envisaged a greater role for NGOs, and participation of private resources – both human & financial.

#### **APPROACH TO THE ELEVENTH PLAN**

13.2 The National Strategy for Manufacturing prepared by the National Manufacturing Competitiveness Council (NMCC) has indicated that the decade 2006-2015 will be the decade of Manufacturing for India, with the aim of an average growth rate of 12 – 14 percent in manufacturing. It has also been suggested that the policies of Government should focus on the growth of labour intensive sectors (like Handicrafts), which also enjoy a competitive advantage. To provide an impetus to the growth of this industry, there is need for substantial augmentation in the overall Plan allocations for the Handicrafts sector, based on the felt needs of different segments of the sector.

#### **OBJECTIVES**

13.3 In the above backdrop, the Sub Group on the Eleventh Plan has suggested the following objectives: -

- Double India's share in the global handicrafts trade.
- Ensure self-sufficiency and sustainability of handicrafts clusters.
- Enhance income generating employment opportunities and achieve a higher standard of living for artisans individually and collectively, in rural and urban craft clusters.
- Broaden the production base through adoption of appropriate technologies.
- Build capacity of the artisans and other stakeholders by developing their non-craft and other soft skills for attaining self-sustainability.
- Introduce adequate welfare measures for the well-being & welfare of artisans.
- Preserve the country's cultural heritage, and implement research, documentation and region/ craft specific strategies.
- Protect crafts under Intellectual Property Right (IPR).

## **STRATEGIES**

13.4 To achieve the above objectives, the Sub Group recommends the following strategies, which need to be adopted to strengthen the Handicrafts sector: -

- Introduce comprehensive cluster based & artisan centric interventions for the integrated development of the sector.
- Create income generation opportunities for sustainable employment and socio-economic growth.
- Ensure a greater role for private partners to supplement Government resources and efforts.
- Adopt appropriate technology and creating appropriate infrastructure to ensure greater competitiveness.
- Introduce suitable capacity building programmes for entrepreneurship, innovation, training and skill development, to upgrade the quality of the labour force.
- Facilitate the growth and strengthening of HRD institutions at the Central and State levels, to enable artisans community to receive new technical & professional inputs.
- Ensure increased and easy availability of credit for the sector.
- Launch an aggressive brand building initiative and pursue focused export promotion strategies to increase India's exports in global markets.

- Introduce welfare measures for handicraft artisans such as Shilpi Swasthya Yojana', community work-shed etc.
- Empower women artisans by addressing issues related to 'gender concerns'
- Redesign, revamp the ongoing schemes and programmes and introduce new schemes/components to ensure better returns to artisans.
- Review, restructure and right size of all field organizations under the Office of the Development Commissioner (Handicrafts), Ministry of Textiles.
- Optimally utilize the potential of IT and IT enabled Services for the sustainable growth of the Sector.

## **PROGRESS ACHIEVED DURING FIRST 4 YEARS OF THE TENTH PLAN**

### **13.5 Growth in exports:**

(Rs. crore)				
<b>Exports</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
<b>Handicrafts</b>	8343.41	10465.14	13032.70	14526.85
<b>Growth %</b>	23.2	25.4	24.5	11.5
<b>Carpets</b>	2590.26	2779.79	2583.62	2749.86
Growth %	10.6	10.7	(-) 7.0	10.6
<b>Total</b>	<b>10933.67</b>	<b>13244.93</b>	<b>15616.32</b>	<b>17276.71</b>
<b>Total Growth %</b>	18.77	16.75	17.95	10.63

### **13.6 Growth in domestic market:**

(Rs. crore)

<b>Year</b>	<b>Handicrafts</b>		<b>Carpets</b>		<b>Total Domestic Consumption</b>	<b>Growth %</b>
	<b>Exports</b>	<b>Domestic Consumption</b>	<b>Exports</b>	<b>Domestic Consumption</b>		
2002-03	8343.41	8343.41	2590.26	287.77	8631.18	---
2003-04	10465.14	10465.14	2779.79	308.77	10773.90	24.8
2004-05	13032.70	13032.70	2583.62	287.00	13319.70	23.6
2005-06	14526.85	14526.85	2749.86	305.44	14832.29	11.3
2006-07 (T)	16500.00	16500.00	3000.00	333.33	16833.33	23.6

(T): Target

### 13.7 Growth in Production

(Rs. crore)

Year	Handicrafts		Carpets		Total Production	Growth %
	Exports	Production	Exports	Production		
2002-03	8343.41	16686.82	2590.26	2877.70	19564.52	---
2003-04	10465.14	20930.28	2779.79	3087.70	24017.98	22.76
2004-05	13032.70	26065.40	2583.62	2870.00	28935.40	20.47
2005-06	14526.85	29053.70	2749.86	3054.40	32108.10	10.96
2006-07 (T)	16500.00	33000.00	3000.00	3333.30	36333.33	13.15

(T): Target

### 13.8 Growth in Employment

Year	Estimated Employment (in lakh persons)
<b>2002-03</b>	<b>60.16</b>
<b>2003-04</b>	<b>61.96</b>
<b>2004-05</b>	<b>63.81</b>
<b>2005-06</b>	<b>65.72</b>
<b>2006-07 (Projected)</b>	<b>67.69</b>

### 13.9 Budget allocation and expenditure

(Rs. lakh)

Year	RE	Plan Expenditure
2002-03	8570.00	7165.00
2003-04	7816.00	6432.00
2004-05	8957.00	7707.00
2005-06	10500.00	9724.00
<b>Total in first 4 years</b>	<b>35843.00</b>	<b>31028.00</b>

### Problems Experienced during the Tenth Plan Period:

13.10 During the course of implementation of various schemes, in the Tenth Plan period, some problems and constraints were faced during the first four years.

Some of the generic problems included:

- Illiteracy and poverty of craft persons
- Lack of entrepreneurial skills among artisans
- Inadequate data base
- Lack of a continuous system for collection of market intelligence and

dissemination.

- Lack of infrastructural facilities and knowledge about appropriate technology and processes. This resulted in an inability to introduce economies of scale
- Lack of access to working capital
- Inadequacy of resources, raw materials and other linkages
- Lack of availability of the required types of graded and certified raw materials at reasonable rates.
- Lack of standardization procedures and inadequate facilities for testing and certification of raw materials and products.
- Absence of a brand image for handicraft products in international market.
- Low levels of investment.

13.11 The other major constraints were:

- Growing competition in the world markets from other Asian countries
- Differential rates of levies among States within the country and between different nations
- Non-tariff barriers like issues of child labour, etc.
- Social issues like restrictions/ban on the use of certain chemicals, including metals and their alloys, conditions of hygiene at work place, and fair wages, etc.
- Scarcity of raw material due to depletion of natural resources and lack of preservation measures
- Low returns, drawing craftsmen away from their traditional occupations.

Despite the problems and the constraints discussed above, the sector has exhibited consistent growth on account of its inbuilt and inherent strengths. These strengths include:

- A large pool of skilled human resource - more than 6 million artisans.
- Availability of a diverse range of raw material locally.
- Handicrafts is a labour intensive sector.
- The products of the sector are conducive to high value addition
- Production involves low capital investment.
- The sector has a deep association with people's culture and lifestyles
- Handicrafts production is largely concentrated in rural areas, and enables

creative activity in rural households, arresting the trend of urban migration.

- The creativity/skill of artisans is largely inherited and thus provides a strong resource base
- Handicrafts products are ecological and environment friendly
- Handicrafts have utility applications
- There is an increasing demand for products from this sector in global markets.
- Handicrafts related activities are in consonance with the national objectives of poverty eradication and balanced regional growth.
- There is growing awareness for handicrafts in dress and lifestyles – emerging middle class.
- A wide range of consumers ensure scope for diversification and innovation.
- There are an increasing number of Voluntary Agencies/ Private concerns/ International bodies evincing interest in the sector
- Technological possibilities to reduce drudgery and improve quality are being developed.

#### **MID- PLAN INITIATIVES:**

13.12 During the implementation of the Tenth Plan, some new components were introduced.

i) Under the AHVY Scheme, the following components were added:

- The installation of Facility Centres in the PPP mode.
- A provision to engage Guiding & Monitoring Agencies.
- The practice of devising Business Plans for the sustainable development of Craft Clusters.

ii) The following new schemes were initiated:

- A provision for Special Handicrafts Training Projects (SHTP)
- A Work-shed Scheme
- A Credit Guarantee Scheme
- The Janashree Bima Yojana for Handicraft Artisans

#### **Adopting Public Private Partnership Model For The Handicraft Sector**

Since the beginning of Ninth Plan and through the Tenth Plan, various schemes had been implemented through different partners such as State Handicraft

Development Corporations, APEX Societies, Institutions, NGOs etc. Most of the schemes, barring a few, involved 100 percent assistance to the implementing partners.

In order to harness the private resource both in terms of experience & expertise and in terms of the financial resource, it has been thought prudent to forge suitable partnerships with the private entrepreneur, exporters, institutions and other professionals/agencies. Joining hands with the private partners would not only supplement the State resource, but will also make a significant contribution in professionalising the resource utilization leading to effective realization of targeted outputs.

Now with the advent of new technologies, opening up of economies across the globe and fast changing tastes, life styles and expectations of the discerning consumers, there is a strong felt need to induct ways and means for a qualitative and quantum jump in the production methods through use of technology and bringing in professionalism of the highest order. This necessitates hand holding with persons and institutions who can bring in a high sense of belongingness, commitment and a genuine desire to do that extra bit which can lift the economic standard of the artisans community in the handicraft sector.

In the above backdrop, during the deliberations on handicrafts for the Eleventh Plan, it was a unanimous view that during the ensuing Plan, augmenting the Government resource through a PPP Mode will go along way in achieving the targeted growth in terms of doubling India's share in the global market and seeking a higher socio economic status for the artisans community of the country.

It is, accordingly, proposed introduce a PPP Mode in different components schemes as under:

- i) Facility Centres- 40:60 GOI: Implementing Partner
- ii) Raw Material Banks: One time assistance as seed money upto Rs. 2.00 crore
- iii) Design Development Workshops- 60:40 GOI: Implementing Partner
- iv) Integrated Design Development Projects- 60:40 GOI: Implementing Partner
- v) National Handicrafts Sourcing Hubs- One time assistance upto Rs. 5.00 crore
- vi) Handicraft Warehouses – both in domestic and overseas market- One time assistance upto Rs. 2.00 crore for non recurring expenditure. For recurring expenditure, the assistance of up to Rs.1.00 crore would be phased and tapered

over four years in tranches of 100 percent, 75 percent, 50 percent and 25 percent.

## **RECOMMENDATIONS**

### **Eleventh Plan Schemes vis-a-vis Tenth Plan Schemes – At A Glance**

<b>SCHEMES OF TENTH PLAN</b>	<b>SCHEMES OF ELEVENTH PLAN</b>
1. Baba Saheb Ambedkar Hastshilp Vikas Yojana	1. Baba Saheb Ambedkar Hastshilp Vikas Yojana <i>(By clubbing the three 10th Plan Schemes of AHVY, SHTP and Workshed)</i>
2. Workshed	
3. Special Handicrafts Training Project (SHTP)	
4. Marketing Support & Services	2. <b>Marketing Support &amp; Services</b> <i>(By clubbing the two 10th Plan Schemes of Marketing &amp; Support Services and Export Promotion)</i>
5. Export Promotion (EP)	
6. Design & Technical Upgradation	3. <b>Product Development.</b> <i>(By clubbing the 10th Plan Schemes of Design and the Product Development component of EP Scheme)</i>
7. Research & Development	4. <b>Research &amp; Development.</b>
8. Training & Extension	5. <b>Human Resource Development</b> <i>(By clubbing the 10th Plan Schemes of the Training &amp; Extn., Training component of Design &amp; Export Promotion schemes and Guru-Shishya component of SHTP).</i>
9. Bima Yojana for Handicraft Artisans	6. <b>Welfare – By clubbing the existing schemes of Bima Yojana and Credit Guarantee. A new component “Shilpi Swasthya Bima Yojana” proposed.</b>
10. Credit Guarantee Scheme	
11. Infrastructure	7. <b>Infrastructure</b>
	8. As a micro planning tool, it is proposed to keep a separate sub-head, under each of the above schemes: <ul style="list-style-type: none"> <li>○ in order to accommodate changes that may be warranted due to the dynamics of evolving situations in an unorganized sector like handicrafts,</li> <li>○ and to introduce such schemes/initiatives that may become necessary and subservient to achieve the goals of development and growth of the sector in its entirety.</li> </ul>

13.13 The Working Group has recommended that the ongoing Plan schemes may be reformulated into the following 7 generic schemes: -

1. Ambedkar Hastshilp Vikas Yojana.

2. Marketing Support & Services.
3. Product Development.
4. Research & Development.
5. Human Resource Development.
6. Welfare Scheme for Handicraft Artisans
7. Infrastructure Development Scheme.

13.14 The modifications in these schemes have been suggested on the basis of recommendations that emerged after the concurrent evaluation of the schemes. Besides, some of the existing schemes are proposed to be clubbed together to improve the delivery of services, and ensure effective and focused implementation.

13.15 In the Approach Paper prepared by the Ministry of Textiles for the Eleventh Plan, the following imperatives were emphasized:

- i) A holistic and need based approach.
- ii) A focused action plan to take on global competition.
- iii) The need to substantially augment overall Plan allocation.

**13.16 The salient features of the proposed seven generic schemes in brief are as under:**

## ELEVENTH PLAN PROPOSALS

### A BRIEF SUMMARY OF MODIFICATIONS SUGGESTED IN THE EXISTING SCHEMES

#### 1. BABA SAHEB AMBEDKAR HASTASHILP VIKAS YOJANA:

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

##### a. Existing components being modified

Existing Components	Suggested Modifications	Remarks/ Justification	Financial implications
Diagnostic Survey and formulation of Project Plan.	Scope being expanded to include formulation of <b>business plan</b> , implementation plan including suggestions for suitable implementing partner.	To make the survey comprehensive.	No additional financial implication
Community Empowerment Mobilization of Artisans	A provision for payment of <b>consultancy fee</b> for creation of Federation, SPV formed under Section 25 of Companies Act 1956 is proposed.	This is required as creation of a workable business entity require expert professional services.	No additional financial implication
Integrated Design & Technology Development Project.	The integrated project may also be considered for implementation through <b>private entrepreneurs</b> for producing market-oriented products on a 60:40 ratio.	To provide necessary design inputs for artisan and product manufacturing base for the entrepreneurs.	No additional financial implication
Emporia	This Component to be <b>restricted for</b> only <b>Federations</b> of artisans on rented accommodation.	To provide marketing platform for artisanal entities developed through cluster interventions.	Anticipated saving over the plan period Rs.1.00 crore @ 5.00 lakhs for 20 emporia
Margin Money	In addition to Federations, margin money is proposed to be given to any other entity like <b>SPV/Company</b> registered under Section 25 of the Companies Act, Cooperatives, etc. created by the artisans.	To enlarge the coverage for eligible artisanal organizations.	No additional financial implication

<b>Existing Components</b>	<b>Suggested Modifications</b>	<b>Remarks/Justification</b>	<b>Financial implications</b>
Wage Compensation to cluster Manager :	Wage compensation to Cluster Manager proposed to be allowed for the entire project tenure as against the existing of maximum one year only.	For continued guidance.	Additional Rs.50.00 lakhs over the plan period @ 1.5 lakh for 30 –35 Manager.
Service charge to the implementing Agencies.	The existing provision is for one-time end – of – project assistance linked with total project cost. It is now proposed to be provided on yearly basis during the project tenure, with enhancement in the present prescribed limits. The overall limit proposed to be extended to 1.00 lakh and 1.50 lakh in case of project less than 25 lakh and more than 25 lakh respectively.	To provide administrative cost to the implementing partner on recurring basis for the project tenure for better supervision.	Additional Rs.2.5 crore over the plan period @ Rs. 50,000 for 500 partners.
Engagement of Guiding and Monitoring Agencies (GNAs)	Service Charge proposed <b>to be increased to</b> 2 percent of yearly release subject to a maximum of 1.00 lakh per cluster for a total period of 5 years.		No additional financial implication
Setting up of common facility centre.	Setting up of Lab. or any other facility required for production in addition to machineries	To facilitate availability of new technology.	No additional financial implication
Training for handicrafts other than Carpets. Training for Carpet.	To incorporate wage compensation @ 2000 per month per artisan. To enhance honorarium to master craftsperson to Rs. 6000 per month.	In order to provide better facilities to the training.	Additional requirement of 75 crore @ 2.5 lakh for 3000 training.

**b. New components being proposed**

<b>Component</b>	<b>Justification</b>	<b>Financial implications</b>
Technology status and need based study provision. Provision for contract/ need based research. Training for users on new machine, tools/process, technology and processes. Modification/revitalization/reval of existing common facility centres. IPR and certification provisions.	To ensure availability of appropriate technology, processes & infrastructure to enhance productivity & quality.	Rs.45.75 crore @ 5.00 lakh for 915 such activities.
Establishment of a <b>Resource Centre</b> for major crafts:	For providing a single window service to cluster actors for hand holding/ mentoring, technological and market related inputs etc.	Rs.16.00 crore @ 1.00 crore for 16 centres
Establishment of <b>E-kiosk</b>	To extend the benefits of IT and IT enabled services at cluster level.	Rs.12.25 crore @ 3.50 lakh for 350 kiosks.
Construction of Common Workshed-cum-warehouse	To provide a working place for the artisan near to Common Facility Centres (CFCs).	Rs.2.50 crore @ 50,000 for 500 worksheds.
Raw Material Bank	It is proposed to establish <b>raw material banks</b> for providing quality and graded raw materials to the artisans.	Rs.32.00 crore @ 2.00 crore for 16 Banks.
Capacity building through imparting Non craft skills <i>i.e.</i> Soft skills	To develop entrepreneurship in artisans and artisanal enterprise.	Rs.6.00 crore @ 1.20 lakh for 500 programmes
Market assessment and product assessment, study and tours	For enhanced market penetration and hence higher economic gain to the artisans.	Rs.4.00 crore @ 2.00 lakh for 200 studies.
Quality assurance and Brand building	For establishing a quality certifying facility at cluster level	Rs. 5.00 crore @ 10.00 lakh for 50 projects.
Engagement of experts/ consultant/institutions	For specialized work like technological handholding, creation of data base, report format creation, end- of-project report preparation, establishment of certifying/ testing resource centres etc.	Rs.25.00 crore @ 5.00 lakh for 500 consultants.

**c. Existing components being dropped**

<b>Existing Components</b>	<b>Remarks/Justification</b>	<b>Implication</b>
Preservation and revival of old rare and languishing craft	As the enabling provision for this exist elsewhere in the scheme.	Savings of Rs. 1.00 crore @ Rs.4.60 lakh per activity for 20-25 projects.
Crafts Bazar	Based on the assessment made and reports received from different field units.	Savings of Rs. 10.00 crore @ Rs 9.00 lakh per activity for 110 Bazars.

**2. MARKETING SUPPORT & SERVICES:**

The Marketing Support Scheme and the Export Promotion Scheme run separately in the Tenth Plan have been proposed to be clubbed in Eleventh Plan and the Clubbed new Scheme will be titled as "**Marketing Support & Services Scheme**". The scheme will have following three components:

- Domestic Marketing
- International Marketing
- Publicity

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

## DOMESTIC MARKETING

### a. Existing components being modified

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
<b>A. Marketing Events</b>			
Craft Bazaar  Buyers-Sellers Meet  Participation in Fairs & Festivals	<p>The financial ceiling proposed to be enhanced by 20 percent.</p> <p>Number of events proposed to be increased from 473 in Tenth Plan to 625. It will comprise of :</p> <ul style="list-style-type: none"> <li>i) Gandhi Shilp Bazar - 270 (54 per year - at present 36)</li> <li>ii) Craft Bazar at Urban Haat – 100 (2 Craft Bazar in a year at each Haat)</li> <li>iii) Occasion-specific Craft Bazar – 50 (10 per year).</li> <li>iv) Other Craft Bazars/events – 205 (the stand-alone Craft Bazars will be tapered and phased out gradually)</li> </ul> <p>Gandhi Shilp Bazar &amp; Crafts Bazar at Urban Haat will be organized on 100 percent funding basis.</p> <p>Others at Srl. No. iii) &amp; iv) will be organized on 75:25 basis.</p>	To neutralize the effect of inflation.	Additional Rs.21.14 crore over the Plan period. (140 additional events under Gandhi Shilp Bazar/Urban Haat 445 x 1.7 lakhs = 7.60 crore approx).
Handicrafts Expo	The expos shall be organized along with cultural events & food courts or will be dovetailed with other mega events organized by Center/State organizations	To gain benefits of synergies and to achieve higher sales.	No additionalities are sought as the present provisions and scope has been adequate.

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
Exhibitions	<p>Scope being expanded by making it a multi – location (maximum 3) with extended duration of one month, in addition to the existing single-location 10-days exhibitions.</p> <p>The financial ceiling proposed to be enhanced by 20 percent, but funding pattern shall remain on 75:25 basis. Thus the cost for one single-location exhibition will rise from Rs.1.85 lakhs to Rs.2.22 lakhs (Per exhibition reimbursement @ 75 percent would be Rs.1.66 lakhs). This will include Infrastructure, rent, Publicity, TA/DA to 4 artisans for demonstration, Transportation/packaging and Miscellaneous.</p> <p>In case of multi-location (3) mobile exhibition, since the implementing agency would move to three contiguous locations without having to the composite funding would be reduced by 10 percent of the total funding needed for 3 single location exhibition.</p> <p>875 Exhibitions are proposed as against 627 at present.</p>	<p>To maximize market exposure and sales of artisanal product</p>	<p>Additional Rs.1.40 crore over the Plan period. (875 x 0.16 lakhs = 1.40 crore approx).</p>

## B. Marketing Infrastructure

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
Urban Haat	<p>The locations shall be preferred in cities having population of more than 10 lakhs of tourist importance.</p> <p>The Implementing Agencies connected with the tourism sector shall be preferred.</p> <p>The existing ceiling proposed to be raised from Rs.2.00 crore to Rs.3.00 crore.</p>	<p>To ensure adequate footfalls.</p> <p>For better synergies</p> <p>To offset increase in construction cost.</p>	<p>Additional Rs.20.00 crore over the Plan period. (20 x 1.00 crore = 20.00 crore approx).</p> <p>During the Tenth Plan, Ten Haats were sanctioned at locations with population less than 10 lakhs. By not repeating such locations in Eleventh Plan, the projected saving would be Rs.20.00 crore.</p>
Opening of new emporia & renovation of emporia.	<p>The eligibility is being restricted to State Handicraft Development Corporations only.</p> <p>Ceiling for emporia is proposed to be revised as under: -</p> <p>Own building – Rs.23.00 lakh to Rs.50.00 lakh</p> <p>Rented building – Rs.11.50 lakh to Rs.20.00 lakh</p> <p>Renovation – Rs.5.57 lakhs to Rs.15.00 lakh</p>	<p>Other implementing partners are covered under AHVY Scheme</p> <p>To make it to realistic with prevalent cost of inputs.</p>	<p>Additional Rs.3.00 crore over the Plan period.</p>

**b. New components being proposed**

<b>Component</b>	<b>Remarks/ Justification</b>	<b>Financial implications</b>
Product Promotion Programme	Product Promotional Programme being re-introduced for test marketing of newly developed products	Additional Rs.1.00 crore over the Plan period. (60x 1.50 lakhs = 1.00 crore approx).
Travel Assistance to artisans	Travel Assistance to artisans participating in various marketing events organized at a distance of more than 500 kms away from their home (place of stay as documented). To minimize dropouts and encourage participation of artisans from far flung areas of the country.	Additional Rs.12.00 crore over the Plan period. (30,000 artisans @ Rs.4, 000/- each).
Handicrafts Marketing Hubs in Metros.	A one-time assistance will be considered upto 25 percent of the project cost subject to a ceiling of Rs.10.00 crore per project. To provide a wider marketing platform for artisanal products on the pattern of Indian Exposition Mark Ltd. (IEML), Greater Noida.	Additional Rs.40.00 crore over the Plan period. (4 x 10.00 crore = 40.00 crore approx).
Handicrafts Sourcing hubs in major clusters	A one-time assistance will be considered upto 25 percent of the project cost subject to a ceiling of Rs.5.00 crore per project. To provide a wider marketing platform for artisans and a single point sourcing hub for domestic & international buyers.	Additional Rs.60.00 crore over the Plan period. (12 x 5.00 crore = 60.00 crore approx).
Warehousing facilities for handicrafts	A one-time assistance will be considered upto 25 percent of the project cost subject to a ceiling of Rs.3.00 crore per project. To facilitate meeting requirements of bulk buyers.	Additional Rs.15.00 crore over the Plan period. (5 x 3.00 crore = 15.00 crore approx).

<b>Component</b>	<b>Remarks/ Justification</b>	<b>Financial implications</b>
Insurance cover & lodging facilities during marketing events.	<p>Insurance cover for all marketing events.</p> <p>Lodging facilities for artisans participating in marketing programme.</p> <p>To safeguard against risks like fire, theft etc. including loss of life.</p> <p>To encourage optimal participation and minimize inconvenience/cost to artisans.</p>	The cost implication will be taken care of by the 20 percent increase proposed in the overall cost of the event.
Service charges to agencies.	<p>Ten percent Service charges for agencies organizing marketing programmes.</p> <p>To partially offset the event, planning/ management/execution cost of the implementing partner.</p>	The cost implication will be taken care of by the 20 percent increase proposed in the overall cost of the event.
Transportation assistance to artisans from select difficult areas.	The existing assistance for Transportation of artisanal products for display in fairs/ exhibitions/ bazaars etc. available to the artisans from Leh in J&K, KBK in Orissa, NER and Andamand & Nicobar Island is proposed to be extended to artisans from remote/hilly areas like J&K, HP, Uttranchal etc. To encourage the artisans from these areas to participate in the marketing events	The cost implication will be taken care of by the 20 percent increase proposed in the overall cost of the event.
Domestic market studies	<p>Market studies for identification of market &amp; products etc. within the country.</p> <p>To gather market intelligence for enhancing sales.</p>	Additional Rs.2.50 crore over the Plan period.

## INTERNATIONAL MARKETING

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

**a. Existing components being modified**

Existing Components	Remarks/Justification	Financial implications
<b>Participation in International events:</b>		
Participation in fair & exhibitions abroad including Brand Promotion of Indian Handicrafts & Carpets.	<p>In addition to Corporations &amp; artisans, SHGs, Federations, Entrepreneurs, NGOs &amp; other producer groups will also be eligible. Groups of Corporations are proposed to participate in important fairs. To provide opportunity for accessing foreign markets and to make the participation more representative of the Indian handicrafts.</p> <p>Brand Promotion through events like Dilli Haat, Road shows, Stand alone shows, catalogue shows etc. For Brand Promotion of Indian Handicrafts &amp; Carpets.</p> <p>Organizing Thematic exhibitions/ fairs in India &amp; abroad as a focused marketing campaign for specific segments.</p>	<p>Additional Rs.21.45 crore over the Plan period for 51 events (need based).</p> <p>Additional Rs.13.30 crore over the Plan period. (51 x 35.00 lakhs = 13.30 crore approx).</p>
Buyer- Seller Meet	Organizing Sourcing Show to facilitate interface of producers groups/SHGs federation etc. with buyers/ exporters etc.	Additional Rs.41.00 crore over the Plan period. (41 x 100.00 lakhs = 41.00 crore approx).
Workshops/Seminar within India & Abroad.	Existing ceiling of Rs.15.00 lakh is proposed to be enhanced to Rs.20.00 lakh to meet the increase cost of inputs	Additional Rs.0.50 crore over the Plan period. (10 x 0.05 crore = 0.50 crore approx).

<b>Existing Components</b>	<b>Remarks/Justification</b>	<b>Financial implications</b>
Market Research Abroad	<p>In the existing component of market survey and studies, which includes financial assistance towards TA/DA of 4 persons, stay, procurement of samples/prototypes, desk research/domestic survey in India, collection of samples abroad, documentation etc., it is proposed to include procurement of tools and implements, process and technologies, books and publications and a provision for fee for experts/professionals to facilitate the market research abroad.</p> <p>To capture new, emerging &amp; virgin markets &amp; to strengthen hold in the existing markets through better knowledge about technologies, processes, raw material &amp; other inputs.</p> <p>Gathering market intelligence through procurement of product catalogues, design forecasts, samples &amp; proto-types, tools &amp; implements from different countries.</p> <p>Country specific, market or niche specific, product specific, crafts specific scanning to assess specific areas offering promise for gaining better market access.</p> <p>The existing financial ceiling of Rs.10.00 lakh in each case is proposed to be increased to Rs.15.00 lakh to take care of the provision for payment of Consultant Fee and procurement of tools etc.</p>	Additional Rs.2.50 crore over the Plan period for 50 studies. (need based).

**b. New components being proposed**

<b>Component</b>	<b>Justification/Remarks</b>	<b>Financial implications</b>
Assistance EPCs to encourage new/ upcoming export entrants	<p>To encourage SHG Federations, NGO Partners, National Awardees etc. to enter into international trade.</p> <p>These categories of artisans would be extended financial assistance as applicable to small exporters under MDA for participation in export promotion events.</p>	Additional Rs.9.75 crore over the Plan period. (65 x 15.00 lakh = 9.75 crore approx).

<b>Component</b>	<b>Justification/Remarks</b>	<b>Financial implications</b>
Collaboration with National & International Commercial Organizations.	To facilitate market linkages with the assistance of consultant/specialists/ lobbyists/other professionals bodies etc.	Additional Rs.15.00 crore over the Plan period. (need based).
Craft Exchange Programme	Craft Exchange Programme for deputing/inviting craft persons to/from different countries for training, study tours and holding exhibitions etc.	Additional Rs.5.00 crore over the Plan period. (need based).
Warehouses in overseas markets.	To facilitate meeting requirements of bulk/spot buyers in international markets. The funding will have two components. The non recurring components to meet the requirements of interiors/infrastructure will be in the form of a one time assistance restricted upto Rs.2.00 crore. In addition, the recurring components towards cost of rentals etc. shall be made on tapering basis beginning with up to Rs.1.00 crore (100 percent) in first year, Rs.75.00 lakh (75 percent) in second year, Rs.50.00 lakh (50 percent) in third year & Rs.25.00 lakh (25 percent) in forth year. The difference will be borne by the implementing partners.	Additional Rs.20.00 crore over the Plan period. (5 x 4.00 crore = 20.00 crore approx).
Acquisition of space in Marts in foreign countries	To gain better market access through local presence. The funding will have two components. The non recurring components to meet the requirements of interiors/ infrastructure will be in the form of a one time assistance restricted upto Rs.2.00 crore. In addition, the recurring components towards cost of rentals etc. shall be made on tapering basis beginning with up to Rs.1.00 crore (100 %) in first year, Rs.75.00 lakh (75 %) in second year, Rs.50.00 lakh (50 %) in third year & Rs.25.00 lakh (25 %) in forth year. The difference will be borne by the implementing partners.	Additional Rs.20.00 crore over the Plan period. (5 x 4.00 crore = 20.00 crore approx).

## PUBLICITY

### **a. Existing components being modified**

<b>Existing Components</b>	<b>Suggested Modifications</b>	<b>Remarks/Justification</b>	<b>Implications</b>
Publicity campaign through electronic & print media	The scope is being enlarged to include Brand Promotion of Indian Handicrafts & Carpets through sustained campaign like Incredible India of Ministry of Tourism	Brand Promotion of Indian Handicrafts through sustained campaign	Additional Rs.20.00 crore over the Plan period. (need based).
Assistance for publication of brochures, catalogues, pamphlets, maps, folders, etc.	The scope is being enlarged to include Brand Promotion of Indian Handicrafts & Carpets in international markets through aggressive publicity.	Brand Promotion of Indian Handicrafts through sustained campaign	Additional Rs.20.00 crore over the Plan period. (need based).

### **3. PRODUCT DEVELOPMENT:**

**The existing scheme of Design & Technology Upgradation and the Product Development Component of the existing Export Promotion Scheme are proposed to be clubbed. The new scheme will be called “Product Development”**

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

**a. Existing components being modified**

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
<p>Assistance for Design &amp; Technology Upgradation like design development workshops, technology workshops &amp; integrated design projects etc.</p>	<p>Scope of coverage being enlarged to include entrepreneurs, exporters &amp; SHG federation etc.</p> <p>Pattern of assistance is proposed to be changed as under: -</p> <p><b>Design/Technical institution/ Handicrafts Corporations/other Government agencies – 100 percent</b></p> <p><b>NGOs/ Entrepreneurs/ Exporters/ Federations etc. – on 60:40 basis sharing between Implementing Partners &amp; GOI.</b></p> <p>In case of NGOs etc. the assistance will be subject to the condition that it is either a marketer itself or has a marketing tie up with exporters/buyers/ boutiques/retail chain stores etc.</p>	<p>To meet the design related needs of a wider spectrum of stakeholders in the sector.</p> <p>To attract private investment in the Design &amp; Technology Upgradation.</p> <p>To ensure test marketing and commercial acceptance of newly developed designs and products.</p>	<p>No financial implications due to proposed modifications</p>
<p>Financial assistance for development &amp; supply/ dissemination of modern improved tools, equipments, products, processes &amp; technologies.</p>	<p>The financial ceiling under this component for tools is proposed to be enhanced from Rs.3, 750 to Rs.10, 000/- per artisans depending on crafts.</p>	<p>To meet the increased cost of tools/implements and to include mechanized tools.</p>	

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
Components of Product Development transferred from Export Promotion Scheme - - Development of prototype for exports by Indian/International designers.	The scale of coverage being enhanced to organize 50 Product Development Programmes	To meet the changing consumer's demand and to improve sustainability through making available innovative and commercially viable new products.	

**b. New components being proposed**

Component	Justification/Remarks	Implications
Design bank at RD&TDCs, NIFT, NID, IICT etc.	These centers of National importance are proposed to develop into a composite resource center to house A to Z of designs in the handicrafts sector so as to enable any stakeholder to access the same for adaptation.	Additional Rs.9.60 crore over the Plan period. (16 x 60 lakh = 9.60 crore approx).
Design orientation to artisans through reputed design institutions like NIFT, NID etc.	To facilitate direct interface of artisans with institutions' faculty/students to enhance their understanding about intricacies of designing for quality and value added production.	Additional Rs.2.30 crore over the Plan period. (150 x 1.85 lakhs = 2.30 crore approx).
Strengthening design & technology related infrastructure of the vocational/technical/ R&D/art & craft institutions for HRD & development of appropriate technologies/tools & implements for the craft sector.	At present there is no formal institutional arrangement at Cluster/District level for facilitating technology related inputs to the handicraft artisans, it is, therefore, proposed to strengthen the infrastructure of the institutions like ITIs, vocational/technical/ R&D/art & craft institutions to enable them to impart training.	Additional Rs.12.00 crore over the Plan period. (20 x 60 lakhs = 12.00 crore approx).

#### **4. SCHEME OF RESEARCH & DEVELOPMENT FOR ELEVENTH PLAN:**

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

##### **a. Existing components being modified**

<b>Existing Components</b>	<b>Suggested Modifications</b>	<b>Remarks/Justification</b>	<b>Financial implications</b>
Surveys/ studies of specific crafts for which adequate information is not available.	<p>The scope is being enlarged to facilitate conduct of All India Census of handicraft sector.</p> <p>The Census is proposed to be completed in the Eleventh Plan period @ 20 percent of the Districts per year.</p>	<p>There had not been a census since 1995-96 and as such, in absence of reliable data base hinders appropriate planning.</p> <p>Therefore, to have reliable data on economic and social aspects of various crafts/ artisans of the sector, this enabling provision is proposed.</p>	Additional Rs.20.00 crore over the Plan period.
Financial assistance for preparation of legal, para legal, standards, audits and other documentation leading to labeling/ certification.	<p>This component may also include provision for financial support and certification of raw material and products, including <b>setting up of new Labs/strengthening of existing Labs</b> for standardization/ certification of raw materials, intermediaries, products, processes etc.</p> <p><b>Bar Coding of Handicrafts</b> An enabling provision to assist handicraft exporters in adoption of GSI Global Identification Standards and Bar Coding.</p> <p>Introducing Handicraft Mark for generic products</p>	<p>To ensure conformance to requirement of National and International regulatory framework. To ensure conformance to the requirement of International Buyers and to facilitate automation in supplies, transit and real time stock management at all points in the supply chain.</p>	<p>Additional Rs.6.00 crore over the Plan period @ 1 Lab per Region each at Rs.1.00 crore.</p> <p>Rs.5.00 crore over the plan period for Bar Coding and Handicraft Mark etc.</p>

Existing Components	Suggested Modifications	Remarks/Justification	Financial implications
Any other problems/ issues of specific nature relating to handicrafts sector.	This component may also include development and implementation of projects relating to technology/ processes and to assess its efficacy including validation/ acceptance in the craft cluster for commercialization.		

## 5. HUMAN RESOURCE DEVELOPMENT:

**The training component of Design & Technology Upgradation Scheme, Export Promotion Scheme are proposed to be clubbed with the existing Training and Extension Scheme. The new scheme will be titled “Human Resource Development”.**

All the components in the existing scheme will continue in the Eleventh Plan with modifications to the extent indicated below:

### a. Existing Components being modified

Existing Components	Suggested Modifications	Remarks/Justification	Financial Implications
<b>Training for skill upgradation</b> <b>Training under Guru Shishya Pramprara Special handicraft</b>	The financial assistance under SHTP is proposed to be scaled down from Rs.3.73 lakh to Rs. 1.60 lakh per training course under Guru Shishya Paramprara.	To enhance reach of the scheme by wider coverage with the given budget.	560 lakh for the total plan period to 3500 beneficiaries.
<b>Training Project (SHPT), Training Scheme 'A' &amp; 'B' merged in AHVY</b>	Training sanctioned under A&B the NGO's is replaced with training through stabled institutes such as Technical and Vocational training institution. (for which a one time non recurring grant of Rs.24.00 Lakh for purchase and installation of machinery and a recurring grant of Rs.10.24 per annum is proposed).	This helps in effective monitoring of the scheme formalized courses too Handicrafts Sector with proper modules. Periodical review of progress and evaluation of the schemes. The courses conducted through recognized institutes shall help the beneficiaries to established self employed unit.	6075 lakh for the total period with 18720 beneficiaries.
Financial assistance for capacity building and to conduct awareness-cum-training workshops/ seminars for artisans, NGOs etc. in various spheres related to handicraft sector.	The scope of this component is proposed to be expanded to include capacity building through training in, apart from craft skills, in non-craft such as project report/appraisal, finance and accounting, opening of new firms/federation/ society, banking & taxation, time management leadership etc. For this the services of experts, professionals and institutions would be engaged.	To develop entrepreneurship among all stakeholders in the sector.	450 lakh to benefit 7000 artisans for five years.
Training the employees	--	Training in the fields of organizational management, EDP, E-commerce,	Rs.50.00 lakh

Existing Components	Suggested Modifications	Remarks/Justification	Financial Implications
		productivity oriented skill to equip the staff for educating the artisans.	

**b. New components being proposed**

Component	Remarks/Justification	Financial implications
Training persons involved in Design, pattern making plaster or Rubber mould makers, stencil makers, Talcom writers in carpet weaving etc.	These specialized persons will supply the essential inputs for value addition and to cater to the changing trends of markets.	125 lakhs @ Rs.2.50 lakhs per batch for 50 batches benefiting 500 persons.

**6. WELFARE:**

**a. New components being proposed**

Component	Justification/Remarks	Financial implications
Health Insurance Scheme (proposed)	To provide best of health care to the artisans & their family & insurance cover at affordable cost. To cover 2 lakh artisans per year.	Additional Rs.210 crore in the Plan period.

**SPECIAL PACKAGE FOR NORTH EASTERN REGION INCLUDING SIKKIM.**

13.17 All the schemes recommended for implementation in the Eleventh Plan on Handicrafts will be applicable to the North-Eastern States as well. As per the existing policy of the Government of India, a budgetary allocation of not less than 10 percent of the proposed Plan outlay will be separately earmarked for the same.

13.18 The working group has envisaged the following expected deliverables for the NER through the implementation of this proposed package of schemes:

- To achieve an export turnover of Rs.500 crore by the end of Eleventh Plan
- Putting in place needed infrastructure like SEZ/EPZ and Trade Facilitation Centres of International standards.
- To facilitate the flow of credit of Rs. 150 crore to handicrafts artisans
- To develop Entrepreneurship through a dedicated initiative with the help of

the best professionals in the country.

### **SUB PLAN FOR WOMEN, MINORITY COMMUNITIES AND SCHEDULED CASTES & SCHEDULED TRIBES.**

13.19 While all the schemes recommended for the Eleventh Plan shall be applicable for artisans belonging to the above categories, some special features are recommended such as: -

- The Scheme for skill upgradation under the Guru Shishya Pattern of the Special Handicrafts Training Project (SHTP) shall be implemented **ONLY** in respect of women artisans & the artisans belonging to SC/ST community.
- Special components in all the existing schemes of Office of Development Commissioner (Handicrafts) being implemented, shall be introduced in association with the National Minority Commission in order to fulfill specific needs of the artisans belonging to minority communities.

### **FINANCIAL OUTLAY FOR THE TENTH PLAN – PROPOSED & ACTUAL ALLOCATION**

<b>Sl. No.</b>	<b>Name of the scheme</b>	<b>Proposed Tenth Plan Outlay (Rs. in crore)</b>	<b>Actual allocation</b>
<b>Revenue</b>			
1	Baba Saheb Ambedkar Hastshilp Vikas Yojana	150.00	82.80
2	Design and Technical Upgradation	116.00	98.50
3	Marketing Support & Services	170.00	71.85
4	Export Promotion	61.50	43.00
5	Research and Development	25.00	10.50
6	Human Resource Development	150.00	82.07
7	NER including Sikkim (lump sum provision)	125.65	**
8	UNDP Assisted Project under FHAP (CCF-1) i Carpet ii Cane & Bamboo	7.50	6.33
<b>Capital</b>			
1	Infrastructure Projects – Handicraft Bhawan/ Janpath/RD&TDCs/ O/o DC (HC) & field offices etc.	39.35	30.00
2	Financial assistance to Central PSUs/ HDCs/ Apex societies		
	<b>Grand Total</b>	<b>845.00</b>	<b>425.00</b>

\*\* Allocation for NER included in all schemes & no separate budget allocated

in the Tenth Plan.

### **PROPOSED OUTLAYS FOR THE ELEVENTH PLAN.**

13.20 As against the Tenth Plan allocation indicated above, the sub group has recommended the following outlays for the Eleventh Plan

Name of the Scheme	Proposed Outlay (Rs. in crore)	
	Rest of India	NER
Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)	446.00	50.00
Marketing Support & Services	525.00	60.00
Product Development	250.00	25.00
Research & Development	62.00	5.00
HRD	63.00	10.00
Welfare	251.00	30.00
<b>Total (Revenue)</b>	<b>1597.00</b>	<b>180.00</b>
Infrastructure (Capital)	22.00	13.00
<b>Total (Rev. + Cap.)</b>	<b>1619.00</b>	<b>193.00</b>
<b>Grant Total</b>	<b>1812.00</b>	

### **PROJECTED OUTCOMES OF THE ELEVENTH PLAN**

13.21 Share in World Market Exports will double from the present 1.4 percent to 2.8 percent. The target for exports will thus be Rs.44, 081 crore at the end of Eleventh Plan.

13.22 The production in the sector is expected to grow from Rs.36, 333.30 crore in 2006-07, to Rs.82, 285 crore at the end of the Eleventh Plan. The estimated average annual growth rate is 18 percent.

13.23 Employment is expected to grow from an estimated 67 lakh at present to 80 lakhs by the end of 11th Plan.

Name of the Scheme	Expected Outcomes
<b>Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)</b>	<ul style="list-style-type: none"> <li>• 4.0 lakh artisans will be directly benefited.</li> <li>• 375 new clusters will be developed in the 322 districts not covered in Tenth Plan.</li> <li>• 400 clusters out of 600 adopted in Tenth Plan to continue.</li> </ul>

<b>Name of the Scheme</b>	<b>Expected Outcomes</b>
	<ul style="list-style-type: none"> <li>• 16 Raw material banks to be established.</li> <li>• 100 Facility Centers for entrepreneurs will be established under PPP Mode.</li> <li>• Common work sheds will be established in 150 clusters.</li> </ul>
<b>Marketing Support &amp; Services</b>	<ul style="list-style-type: none"> <li>• Around 1.20 lakh artisans will be provided a direct marketing platform.</li> <li>• 4 Handicraft Marketing Hubs in Metros and 12 Handicrafts Sourcing Hubs with warehousing facilities in major craft clusters will be established.</li> <li>• Exports to increase to around Rs.44, 081 crore.</li> <li>• Brand Image of Indian Handicrafts will be established.</li> <li>• Infrastructure will be strengthened through 20 additional Urban Haats, 5 Warehouses.</li> <li>• Acquisition of space in 5 International Handicraft Malls.</li> </ul>
<b>Product Development</b>	<ul style="list-style-type: none"> <li>• 28,000 artisans to benefit directly through 1000 Design Workshops and 400 Integrated Design Project.</li> <li>• 50 new SIDCs will be established, at least one for each of major crafts.</li> <li>• 16 Design banks will be established at Regional levels.</li> <li>• Institutions like IICT, CDI, BCDI, NCDPD, MHSC, etc. will be further strengthened, consistent with the need of sector.</li> <li>• Craft related technical infrastructure of 20 State level Technical Institutions like ITIs, Polytechnics etc. will be strengthened.</li> </ul>
<b>Research &amp; Development</b>	<ul style="list-style-type: none"> <li>• Infrastructure for grading &amp; certification of raw material &amp; products will be put in place. 6 Labs would be established.</li> <li>• Major crafts will be covered for protection under IPR.</li> <li>• Bar Coding for Handicrafts and Handicraft "Mark" would be introduced.</li> <li>• Benchmarking of technology, processes, raw materials &amp; standards for all exportable crafts will be developed.</li> <li>• Census of Handicrafts will be completed @ 20 percent States/districts in the country.</li> </ul>
<b>HRD</b>	<ul style="list-style-type: none"> <li>• Capacity building of approximately 2 lakh artisans &amp; stakeholders.</li> <li>• Skill upgradation training of artisans (need based).</li> <li>• Non craft training like EDP/Packaging etc. to all stake holders (need based).</li> </ul>
<b>Welfare</b>	<ul style="list-style-type: none"> <li>• To facilitate Rs.1000crore credit to artisans.</li> <li>• 2 lakhs artisans will be provided insurance cover every year.</li> <li>• 2 lakhs artisans will be provided health insurance cover every year.</li> </ul>