

## REPORT ON STATE LEVEL CONFERENCE

ON

### Grassroots Reach-out & Networking in India on Trade and Economics (GRANITE) Phase-II

June, 24, 2009, Lucknow

A daylong workshop was organized by NEED, Lucknow in association with CUTS International, Oxfam Novib and Royal Norwegian Embassy at Hotel Bandhan, Lucknow.

The workshop was attended by as many as 142 participants belonging to diverse cadre of stakeholders from media, academic institutions, research institutions, Senior level officials from Government departments like Handicraft, Handloom and agricultural, Media houses both print & electronics including weekly cum fortnightly, NGOs, CBOs, PRIs, Industrial houses, Students & academia and Chikankari producer groups, craftsmen from many corners of state of Uttar Pradesh.



Lighting the lamp by Shri R.K. Meena, Regional Director, DC Handicraft, GoI with media person & others

The chief objective of the workshop was to share the study conducted by NEED in a manner to **harness the Potentialities of National Foreign Trade Policy (NFTP)** of Govt. of India towards generating employment among the poor and also augmenting export driven opportunities. The workshop focused upon the following dimensions:

**Presenting** the sectorial economy of UP, particularly with respect to the manufacturing and export of the Chikan craft.

**Sharing** opinions for making NFTP of Govt. of India more pro poor driven.

Planning strategies to promote agricultural and handloom exports {Specially Chikan Craft} through institutionalized mechanisms.

Discussion for developing possible strategies for the betterment and upliftment of the Chikan craft and the producer groups in Uttar Pradesh.

**Scanning areas** for further innovative research and applications.

## Session1: Inaugural Session



Prayer by Women Producer Group during inaugural session

The Workshop was inaugurated by Shri R K Meena, The Regional Director, D C Handicraft, GOI. The inaugural lamp was lit in the presence of Shri. Rahul Ranjan from CUTS International, Dr. S. S. Jafri, Mr. Arif Rizvi, Editor Doordarshan.

The inaugural session was carried forward by an invocation to the Almighty and by way of extending warm greetings to the distinguished guests by Priyanka Dutta, ex-member of family of NEED Lucknow. During the welcome address while giving a brief introduction of the objectives and theme of

GRANITE, the scope of the workshop was laid out with chief focus upon the discussions and deliberations from the perspective of NFTP and its linkage with augmenting trade scope in light of employment generation for the deprived and marginalized producer groups.

After the welcome address, the session proceeded with the **introducing remarks by Shri. R. K. Meena** who while drawing inferences from the traditional heritage of Chikankari during the patronage of the Nawabs gave an insight of the artistic intricacies of the art. While referring to the 36 stitches involving 2.5-3 lacs of craftsmen from the districts of Lucknow, Sitapur, Kanpur, Unnao, Rae Bareilly, Hardoi, Barabanki and other neighboring districts, he requested all the participants and producer groups to unite, mobilize and fight for the identity of the craftsmen and preserving the traditional heritage and extended complete support and cooperation from the Department of Handicraft.



Addressing by the Chief Guest

**Shri. C. B. Singh, Assistant Director from Department of Handicraft** also while



Addressing by the Shri C.B. Singh, Asst. Director

sharing his viewpoints referred to the traditional legacy carried by Chikan throughout the globe and said that the craft amounts upto 1200 Crores of production of Lucknow. But with the development in the fields of IT and scientific innovations the mindsets of people have been restricted to a narrow conclave. While referring to the wonderful charisma of 'Anokhi' work he said that even the information and knowledge with respect to the craft has staled with the lapse of time. Mr. Singh gave an insight of the various provisions meant for the producer groups by the Govt. such that they may earn the profit directly through the Craft Bazaars organized on National level, Skill upgradation

and design workshop, Common Facilitation Centres for

artisans and many such provisions wherein they provide financial support for enabling profit earning by the artisans. He also referred to the scheme of 13.5 lacs and for SHGs to camp in Craft Bazars for the producer groups. The provisions/schemes can be availed through applying for Identity cards through NEED, Life insurance provisions, availing loans from the Banks. He specially recognized the extraordinary efforts of Shri. Ghosh, DM Moradabad in this direction. The benefits of Artisan Credit Cards were also laid out in the workshop for the producer groups.

**Shri Anil K. Singh**, Chief Executive Officer (CEO), NEED, Lucknow welcomed the participants and highlighted the significance of NFTP and the condition of Chikankari craftsmen in

his address. While drawing reference to the origin of the policy five years back, he shared the wonderful initiative taken by CUTS International in implementing project for NFTP dissemination and awareness generation across 9 states countrywide among the farmer groups, artisans, craftsmen and producer groups.



Interviews by news channel during workshop

While referring to the poignant issues of employment generation and designing strategies for disseminating the policy down the line among the producer groups and artisans, he remarked that the economy of Uttar Pradesh depends largely on agriculture and handicraft with over eighty percent of population of the state depending on it. Yet the producer groups are facing lack of identity and are unaware of their representation and opportunities meant for them.



Addressing by the Ashma Begum

**Aasma begum** introduced herself and shared how her journey of struggles was recognized while representing on different platforms countrywide as The Chief of her Federation on issues of female literacy, and human development. She expressed her gratitude towards NEED for providing her opportunity to scale up her talent and motivated many other producer women to come forward and work with full confidence and in high spirit.

**Shri. Rahul Ranjan** while introducing CUTS International referred

to the multiple diversity in endeavors of CUTS International involving products, competition while focusing upon sustainability. Thus, mentioning the association of CUTS International with

Export Bureau, Textile department and other commercial departments for disseminating export potentiality for the producer groups.

The session broke for Tea.

## Session 2: Panel Discussion

### Panel Discussion Session – I

**Chaired by** Shri. Nirankar Singh, Sr. Journalist.

1. Shri Anil K. Singh, CEO, NEED, Lucknow
2. Prof. Jafri, Giri Institute of Dev. Studies, Lucknow
3. Shri Rahul Ranjan, CUTS-Jaipur
4. Shri Piyush Shukla, Manager, U.P. Export Promotion Bureau, Lucknow



First panel Session of workshop

The session started with **Shri Anil Singh**, CEO NEED, giving an extensive presentation upon the field experiences through the field study about the impact of NFTP upon the community & employment generation by Chikankari producer groups and other stakeholders.

While representing on behalf of the community and sharing his experiences of working with producer groups, Mr. Singh voiced the concerns of the deprived and marginalized artisans and craftsmen. He raised the issue of the non participation of Village Councils as an organized forum during Policy formulation and the necessity of a collective initiative as the need of the hour. Earlier in the form of EXIM policy, the foreign trade policies have ever marked their existence in the economic chain but nowhere have they penetrated to eradicate poverty, removing financial distortion and enabling a cohesive milieu for collective growth.

While raising the significant question: “Whether Trade is linked to Poverty eradication?” he laid the fact that although the inherent talent has led growth for many in the developing economy yet the entire brigade of producer groups continue to remain where they were decades back. Hence, the greatest challenge lies in designing a strategy for energy synchronization in ensuring opportunities, collective participation and also drawing the outcomes of NFTP in the daily living system of the producer groups. This requires mobilization and synchronization for reaping the benefits of NFTP by way of designing a collective team of building village economy mode through individual members for marketing, procuring



A front over view of the audience of the workshop

orders, packaging and assuring quality of the product. The roles of Micro Finance cannot be neglected however to provide them with financial assistance in their endeavors.

**Mr. Singh** suggested the need to bring up Producer companies wherein the producer groups would be the controlling authority and they shall be linked with export links to other countries. Thus, there should be provision for gender sensitive products in NFTP. Trade should be understood as a tool for self and social development indicator.

**The Focus Points of his Presentation included the following:**

- Diagrammatic illustration of 'who does what' by way of 80% through the producer groups, 15% by the middlemen and only 5% by the elite section of society.
- Diagrammatic illustration of resource percolation in the diaspora of society.
- The triple bottom line effect of resource mobilization.
- Glimpses of NEED interventions in Chikan industry and experience building with the producer groups.
- SWOT analysis of Chikan industry.

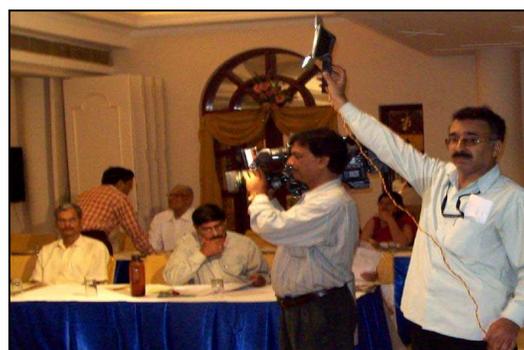
“I have made my Identity Card and have opened an account a Bank Account with the help of Micro Finance of NEED, I have been able to come forward and understand issues pertaining to financial literacy.” -----Says Santosh, a member of producer group.

**Strengths:**

- Large domestic market
- Huge artisan base
- Availability of skilled artisans
- Exemption of Excise Duty, Trade Tax
- Easy availability of Raw Material
- Availability of Transport Facilities

**Weakness:**

- No technological upgradation
- Lengthy production time
- No designer input
- Manufacturers are not having technical qualifications
- Very less export

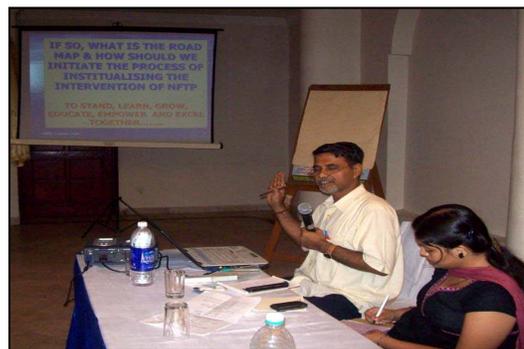


Workshop Coverage by DD News & Sahara Samay

- No association among manufacturers
- No fixed time for return of goods from embroidery
- Unorganised Artisans Cluster
- Very less fund flow from financial institutions
- Very less advertisement in Foreign markets

### Opportunities:

- Big scope in domestic market
- Big scope in foreign market
- Scope for development of new products



Shri Anil K. Singh, CEO, NEED  
interfacing with participants

### Threats

- Competition with Printed & Machine embroidered items
- Globalization might bring Pakistani embroidery or other similar products in India
- Limitations of NFTP policy making process of not bearing grassroots experiences and highly centralized.
- Major gaps in the policy making process through non percolation of decision making process to the bottom, Lack of reflection of grassroots demands, lack of representation of the CSO, small and medium enterprises and women's organizations.
- Major roadblocks like unawareness regarding policy, lack of public private partnership, role of local legislators, views of exporters not taken into account, etc.
- Based upon these roadblocks Development, Social, Political and Economic mandates were put forth as the need of the hour.



Addressing by Prof.  
Jafri, GIRI Institute

**Shri Nirankar Singh** commented that the benefits of NFTP could only be reaped after ensuring Geographical Indication of the products.

**Prof. Jafri from GIRI Institute** while introducing himself as a researcher raised the issues concerning social development. He expressed that Chikankari being recognized globally yet there has been no accurate or precise information of the producer groups and no study has ever been conducted upon the craftsmen. He shared the following information as per a study conducted, The study was conducted upon a sample population

of 579 respondents:

While concluding Prof. Jafri emphasized the need to organize these deprived artisans into SHGs and mobilize them by way of registering them with traders. Also as depicted by the senior officials of Handicraft department the artisans should make their Artisan Credit Cards in order to enjoy the benefits meant for them by the Govt. Also micro

70% of women belong to minorities. Chikan comprises of two communities: The exploited and exploiter who exploit the artisans.

There are 2500 entrepreneurs who make Chikan by order.

The Chikan artisans are found in a radius of 200 km around Lucknow in the districts of Unnao, Kanpur, Fatehpur, Sultanpur, Lakhimpur.

There are 2.5 lac artisans of Chikankari.

Only 15% of Chikan products is consumed in Lucknow, 10% in consumed in the entire state of UP other than Lucknow, 50% in the entire country barring UP & Lucknow and only 25% of entire Chikan production is exported.

The Chikan entrepreneurs belong to both minority & majority communities. 70% of the workers belong to minority and 30% of the workers belong to majority group.

The survey comprised of 26 exploiters and 104 members belonging to the exploited group of Chikankari artisans.

The fact that males cannot make Chikan owing to lack of flexibility of fingers necessary for carving intricate designs was established by him.

The sex ratio of Chikan artisans is 1098 women upon 1000 men.

It is also an established fact that Chikan can only be carved in a household when the family comprises of more than 1 artisan i.e. more than 1 woman in a family.

The study established that among the Chikankari artisans 14.1% are divorcee, widow/single women. 12% of these 14.1% women belong to minority community.

11% of the women artisans are ill.

Among the washer men group 17% of the laborers are ill.

The literacy rate of the Chikan artisans is only 50%.

Average income per month is Rs. 575/month i.e. their earning is less than Rs. 20 in a working day of 8 hours.

Whereas, the income of the exploiter group has been calculated to Rs. 21,231

Similarly, data for 61% homeless people working as blocking people, 50% of the tailors not having toilet facility and 205 of women those who have home live in a maximum area of 400 sq. mt.

15% of Chikan workers have dry latrine.

One-third of the washer men go out for defecation.

66% of the Chikan craftswomen do not have bathrooms, 40% of the women do not have hand pumps and 33% do not have even electricity in their households.

institution serves as an excellent alternative for stopping financial crisis. This can indeed serve as a solution to the problem of indebtedness hovering upon the producer groups nationwide.

**Shri. Rahul Ranjan, CUTS International** remarking upon linking trade with poverty eradication as a good initiative gave the example of China. He also mentioned that the level of awareness among the exporters is very low with respect to international trade. Not only is the Govt of India is keen on adopting an

inclusive approach but also CUTS International has provided



Mr. Rahul Ranjan, CUTS-Jaipur sharing his concern

significant inputs for developing a revised policy. He also shared the experiences of CUTS International, Jaipur of working with the artisans involved in the industry of gems and jewelers. He also said that Govt. need to take up the roles of not only policy formulation but also demystification and information dissemination down the line to bring about the necessary change. Also, he emphasized upon linking gender with trade and consistent efforts of capacity building interventions

for enabling the artists deliver quality meeting international standards.



Chief Guest visiting Chinakari products during GRANITE workshop

**The address of Shri. Piyush Shukla, Senior representative from Export Promotion Bureau** revolved around the various opportunities meant for the producer groups by the Govt. as a facilitator for those who desired to export their products or to send their products as samples but were unable to do so owing to financial crisis or lack of support. This will surely ease the tedious task of quality standardization, the necessary documentation required and reimbursements that are liable according to the specified rules. He emphasized upon crystallizing the fact that both organized as well as unorganized communities are liable for export of products. Import Export Code may be obtained within a period of 15 days which may further be of much help for export of products. Mr. Piyush extended complete support on behalf of the Export Promotion Bureau towards the producer groups for information dissemination with respect to export in any particular country.



After the extensive deliberations the session was open for questions.

Ms. Asma Begum, Head of a Federation of producer groups demanded that Haat Bazars need to be organized in Lucknow as in Delhi.

Ms. Naheed Aqueel, CEO Prayatna Foundation, raised crucial points about NFTP



Participant raising the question to the panel

One of the participants responded that Haat Bazars have already been sanctioned by DC Handicraft yet the Govt. has been unable to identify a proper place for organizing such Bazars. Mr. Piyush while responding to the remark said that the Govt. is taking sincere initiative towards organizing Haat Bazars in Lucknow.

Ms. Naheed Aqueel, CEO Prayatna Foundation, raised crucial points as under:

Since special offers and rebates are laid out for the products of Gandhi Ashram similarly such schemes and offers

may be implemented for promoting the products made by these producer groups for a fixed period of time.

Despite of Chikan being a labour intensive industry, there has been no development in the industry. For eg: Even the blocks used by the blocking laborers are found in dilapidated condition.

Only 30% of the women involved in Chikankari are Muslims whereas, 70% of the women belong to other social groups. Whereas, as contrast to the Chikan

industry Zardozi products earning more of commercial value in the market involves large number of women.



Participant raising the question to the panel

Mr. Anil Singh, CEO NEED, while remarking upon the viewpoints laid out in the discussion said that marching ahead in the form of mobilized community and as an organized brigade while developing a roadmap for initiation and acting in a collaborative manner with Govt. departments is the need of the hour.

**Mr. Singh** also said that the elements of traditional legacy like the old traditional wooden blocks for Chikan designs need to be preserved under the GI Act.

**Vimla Devi** from village Kaluapur, a member of producer group shared her experiences of entrepreneurial exposure during her association with NEED.

The session broke for Lunch.

### **Panel Discussion Session – II**

1. **Chaired by** Shri Arif Rizvi, Editor Doordarshan.
2. Shri Verma, Senior Official, D. C. Handicraft
3. Shri S.K. Srivastava, DGM, NHDC, GoI
4. Shri Nirankar Singh-Sr. Journalist
5. Shri D.K. Mishra, Sr. Bank official, UP

### **Shri Nirankar Singh, Sr. Journalist**

***Media role and responsibility towards disseminating NFTP in the state***



Second Panel members of the workshop with Sr. Journalist

Media has to play a major role along with NGOs/CSOs in dissemination of knowledge about NFTP.



Shri Nirankar  
Singh, Sr.  
Journalist

Media has to constantly watch the developments in NFTP and review the role of the government.

Media indeed highlights the problems of the producers/weavers/farmers/artisans while also ensuring that their voices are heard at the appropriate level only when there is active initiation by the people of the community or when efforts are directed through an organization like NEED.

Media needs to cover the subtle realities of society with special emphasis upon the roles of producer groups and their condition.

Hence, to ensure proper utilization of media the need of the hour is to emerge as organized forces of group. This mobilization may indeed put media into action.

Media should not only be sensitive from the viewpoint of policy makers but also for the target people on whom the policy is aimed.

### **Shri S. K. Srivastava, DGM, NHDC**

#### ***Current scenario of Handloom sector***

Handloom is a highly potential sector. 384 Crores has been sanctioned by the Govt. for providing benefits to the artisans and producer groups through organized forums of NGOs/Consortiums.



DGM, NHDC, GoI sharing his  
handloom concern

The products of the producer groups need to meet the consumer demands, market knowledge, design intricacy and proper knowledge of utilization of resources to the maximum which requires skill up gradation programmes. Hence, the youth of the community requires modifying themselves according to the domestic and International market and studying recent trends through the platforms of Buyer Seller Meet.

The greatest challenge: Shrinkage in the productivity which has come down to only 10% from 25% due to paradigm shift to power looms.

Need to develop 'Weaver's Committee' for meeting market demands and availing the opportunities meant for the producer groups by NHDC.



Women groups raising the questions to the panel

Extended complete support towards providing raw material and facilitating supply chain. The support can only be extended to organized institutions hence, the need to mobilize and organize producer groups into SHGs and Federations for availing the provisions and schemes meant for the growth and overall development of producer groups.

### **Shri D. K. Mishra, Bank Officer**

#### ***Financial Accessibility towards promoting pro-poor export enterprising units.***



Shri D.K. Mishra sharing his banking concern

A Federal Unit of SHGs requires to be made to avail larger financial benefits through loan applications by means of Artisan Credit Cards.

Banks have played an active role after evolution of MFIs and a heavy amount of 6000 Crores have been distributed by Banks like NABARD through MFIs.

While acclaiming the role of MFIs, he also emphasized that when a group becomes sustainable it may be directly mainstreamed with the Banks for better financial accessibility.

### **Mr. Verma, D. C. Handicraft**

Significance of Artisan Credit Cards for better reach and financial accessibility.

Export Promotion Council and Trade Promotion Councils need to understand their roles and responsibilities.

More of Federation Units need to develop & gather loans through Banks at the village level while the provisions of Artisan Identity cards and Artisan Credit Cards need to be practically implemented through organized bodies like NEED. Hence the time to adopt a cohesive and collaborative approach towards information dissemination and implementation of schemes for the producer groups.

While extending complete support towards information dissemination and encouraging more of applicants as artisans for promoting Govt schemes among the craftsmen Mr.

Verma gave his contact number and address for contact as immediate means to serve the community to the maximum.

The session proceeded with enthusiastic response from the producer groups who mitigated their queries for meeting their financial needs and understood the necessary process to be undertaken.

**Mr. Anil Singh**, CEO NEED, summarized the contents of the workshop by motivating the producer groups to unite, generate awareness and mobilize themselves for resource mobilization through his slogan of **“Jaago, Judo aur Jagao”**.



A NGO head raising the questions to the panel



Member of producer minority group raising her concern regarding NFTP driven assistance

While closing the session Mr. Singh extended heartfelt thanks to all the participants including Govt. officials, media, academic dignitaries, CBOs, NGOs and most significantly the artisans and producer groups for their active participation and enthusiastic role towards the concerns of community members.

**“For me NEED has not only been my guide but has been my companion that not only provided me the essential means of livelihood by providing me the right direction but has helped me by way of providing financial assistance through Micro Finance services.”----- Says Nirmala Devi, Village Rahilamau, Block Mahmoodabad, district Sitapur.**

