

State-Level Inception Workshop

Grassroots Reachout & Networking in India in Trade & Economics Phase II

Lucknow, September 29, 2007

Introduction

Network of Entrepreneurship and Economic Development (NEED), Lucknow, a partner organisation of Uttar Pradesh of the National GRANITE Project, organised a State-level Inception Workshop under the *Grassroots Reachout & Networking in India on Trade & Economics* (GRANITE) Project Phase II, being implemented in Uttar Pradesh, at Hotel Comfort Inn, Lucknow, Uttar Pradesh, on September 29, 2007, in association with CUTS International, Jaipur, Oxfam Novib and the Royal Norwegian Embassy, New Delhi, India.



B Singh, Members of Producer Groups, CSO representatives collectively lighting the lamp

The project **aims** to bring pro-poor development by addressing the concerns of the export potential of commodities in the state with reference to the National Foreign Trade Policy (NFTP) and thereby fostering the concern of employment-intensive sectors like agriculture, handloom and handicraft, while generating a coherent civil society voice in the formulation and pragmatic implementation of the NFTP at the grassroots.

The overall aim of GRANITE Phase II Project is to promote equity and accountability in the economic governance of India at the local, state and national levels and to ensure economic literacy among the stakeholders to ensure a linkage between economic development and human development.

Background

The economy of Uttar Pradesh depends largely upon agriculture and handicraft, with over 80 percent of the population of the State depending on it as the only means of earning their livelihood. However, UP is the seat of major agricultural produce of sugarcane, wheat and other

export potential agri-products. The coefficient of variation in rainfall is very high, from less than 100 mm in Bundelkhand region to more than 500 mm in the Tarai belt.

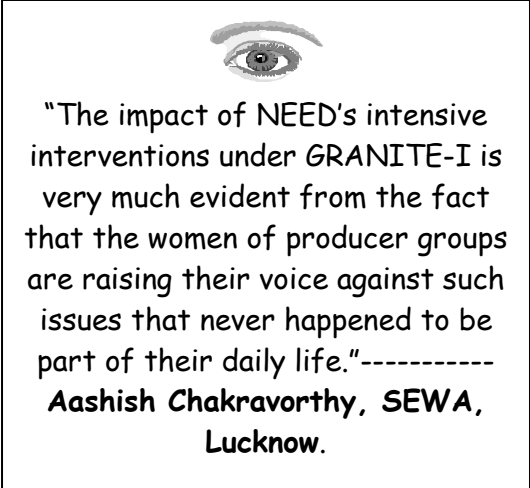


NEED CEO explaining the concept of Trade and its significance in our daily lives

The State has vast potential for export of agro-commodities and their products. The main agriculture-related products which can be promoted are mangoes, spices, cereals, various fruits and their products.

Handloom and handicrafts constitute a major part of the Uttar Pradesh's economy. According to **B Singh**, Assistant Director, Handicrafts, Uttar Pradesh, around 60,00,000 people are engaged in this sector and are feeding their families. Also, this sector is constantly generating livelihood opportunities for a huge volume of population without any basic investment of resources like infrastructure, government inputs, etc.

The total export of handicraft has been recorded to be that of 20,963 crore rupees to Foreign Trade, out of which 40 percent was from Uttar Pradesh. During the independence movement, Mahatma Gandhi laid emphasis upon the promotion and proper nurturing of handicrafts and handloom.



Under GRANITE Phase II, NEED aims to probe deeper into the coherence of the NFTP with respect to its sound impact in improving the livelihoods of the poor and explore the degree of participation of various cadres of stakeholders in the formulation and implementation of the policy down to the line. In this respect, the project also aims to conduct specific research in both economy-generating sectors in UP, i.e., agriculture and handicrafts and handloom.

Objectives

The objectives of the State Inception Workshop were to:

- have a focussed discussion on the NFTP in the context of Uttar Pradesh;
- bring in the issues of the need for consultation with respect to policy formulation and implementation;
- discuss in detail the role of each stakeholder in the project;
- have a detailed discussion on the export potentials of commodities from agriculture and handicraft sectors in the context of Uttar Pradesh; and
- make the participants aware of diverse and multilateral implications of the project.

Participants

The workshop registered participation from diverse cadre of community-based organisations from all over the State, including farmers, weavers and members of self-help groups. B Singh, Assistant Director, Handloom and Handicrafts, Uttar Pradesh, Manas Aanandan, Branch Manager, ITC, IBD, Lucknow, Srinivasan, SIDBI, the Media, Academicians, Researchers, CSOs and representatives from the Export Bureau, the Chamber of Commerce, banking and trade associations also attended the workshop.



Huge gathering of stakeholder participants from cross section of organizations

Workshop Proceedings

Inaugural Session

The workshop started off by observing the warm Indian Culture of the lightening of the lamp by B Singh, Assistant Director, Handicraft, Government of India, NEED CEO, members of producer groups and NGO representatives.

Welcome Address

NEED CEO, Anil K. Singh, offered a warm welcome to the dignitaries as well as the stakeholders and the producers' group.

Session – I



Shri Daulat Ram, Dalit Activist raising to understand Trade and Economic from Dalit perspectives

Priyanka Dutta, HR Manager, NEED, Lucknow, initiated the discussion by highlighting the impact generated by NEED during GRANITE Phase I and furthering the cause of advocacy by linking it with the need of the hour being to sensitise the producer groups, together with the trade bodies, banking institutes, the Export Bureau, etc., towards mobilising them for ensuring their participation and thereby generating a collective voice and becoming aware of the provisions meant for them in the various trade policies, thus laying forth the core value and objectives of GRANITE Phase II. She also supported the cause of equal participation to cut down the evil of gender bias and highlighted the need of awareness generation of the various governmental policies.

Anil K Singh, CEO, NEED, de-crystallised the concept of **'Trade'** and its intricacies, with illustrations, for the producer groups and how trade affects our daily living system. He highlighted the impact of globalisation in the economic governance of our country and its necessary impact upon our farmers, producer groups and artisans.

- Earlier, trade was essentially linked with import and export, but now there has been a revolutionary change in the governmental policies.
- While emphasising the need to promote



"The impact of globalization can be felt everywhere, even in the lives of farmers who are forced to use chemical fertilizers in order to enhance their productivity although they are aware of its harmful aspect upon decreased Soil Fertility."

Rani, An Activist on Agri

export potential products, he also raised the issue of providing legal entity to the producers and artisans along with their products such that they can be recognised at every nook and corner of the society.

- He also discussed the unawareness regarding the various governmental policies about trade. Further, he said that government can make policies and can provide assistance, but the actual utilisation and implementation of these policies lies solely with the beneficiaries.
- He also shared his experience of NEED representation in the post-Hong Kong WTO Consultation, where the question was raised whether free trade is to be understood from the perspective of poverty eradication and thereby making a balanced equity among developed and developing countries.



A side View of Conference Hall



**Priyanka Dutta, Dev. Manager, NEED
introducing about GRANITE-II**

Handicrafts.

- He discussed the National Foreign Trade Policy 04-09 and the differences between the EXIM Policy and the NFTP 04-09 and also the positive points with regard to trade and employment generation from the NFTP. He discussed various provisions made in the policies like *Vishesh Krishi Aur Gram Udyog Yojana*, Handicrafts and many others, focusing very accurately on two sectors of the economy in the context of Uttar Pradesh, i.e., agriculture and

Discussions



**Shri B. Singh, Asst. Director,
Handicraft, U.P. delivering his
speech on Handicraft**

Ashish Chakravorty from SEWA, Lucknow, appreciated the efforts made by NEED. He also congratulated it on the successful completion of GRANITE Phase – 1 and also on getting best recognition from national as well as international agencies. Ashish further put forward his views regarding the effect of globalisation and also the importance of trade. He further said that the solution of the trade problems can be found with pro-poor voice and verbs for fairer trade movement which can be achieved only with united and coalitional efforts. He also mentioned very specifically that GRANITE Phase I has a very clear and visible impact in today's launching of GRANITE Phase II as many of the participants are placing their very broader perspectives and this becomes a clear wonderful achievement of NEED.

Technical Session

B. Singh, Assistant Director, Handicrafts, UP

The total export of handicrafts was of 20,963 crore rupees, out of which 40 percent was from UP. Gandhiji's main dream was the promotion and proper nurturing of handicrafts. He said that if we go by the statistics of **1953, only 3 lakh** people were employed in producing handicrafts. Currently, around 60 lakh people are getting employment from this sector. **Total production of handicrafts and handloom** has risen to **45,000 crore**, half of which gets exported, because of which it can be considered as a good employment-driven potential sector. Handloom and Handicrafts sector is one of the largest source of the country's gross domestic product (GDP).

He further said that earlier *chikan kari* was considered as a unique art of Lucknow, but now in this developmental era, it has expanded its wings to 12-15 other districts also. If we go by the recent trends, these days, new exporters are also coming in products.



**A Social Worker from an
NGO**



"Farmers are very much aware of the advantages and disadvantages of using Hybrid seeds and chemical fertilizers, but the need of the hour is the demand for providing a fruitful alternative package to the farmer that takes care of his zest for market linkage, increased productivity and legal self identity in totality."-----
 ---Kamlesh Singh, Dev. Manager.

He also quoted an example of village Nagina of District Bijnore of UP, where the members of a family have started making crafts from wood in the year 1976-77. Now, they have got so much publicity from their fine work that now about 10,000 people of the area are working on the same job and about 90 percent of their manufactured goods are exported also without the basic help of bankers, creditors etc. This example was to influence the stakeholders that they have to help themselves and they have to come a step forward for their own betterment.

He has also highlighted various governmental policies and innovative schemes for the artisans such as:

Ambedkar Vikas Yojana: In this scheme, an identity card is to be provided to each and every artisan which bears a code which is unique in itself. For getting this identity card, just a database form is to be filled.

He also said that the Life Insurance Corporation (LIC) has come up with **Jan Shree Bima Yojana**, where there is a premium of Rs. 200/- out of which Rs. 160/- is borne by the government and only Rs 40 is to be given by the artisan. In this yojana, two children of the artisan studying between 9th and 12th standards will get Rs 100 each per month as scholarship and also there will be a risk cover of Rs 70,000.



Dr. Syed Imran, Project Coordinator, GRANITE, UP



A participant from Consumer Forum sharing his experiences


He gave the information regarding the forthcoming schemes such as the **Rajiv Gandhi Health Package Yojana**, which is to be launched in the month of October. In this scheme, Rs 100 is to be deposited by the artisan living below the poverty line and Rs 200 by the artisan not living below the poverty line, with this they will be getting a health package for two years for one spouse/dependant, plus two children to be given free medical facilities up to Rs 15,000/-.

He also said that government is regularly are provided without any charges. Also, while

attending these bazaars, artisans would automatically develop a sense of trading among themselves. He further said that programmes are organised in which professionals are called to impart the training regarding the latest designs and trends. But, the basic criteria, according to him, for the economic and human development will be the participation of artisans in the trade.

He has also cleared the misconception regarding the **Artisan Credit Card**, which is having a limit of Rs. 2 lakhs and the loan can be taken ample number of times, subject to proper repayment.

He also insisted on the fact that unity is very important for the stakeholders/artisans to get up to the level of bargaining and to mould the deal to draw maximum benefit from it.



**"The Panchayat bodies should also be made aware of the various policies such that they can also be a concurrent part of the implementation of policies meant for betterment of producer groups and can be a pragmatic part of development process."-----
Mamta Shukla, Dev. Manager**




The Dev. Manager, Mamta raising concern from gender perspectives

One of the **Dalit activists**, Daulat Ram, has appreciated NEED for putting forth the farmers and common man on a similar platform in the context of trade. He also suggested that while making trade formulation and policies, the government has to take into view/consider the actual condition of the common man, small marginal craftsmen, artisans, farmers, etc.

Lavi Tikkha, a representative from the consumer forum said that now government is taking various initiatives for its products to be get patented and also various provisions are being made and many are in the pipeline to not only enhance the employment opportunities but also to improve the working conditions of the presently employed people.

Smt. Nirmala Devi, an artisan, said that she is fully trained in the work of chikankari, but she is not having any work because of which she has no other option but to go to the middleman, where, instead of her actual labour of Rs 50, she merely gets only Rs 10, but what can she do as she is not left with any other option.

Geeta Rathod, an artisan, requested NEED and other persons and officials to do something effective to eliminate the role of these middlemen, so that they can work freely and also get their proper wages. She further said that the elimination of middlemen would automatically help the artisans to enhance the quality as well as the quantity of their produce and it will also help in the proper development of trade.



The women have to think about their present condition and for any betterment and change they have to help themselves, they have to take the initiative because women are having the potential to become Indira Gandhi and Mayawati. --- Mrs. Aasma Begum, President of SHG



**A Social Worker from an
NGO**

Mamta, Member of NEED Family, expressed the keenness of NEED to work on building a gender-driven coalition between the *Panchayat* and respective Self-help Groups such that the benefit from the trade will percolate because, according to her, the present situation is that the entire produce is sold out and maximum benefit is derived by the middlemen.

Mishra, an expert from the agriculture sector and CSO representative, expressed his sincere congrats to Anil K. Singh for the successful completion of GRANITE Phase I and also giving a platform to express their views and share their experiences on the pivotal economy-generating sectors of Uttar Pradesh like agriculture and handloom and handicrafts through the inaugural State Inception Workshop of GRANITE Phase II. He also cited an example of Gandhiji to the artisans to be always united.

He also said that development could only be assured with more and more trade, which will begin with more and more participation of members and stakeholders, etc., with their full and active participation. He again applauded Anil K. Singh for his sincere and honest efforts regarding the pro-poor-driven approach and also for the successful completion of GRANITE Phase I.

Mridu R Goel, Chairperson Handicare, expressed her serious views on the condition of the marginal farmer because of the effect of globalisation. She said that the need of the hour is to impart to our small and marginal farmers the right kind of training and also to let them know about the various policies of trade so that they can also take the advantage of the globalisation and can develop with good pace.

Kamlesh Singh, Member, NEED, said that farmers are aware of the advantages and disadvantages. She said that there is a lot of difference between working on the field and imaginary conception of an advantageous position. According to her, there is a lot of difference between theory and practice, but the initiation is required.

Aasma begum, an artisan, shared her experiences regarding the *mahajan* and the middlemen. She said now she is having her Self-help Group and she is the president of her group. She wanted real knowledge of governmental policies with which she can enhance her capacity in the trade. She also raised her voice for the initiation of the policy to minimise the role of the middlemen.

Ashish Chakravorty from SEWA, Lucknow, gave the suggestion that Area-specific Draft Action Plan is needed with filtered action plan for the upliftment of marginal farmers and artisans. He also promised for his support and services to NEED.



In regard to the pro poor driven policies one also has to think regarding the basic rights of the consumers. Lavi Tikkha, NGO Representative

Session- II



ITC Chief from Lucknow presenting a power point cum film on E-Choupal and thereby pro-poor Trade perspectives

Milan Aanandan, Branch Manager ITC, IBD, Lucknow, expressed his views on marginalised farming. He also raised the issue of small landholders with their dependence on weather also a non integrated pest management and also a non balanced fertiliser usage automatically leads to a low level quality which is not upto the mark for the purpose of trade. After this, the final produce passes through the clutches of middlemen, which again leads to a backdrop in quality as well as in quantity. He said the truth is India is one of the largest grain-producing country, with low infrastructure, yet the produce is not rational to the requirement.

He also discussed the concept of e-chaupal, which is initiated by ITC, to educate the farmers so that they are not deprived, because

it is a known fact that they have a capacity to bring in revolutionary change.

He also said that ITC, with e-chaupal, is also providing Internet to the farmers. He said that ITC is having collaboration with agriculture universities to answer various questions, queries and information about the challenges and forthcoming hurdles.

Dr. S.M.Imran, Project Co-ordinator, said that now the focus is to be shifted towards the provisions and policies that are laid by the government in the National Foreign Trade Policy of 04-09. He also discussed the difference between the previously used EXIM Policy and the NFTP 04-09. He has threw light on various key areas with respect to agriculture and handicrafts.

He further discussed, in detail, the various objectives and provisions and policies that are there in the NFTP for the betterment and enhancement of export which will automatically lead towards employment generation and development of trade. He also insisted the stakeholders have to take the initiative; they have to come forward and should start helping themselves so that the role of middlemen will be automatically cut down.

Srinivasan, Small Industries Development Bank of India (SIDBI), said that his bank wants to work for the unorganised sector, but it is very difficult to indulge in direct business with the unorganised sector. He also talked about the set mindset of the bank regarding the unorganised sector for NPA (non-productive asset).



Srinivasan, Sr. Official, SIDBI, Govt. of India sharing his experiences on accessibility and availability of serviced driven credit through micro-finance organization

Bhawna Pandey, Sr. Correspondent, Daily Newspaper, while discussing the issue of gender equality, he gave the example that out of one lakh savings bank accounts in various Regional Rural Banks, only 4.75 percent are of women. Women and other participants answered to Bhawna Pandey quaries in a very practical and impressive way that the very next day a big news got flashed on Empowering Women through Trade & Economics.

While concluding, Anil K Singh once again explained the concept of trade to the participants and also the wider implication of the term. He further said that:

- The government is the servant of the community and de-centralising the concept and functioning of the government machinery is very much necessary at this point of time.
- He also said that there are many policies and provisions for us with regard to trade and development, but are we really aware of them and even if we are aware of some of them, then do we rightly understand them.
- He further said that for mobilisation, the voice and actual participation of the participants is the basic prerequisite.



We have been producing exclusive craft pieces at a minimal rate of Rs 20 or maximum of Rs 50 per piece for which we have been sacrificing our physical energy, our vision and hard work, although the exclusive craftwork is sold at an exorbitant price of thousands. Can we ever be allowed to come out of the vicious circle of middlemen
Aashma Begum, President of SHG

Concluding Remarks



Anil K Singh, CEO NEED, extended vote of thanks to all the Honourable dignitaries and the participants. The media also took the issue seriously, as most of the newspapers had exclusive coverage of the workshop in their next day edition.