

ACTION PLAN FOR THE DEVELOPMENT OF  
HANDICRAFT & HANDLOOM SECTORS  
IN THE NORTH EASTERN REGION

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## Executive Summary

The Handicraft and Handloom sector is one of the critical drivers of economic activity and source of livelihood in the north-eastern region. Given the importance of these sectors, the **Dr APJ Abdul Kalam Centre for Policy Research and Analysis** at IIM Shillong was given the mandate to work on preparing an action plan for the Handloom and the Handicraft sector. The objective of the study is to prepare an action plan for the development of the Handloom and the Handicraft sectors for the north-eastern region.

In its first phase, the study has attempted to understand the current status of the Handloom and Handicraft sectors. Some of the indicators selected to understand the current status are the number of households and workers engaged in these sectors and the average number of days the workers work in these sectors (either on a full-time or a part-time basis). The productivity per worker and the average income of the households have also been examined and contrasted with that of other parts of the country. The findings of the first phase are discussed in the Chapter 2 of the report.

In the second phase, the study explored the challenges faced by different groups of stakeholders in these sectors. To this end, discussions and deliberations were done with various stakeholders engaged in these sectors; weavers, artisans, NGOs, entrepreneurs, Government officials, and bureaucrats. Information was also collected using a set of questionnaires. Based on the insights obtained, the study has identified a broad set of challenges stakeholders face in these sectors. Though some of these challenges are similar to those faced in other parts of the country, there are many specific to the region. For instance, the remoteness of artisans and weavers from the cities prevents them from fully exploiting the benefits of the many government schemes and policies. The farness of the region from the rest of the country and the difficult terrain of the region increases transportation costs for finished goods. Therefore, the region's handloom and handicraft products are either not competitive in prices or allow for only a lower margin on the goods sold. Further, it was noted that states had devoted only minimal attention to branding, technology adoption, or good management practices. Also, there seems to be very little effort on behalf of entrepreneurs and collectives to use professional packaging or for identifying international markets for the products from the region. The products from the region were observed to have very little differentiation (or customization) and therefore lack a competitive advantage. In most states, except for few urban areas, commercialization of the sector is also not of concern. Artisans and weavers are

happy even if they could fetch only small amounts of money by selling their product, just enough for their subsistence. All these issues have formed the basis of the recommendations of the study, which are discussed in chapter 3 of this report.

In chapter 4 of this report, the study makes some recommendations for these sectors. These recommendations are classified into short-term, medium-term, and long-term interventions based on their urgency. The study also identifies some of the agencies that could implement these recommendations. The agencies selected include government departments, NGOs and market research firms, among many others. Further, in chapter 5 of this report, the study suggests the state-wise allocation required for the recommendations, and a tentative list of existing schemes to fund these interventions.

It is to be noted that the recommendations were also made keeping in mind the impact these could have on job creation for future generations. As highlighted during the interactions with the state level government officials, many feel that it is crucial to keeping the younger generation interested in traditional crafts and weaving. If the younger generation is not retained in the sector, it would be a great challenge to sustain the traditions, crafts, and weaves of the region over the years to come.

Apart from the sector specific recommendations, the study recommends a convergence of the policies, across different ministries, related to these sectors. The study also suggests that the roles & responsibilities of the stakeholders engaged in policy implementation be clearly defined before any policy intervention and recommends the creation of a monitoring and evaluation (M&E) team to oversee the implementation of sector specific schemes and policies.

We hope that the insights and recommendations from the study will significantly aid policy makers in determining the appropriate interventions required for improving the growth of the Handloom and the Handicraft sectors of the north-eastern region.

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## Abbreviations

AIACA	All India Artisans and Craftworkers Welfare Association
AHVY	Ambedkar Hastshilp Vikas Yojana
BDO	Block Development Officer
CAD	Computer-Aided Design
CFC	Common Facility Centre
CII	Confederation of Indian Industry
DC	Development Commissioner
DPIIT	Department of Industrial Promotion and Internal Trade
EPCH	Export Promotion Council for Handicrafts
EXIM	Export-Import Bank of India
FICCI	Federation of Indian Chambers of Commerce & Industry
GI	Geographical Indication
GST	Goods and Services Tax
H&H	Handloom and Handicraft
HEPC	Handloom Export Promotion Council
IICD	Indian Institute of Crafts and Design
IIP	Indian Institute of Packaging
IT	Information Technology
M&E	Monitoring and Evaluation
MDoNER	Ministry of Development of North Eastern Region
MoT	Ministry of Textiles
MRC	Market Research Company
MSDE	Ministry of Skill Development and Entrepreneurship
MUDRA	Micro Units Development & Refinance Agency Ltd.
NCTD	National Centre for Textile Design
NEC	North Eastern Council
NEHHDC	North East Handicrafts & Handlooms Corporation Ltd
NER	North Eastern Region
NERTPS	North East Region Textile Promotion Scheme
NGO	Non-Governmental Organisation
NHDP	National Handicrafts Development scheme
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NSIC	National Small Industries Corporation (NSIC)
NSSO	National Sample Survey Office
R&D	Research & Development
SDG	Sustainable Development Goals
SHG	Self-help group
SPA	Specialty store retailer of Private label Apparel
USAID	United States Agency for International Development



# Chapter 1

## Introduction

### 1.1 Background

The North East Region (NER) of India, comprising of the eight states, accounts for close to eight percent of the country's total geographical area and approximately four percent of the total population of India. The region is predominantly rural, with 84 percent of the population living outside the towns and cities. The region is endowed with abundant natural resources and has a significant dense forest coverage of about 65 percent. The region's strategic location provides an opportunity to tap the large emerging markets in the neighboring countries of Bangladesh, Myanmar, Bhutan and Nepal, and other Asian nations, including China, Malaysia, Thailand, Singapore, Philippines, and Indonesia.

The arts and crafts from the NER enjoy popularity all over India. The region has successfully preserved its unique and rich traditional, historical, and cultural identity reflected in its handicrafts and handloom activities such as artistic textile weaving, cane and fiber crafts, wood carvings, jewelry, carpet making, painted wood vessels, and colorful shawls with intricate designs. A majority of the region's craft uses raw materials such as cane and bamboo, wood, terracotta, textiles, bell metal, and brass. The sector provides a low-cost and eco-friendly livelihood opportunity with income support during agrarian distress to lakhs of artisans and weavers in the region. A status report<sup>1</sup> prepared by the Confederation of Indian Industry (CII) in 2001 states that, after agriculture, handloom and handicrafts is the second most important economic activity in the NER, and every 14th person in the region is dependent on handloom and handicraft products for a livelihood.

Moreover, nearly 80 percent of the income for the artisan comes from the handloom and handicraft sector. The sector provides more than 90 percent of livelihood to around 61 percent of the region's artisanal households. Another report<sup>2</sup> by Export-Import (EXIM) Bank published in 2005 states that though the north-eastern region (NER) contributes over three-fourth of the total production of handicrafts in India, the share of NER to the country's handicrafts exports is estimated at less than one percent. While the price is an important decisive factor, aesthetic appeal, finishing, quality and presentation, and timely delivery are other decisive factors that

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<sup>1</sup> CII initiative to improve the handloom and handicraft products of North East, 2001, CII Delhi

<sup>2</sup> Prospects for Exports of Handicrafts from North Eastern Region (NER) of India, 2005, EXIM Bank

may be kept in mind while marketing handicraft products. Exports from NER of India usually suffer due to the lack of such features despite sharing more than 95 percent of the international border.

The crafts and weaves provide an identity for the artisans and weavers employed and represent the wealth of knowledge and skills acquired over centuries. However, the economic performance of the NER compared to the rest of India remains poor. The region's contribution to India's GDP is abysmally low at 2.5 percent, with 70 percent of the region's population engaged in agricultural and allied activities, including handicrafts and the handloom sector. The NER is starkly different from the mainland on many socio-economic parameters and thus requires special policy interventions.

The ranks obtained by the north-eastern states in the “Ease of Doing Business Ranking 2019”, announced by the DPIIT, give us a similar view. These ranks were awarded based on scores obtained for implementing the 'Business Reform Action Plan,' which included a list of 80 reforms to be implemented by 19 State departments. The ranks obtained by north-eastern states suggests that the performance of the entire region has remained poor in implementing the plan in terms of removing renewal of licenses or extending their periodicity, simplifying application forms, introducing risk-based inspections or the introduction of third-party inspections, digitizing approvals, and undertaking measures to rationalize the regulatory regime.

Table 1.1: Ranks of NE states in the “Ease of Doing Business Ranking 2019”

State	Rank
Arunachal Pradesh	29
Assam	20
Manipur	29
Meghalaya	29
Mizoram	25
Nagaland	29
Sikkim	29
Tripura	29

Source: Department of Industrial Policy and Promotion (DPIIT), Government of India.

The Vision 2020 report, prepared by the North Eastern Council, also highlights the priority to be given to agriculture and allied activities, especially handloom and handicrafts, to strengthen the region's economy. It states that excessive dependence on agriculture is leading to large-scale underemployment and unemployment in rural areas and that this can be addressed by creating non-farm employment opportunities. There is a need for thrust to be given to handlooms, handicrafts, and traditional crafts by providing artisans with training on designing, exposure to technology, and by improving their access to markets. There is a need to enhance these sectors with comparative advantage, which currently provides the largest employer after agriculture. Efforts are necessary to modernize the sector and help producers with design inputs, financial support, and marketing assistance, including access to overseas markets.

Further, the handloom and handicraft sectors can significantly contribute to environment-friendly and sustainable economic growth. These sectors could help the country achieve the United Nations Sustainable Development Goals (SDGs), to which our country is also a signatory. Natural raw materials and less modernized production techniques make these sectors relatively less polluting than other manufacturing activities.

Recognizing the vital importance of the handloom and handicrafts sector in uplifting a significant share of the population in the NER, the government has introduced various policies and interventions to generate a sustained livelihood for the artisans and weavers. However, due to certain factors, the full effect of the policies and interventions could never be observed. The unorganized nature of the sector contributes greatly to its slow growth along with constraints such as lack of information on new technologies, market intelligence, access to credit, design training, and poor physical infrastructure in the region. The sector faces increased competition from machine-manufactured products, which are available at a comparatively lower price to the lower-income consumers, and branded products bought by the higher-income consumers. Moreover, the Covid-19 pandemic has severely affected the already limited market for handicrafts and handloom products with large unsold inventories lying with the manufacturers and entrepreneurs. Most of the artisans and weavers employed in the sector belong to the vulnerable section of the society and thus face the risk of falling into the poverty trap in the absence of immediate government intervention. As per the estimates of Planning Commission based on the NSSO survey in 2011-12, more than 5 crore persons (22.4 percent) in the region live below the poverty line. Thus, there is a need for targeted policy interventions for these states as NER shares not only diverse cultural relations but also has diverse local governing system from the autonomous council under Sixth Scheduled to Statutory

Autonomous Council to Panchayati Raj Institutions. Accordingly, there is a need to understand the challenges being faced by the handicrafts and handloom sector in the 8 North Eastern States and to prepare a comprehensive development action plan bringing out a road map for future interventions, putting emphasis on local resources, culture and traditions. It is expected that the policies and interventions will assist in doubling the contribution of each sector to State GDP in the next five years along with raising the livelihoods and living standard of the entrepreneurs engaged in these sectors.

Recognizing the potential of Handicrafts and Handloom sector in employment creation and income generation in the NER, the Ministry of Development of North Eastern Region (MDoNER) decided to undertake holistic development of Handicrafts and Handloom sector in the 8 North-Eastern states. Dr. APJ Abdul Kalam Centre for Policy Research and Analysis at Indian Institute of Management Shillong has been entrusted with the task of preparing a sector-specific regional development action plan for the Handicrafts and Handloom sectors in the NER.

## 1.2 Objectives of the study

The broad objectives of the study are to:

- identify the challenges faced by the handicrafts and handloom sectors in the NER
- prepare sector-specific development action plans to address these gaps and challenges
- provide an implementation strategy for the action plan

## 1.3 Methodology

The main focus of the study is to understand the challenges in the Handicraft and Handloom sectors and provide actionable recommendations to the Government. Though multiple studies have been done on these two sectors in India, studies covering the North East region, understanding their distinct strengths and weaknesses, are meager. The initial deliberations during the course of the study suggested that the overall health of the 2 sectors depends upon a myriad of factors, including the Government policy, customer preferences, state support, and multiple other sub-factors based on productivity and transactional constraints. Our efforts were, therefore, aimed at identifying these factors and suggest interventions required.

The primary method of data collection involved telephonic and virtual interviews with key stakeholders associated with these sectors. Face-to-face interviews or visits to the craft clusters were not possible during this period considering the constraints on travel due to the pandemic during the period of preparation of the report. Information was collected from as many different stakeholders in these sectors, including artisans, weavers, entrepreneurs, sector experts, and officials at the State and Centre. Many government officials have helped us with information and have also helped arranged further interactions with key stakeholders, which have significantly helped improve this report.

The following activities formed a part of the data collection process –

1. The Terms of Reference (ToR) were discussed and deliberated within the team. Consensus emerged that the overall health of these sectors depends upon a myriad of factors, including the Government policy, customer preferences, state support, and multiple other sub-factors based on productivity and transactional constraints.
2. Questionnaires were designed for collecting information from central & state government officials
3. Inputs were taken from past studies on the sector, which included the Handloom Census reports & also previously held interactions of the Centre with key stakeholders.
4. The team studied some of the Government schemes allocated for these sectors and collected information from the State govt officials regarding difficulties in implementing them.
5. The team collected information on the best practices worldwide, especially with regard to business models used and on government interventions.
6. Exploratory semi-structured interviews were conducted with key stakeholders in these sectors, including artisans, government officials, entrepreneurs, and sector experts.
7. Questionnaires were sent to the handloom and handicraft departments of each of the north-eastern states to collect sector-specific information on current production levels, employment income, and other metrics.
8. The information collected, which included data and views, was recorded and used to suggest recommendations for these sectors.

## Chapter 2

### Present Status of the Handicraft & Handloom Sectors in the NER

#### 2.1 Introduction

Handicrafts refer to hand-made items using simple tools, generally artistic and/or traditional in nature, used for decorative purposes, including gifts and souvenirs as well as for utility purposes. While there is no universally accepted definition of handicrafts, the Ministry of Textiles defines Handicrafts as "Item or product produced through skills that are manual, with or without mechanical or electrical or other processes, which appeal to the eye due to the characteristics of being artistic or aesthetic or creative or ethnic or being representative of cultural or religious or social symbols of practices, whether traditional or contemporary. These items or products may or may not have a functional utility and can be used as a decorative item or gift". In addition to handicrafts, weaving is also a popular occupation across social classes in the north eastern states. The rising popularity of the handloom products of the region demonstrates the weaving excellence achieved by the tribal population and the potential of the handloom sector in the economic upliftment of the workers. The region is known for using a variety of looms, including throw shuttle looms, fly shuttle looms, and Loin looms.

The Handicrafts sector has been recognized as a significant source of employment in India, growing at an annual rate of 7.3 percent from 58.5 lakh in 2008-09 to 72.3 lakh 2011-12<sup>3</sup> and is estimated to have reached the level of 122.9 lakh by 2016-17<sup>4</sup>. In 2016, recognizing the importance of creating a database of the artisans across Indian states, the Ministry of Textiles initiated a scheme called '*Pehchan*,' which creates a unique ID for the identified artisans and links it to their Aadhar card. The initiative has identified a total of 24,87,811 artisans across the country between 2016 to October 2019<sup>5</sup>. About 7.3 percent of the identified artisans belong to the NER. Assam has the highest share with 40 percent of them, followed by Manipur (38 percent), Tripura (7 percent), Arunachal Pradesh (5 percent), and Nagaland (4.5 percent).

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<sup>3</sup> Twelfth Five Year Plan (2012-2017), Economic Sectors, Volume II, Planning Commission, Government of India

<sup>4</sup> Working Group Report on Handicrafts for 12th Five Year Plan, Ministry of Textiles, Government of India

<sup>5</sup> Indiatat.com - Lok Sabha Unstarred Question No. 1144, dated on 22.11.2019

## 2.2 Handicrafts & Handloom sector in the NER

The latest Fourth All India Handloom Census 2019-20 reports that there are about 31.45 lakh weaver households<sup>6</sup> in India, with 58 percent located in the NER. In terms of the number of workers in the handloom sector, more than 18.5 lakh weavers and allied workers are employed in the handloom sector in the NER. Within NER, more than two-thirds of the handloom households and workers are located in Assam, followed by Manipur (12%), Tripura (8%), Arunachal (5%), Mizoram, Meghalaya (2%), Nagaland (2%), and Sikkim (0.4%) (Figure 1.1).

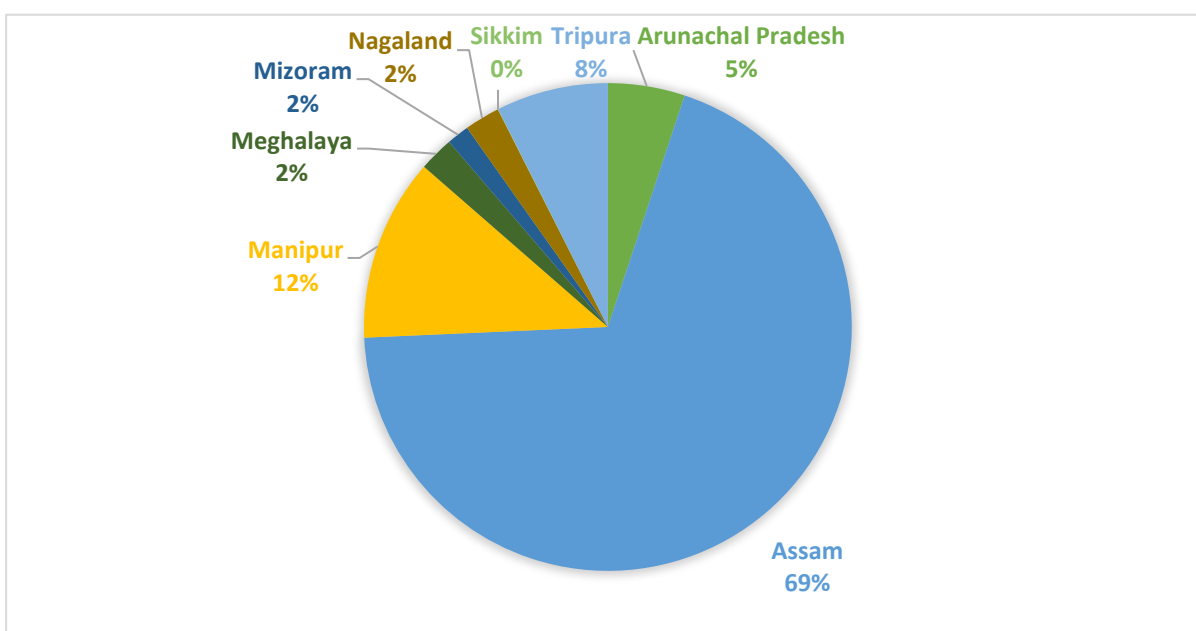


Figure 1.1: Distribution of handloom households and workers in the NER states

Despite a large concentration of handloom households and workers in the NER, there is a lack of engagement opportunities for handloom workers. As a result, weaving is taken up as a seasonal and part-time activity by the workers in the region. On average, the number of days a handloom worker in the region is engaged in weaving in a year is 137, which is significantly lower than the All-India average of 207 days (Figure 1.2). Within NER, the engagement opportunities are highest in Manipur (216), which is greater than the All-India average,

<sup>6</sup> Such a unit is defined as one that has any member of the household who operates a loom in the last one year, either within the premises of the house (classifying the household as a 'with loom household') or outside the household premises (classifying the household as 'without loom household').

followed by Assam (166), Tripura (159), Arunachal Pradesh (142), Meghalaya (124), Mizoram (117), Nagaland (87), and Sikkim (82).

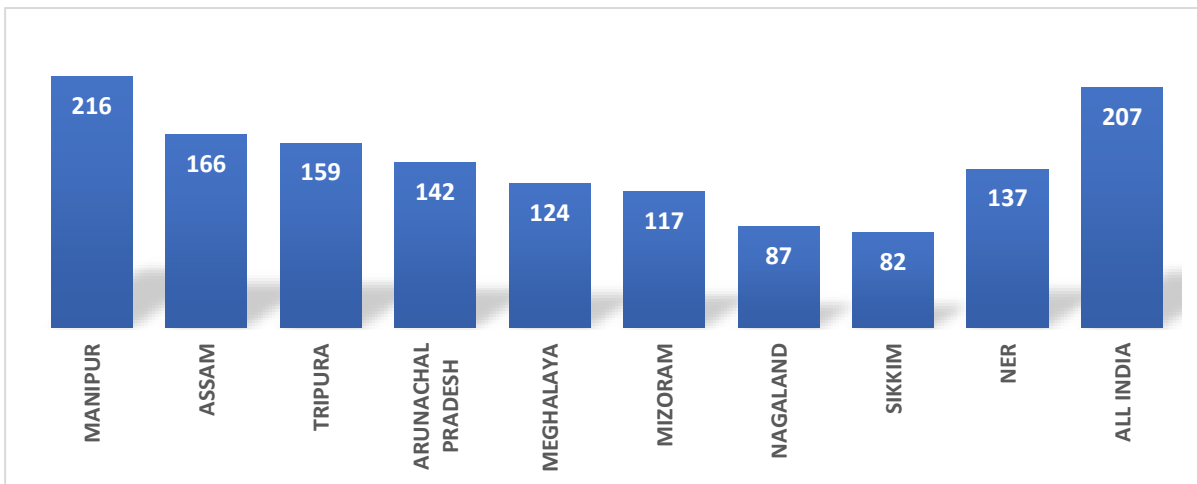
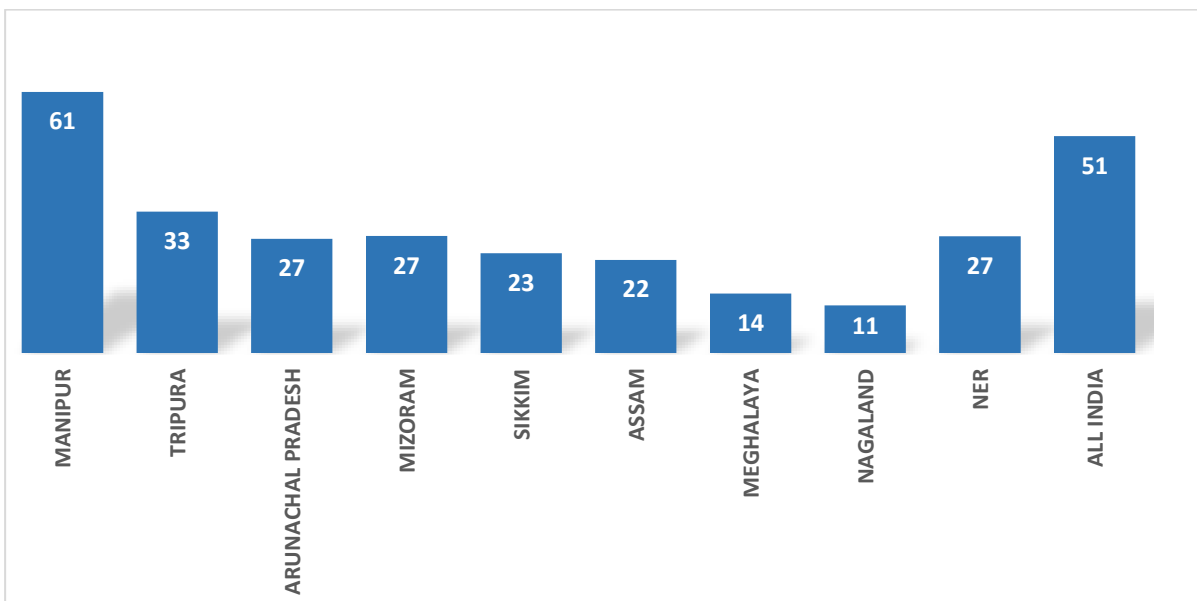


Figure 1.2: Average number of days worked in a year

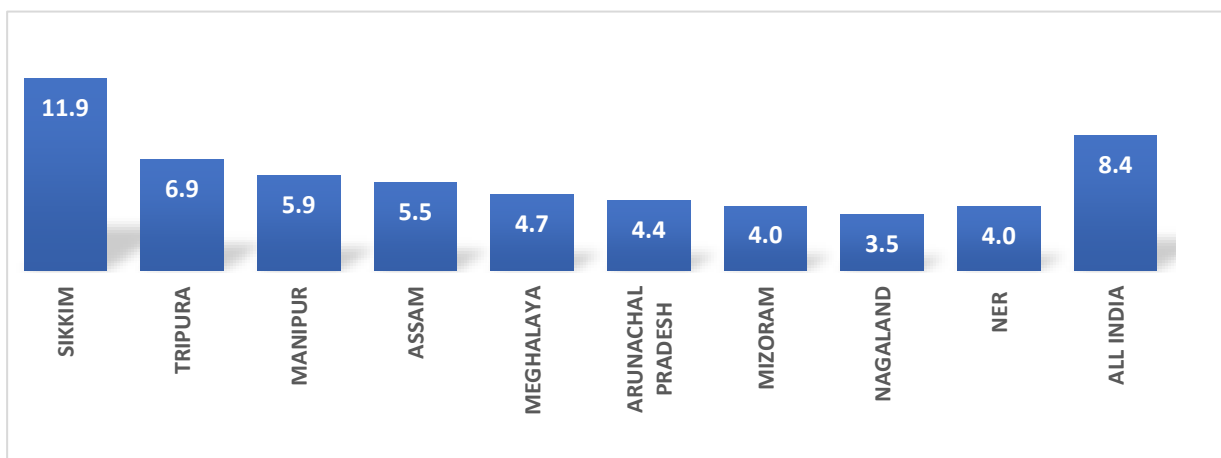
Similarly, the proportion of workers engaged in weaving on a full-time basis in the region (27%) is significantly lower than full-time workers at the All-India level (51%) (Figure 3). Within NER, the proportion of full-time workers is highest in Manipur (61%) followed by Tripura (33%), Arunachal Pradesh and Mizoram (27% each), Sikkim (23%), Assam (22%), Meghalaya (14%), and Nagaland (11%).





*Figure 1.3: Persons engaged in handloom activity on a full-time basis (%)*

The average production of major fabric produced per weaver per day in the NER (4.0 metres) is less than half of average production at All-India level (8.4 metres) (Figure 4). Within NER, Sikkim reported the highest average production of 11.9 metres which is greater than average All-India production followed by Tripura (6.9 metres), Manipur (5.9 metres), Assam (5.5 metres), Meghalaya (4.7 metres), Arunachal Pradesh (4.4 metres), Mizoram (4.0 metres), and Nagaland (3.5 metres).



*Figure 1.4: Average production of major fabric per weaver per day (in meters)*

For a sizable proportion of the weaver households in the NER (87.5%), the monthly income from handloom related activities is less than Rs. 5000 (Figure 1.5).

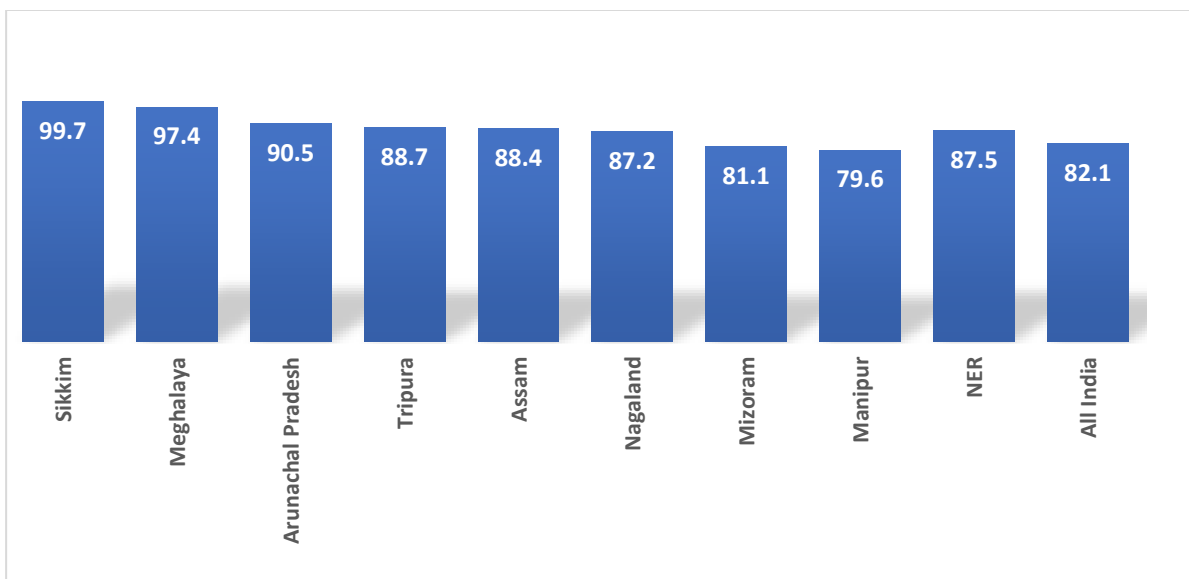


Figure 1.5: Households with monthly income <Rs. 5000 from Handloom related activities (%)

Despite constant efforts by the Government of India towards holistic development of the handicrafts and handloom sector by introducing various production, promotional, and welfare schemes, there is a lack of awareness among the weavers and artisans across the country about the welfare schemes and their benefits. For instance, as per the Fourth All India Handloom Census 2019-20, 65 percent of weavers reported being unaware of the handloom welfare schemes.

### 2.3 Crafts & weaves of the region

The variety of art and crafts produced in the north-eastern states are as follows:

#### Arunachal Pradesh

Arunachal Pradesh in the NER is known for its unique wood carving and weaving with variety of other crafts like marble paintings, smithy work, figures of dancers, toys, jewelry, wooden masks etc. The cane and bamboo crafts include Dalo, Apa Tani Bamboo products, Flattened Bamboo containers- Muwang Cha, Coiled Cane Hats: Bolup, Apatala etc, belts, Cane Haversacks, Bead Craft, Wood carving: Cups, dishes, ceremonial masks, religious images & figures of dancers, toys etc. They are also famous for their carpet making with exotic designs of dragons, geometric and floral patterns, grafting ornaments. Paper making, Smithy work, pottery and ivory work are the other kind of crafts that are being followed in the state. Carpet making is one of the important occupations in the districts of Tawang, West Kameng,

Changlang and Upper Siang and has received national and international repute due to their quality. The famous weaves of the state with Zigzag lines and Angular designs include *Etopolo* (Coat or Jacket), *Thuma/Gale* (Skirt), *Galuk* (shirt), shawls made from cotton, side bag, cloth made for curtains.

### **Assam**

Assam is known for its crafts, weaving and embroidery work with weaving being one of the oldest industries in Assam. The renowned quality of its *muga*, *pat*, and *eri* silk is world famous and provides livelihood to thousands of weavers in the state. The state is also endowed with rich bamboo and cane reserves which are used exquisitely to make beautiful crafts items like furniture, baskets, jewellery, hats, mats etc. In addition, terracotta and brass & bell metal products of Assam are also loved for their utility as well as beauty. Jewellery of Assam created by gold, silver, cane & bamboo etc. is also renowned which has a traditional touch of designs such as 'Jon-biri', 'Dhol-biri' etc. Assam handicrafts have a huge export market with most of these crafts exported across countries like Japan, Malaysia, Singapore, Thailand, UAE and many other countries of the world as well.

### **Manipur**

Manipur is one of India's largest bamboo producing states and a major contributor to the country's bamboo industry. The handloom sector in the state is also the largest cottage industry in the state. It is known for traditional bamboo products, Thongjao pottery, reed mats: Kauna Phak, bell metal work, cane and bamboo crafts, wood carvings, black & ceramic pottery, block printing in towels and dresses, natural fiber crafts, decorative ivory, dolls & toys, dry flowers, jewellery items, stone carvings, hand embroidery etc. The most popular crafts of the region are Kauna and Chumthang crafts. Countries like U.K., Netherlands, Germany, France, UAE, Latin American countries & Switzerland are major markets of Kauna crafts. The state is also famous for weaving fabrics like *moiraingphee*, *leirum*, *lasingphee* and *phanek* using coarse cotton cloth and silk.

### **Meghalaya**

Meghalaya is well known for its cane and bamboo handicraft products, textile weaving, carpet weaving, ornament making and woodcarving. The popular art and craft activities in the state include weaving, wood carvings, bamboo and cane work, stools, baskets, bamboo fishing traps, trays & fans, coiled cane containers, rain shield: Knup and head-gears, mud shovel, shield

made of bamboo splints, Khasi bamboo comb & pipes. The known weaves of the state include shirting, bed covers, bed sheets and tablecloths. The state is also known for producing *endi* silk and *jainsen* made with local mulberry silk.

### **Mizoram**

Mizoram produces a variety of bamboo crafts, which are an essential part of their handicrafts culture. The popular bamboo and cane products of the state include mugs, utensils, hats, basketry, flower vases, Photo frames, Pen and Mobile stands, traditional caps, furnitures, gourd crafts, cane stool & napkin holder. The state witnesses breeding of a variety of silkworms such as *mulberry*, *eri*, *muga*, *tasar* owing to favorable climate, fertile soil, and rainfall. The ethnic handloom of the state enjoys a large market in India as well as in other countries. The popular handloom products of the state include Puan, Shawls, and Stoles.

### **Nagaland**

The handicrafts of Nagaland are designed in beautiful patterns which depict the tradition of the Nagas. The Konyak tribe is believed to be the most skilled wood carvers and expert blacksmiths. Beautiful pots in various designs are made by the Nagas by the use of hands only. Nagaland witnesses extensive cultivation of Bamboo with a bamboo stock covering about 5 per cent of the total stock in the country and has 46 species of bamboo. Therefore, the state promotes bamboo processing as an enterprise covering various applications such as food-based, medicinal usage, handicrafts art, tiles and flooring. The state also has large-scale production of silk with extensive involvement in Loin loom weaving to produce Nagaland shawls.

### **Sikkim**

Beautiful and popular art and handicrafts of Sikkim are the manifestations of the creative minds and aesthetic feelings of its artists. The state is not only popular for its natural beauty but also a destination radiant with impressive handicrafts and handloom. The key art and craft activities in the state include Carpet weaving, blanket making, cane & bamboo, thangka painting, lepcha hat-making & angora shawl-weaving. The handicraft products of the state include *Ku*-Buddhist Figurines, *Choktse*- Tables, cane products like baskets, cloth hangers, containers, *Choesam*- Alter, clay masks, *Lepcha* hats, wooden screen, wooden lamp stand, *Thangka* paintings, bamboo vase, wood carving, murreh stool etc. Sikkim is also known for its Lepcha

weaves for making of bedspreads, bags, belts, curtains, cushion covers, table mats, tray cloths etc, along with the traditional dress of the state.

### **Tripura**

Tripura is endowed with rich and diverse bamboo resources and is known for its unique cane and bamboo handicrafts which is a blend of tribal, Bengal & Manipuri weaving. The state is home to 21 species of bamboo out of 130 species available in India and the has a bamboo forest cover of 7,195 hectares. The state meets 60 per cent of the requirement of the entire country for bamboo sticks for Agarbatti making. Bamboo is used for various domestic purposes as well as commercial use like-marketing of bamboo mats, agarbatti sticks, handicrafts etc. The cane and bamboo products of Tripura include furniture, table mats & other mat products, lamp shades, agarbatti sticks, objects of daily utility such as lamp shades made out of fine stripes of cane & bamboo, baskets, calendar, ivory work and Tripurai tribal jewellery. The popular weaving products of the state include Rignai, Cotton shirts, Silk Sarees, Silk shirts (Gicha), Linen shirts, and other dress material.

## Chapter 3

### Challenges in the Handicraft & Handloom Sectors of the NER

#### 3.1 Introduction

In this section, we discuss the challenges faced across each of these sectors. We classify the challenges as 'Productivity Constraints' or 'Transactional Constraints,' using the framework suggested by London et al. (2010). Productivity constraints refer to the challenges related to accessing raw material, financial, and production resources. Transactional constraints refer to challenges related to issues with market access, market power, and market security.

Productivity Constraints	
Raw material resources	Accessibility, affordability, and quality of production inputs
Financial resources	Accessibility, affordability, and quality of investment capital, working capital, and insurance
Production resources	Accessibility, affordability, and quality of technical and business knowledge, technology & equipment, storage & protection of goods
Transactional Constraints	
Market Access	Accessibility, affordability and quality of market knowledge, infrastructure and transport. Degree and type of demand expectations (quality requirements, certification standards)
Market Power	Degree and type of information asymmetries, competition among buyers and sellers, transaction transparency, protection and enforcement of rights
Market Security	Degree and type of continuity, fluctuation, and cyclicity in demand. Accessibility, affordability, and quality of alternative markets.

Table 3.1 – Base of Pyramid (BoP) producers' constraints framework<sup>7</sup>

<sup>7</sup> London, T., Anupindi, R., & Sheth, S. (2010). Creating mutual value: Lessons learned from ventures serving base of the pyramid producers. *Journal of Business Research*, 63(6), 582-594.

## 3.2 Productivity Constraints

### 3.2.1 Raw material resources

Raw material availability and quality remain a persistent issue for artisans and weavers in the region. The many issues faced them are described below

- The Raw material Banks for Bamboo and Cane, set up in different locations, do not seem to have regular availability of raw material, and therefore, artisans prefer not to depend much on these banks for their requirements. Entrepreneurs complain that artisans from outside the region make bulk purchases from these raw material banks, leaving little for their consumption.
- Raw material banks are currently available only for Cane and Bamboo. Artisans working in specific other crafts, like Kauna, do not seem to have similar access to raw material.
- Raw material banks for Bamboo and Cane are located far away from some of the major clusters of the region, making it difficult for artisans to access them.
- The Cane and Bamboo available at the Raw material Banks do not seem to be of standard sizes with regard to their length and cross-section. This creates an issue for artisans while preparing for exports as they are required to create standardized products, exactly matching the prototype agreed upon. This forces them to source the raw materials from local markets, usually at higher prices.
- Entrepreneurs and independent artisans and weavers in the region operate on a much smaller scale than the rest of the country and therefore require raw materials in much smaller quantities. This limits their ability to source quality raw material from other parts of the region (owing to higher transportation costs per unit) and therefore are forced to use low quality raw materials available locally. For artisans working in Cane, this greatly hinders their ability to improve product quality and limits them from competing globally.
- The non-availability of pre-processed raw materials is another issue faced by artisans. For artisans working in Cane, the lack of split and pre-processed cane forces them to spend time on low-value-added activities like cane splitting, which could have been used for high-value-added activities. For artisans working in Kauna, drying the weed takes a lot of time and effort, and it would have significantly helped if dried weed was made available to the artisans.

- While some states have said that they don't face any shortage of Yarn for the weavers in the state, some others said they don't have a regular supply of Yarn and that their weavers are forced to source it from the markets in Guwahati. Across few states, Weavers, who work independently, have also raised the concern of not getting a regular supply of Yarn.
- Entrepreneurs who export Bamboo and Cane products to markets in Europe and the USA have raised the issue of lack of post-treatment facilities. The North East region, with its high humidity, makes it easy for Fungus to grow on finished Cane and Bamboo products, and the lack of drying and chemical treatment facilities negatively impacts the product quality. This could be one of the reasons contributing to the low export growth from the region.
- The lack of warehousing facilities for raw material and finished goods near the clusters limits the ability of artisans and weavers to scale up. If the raw materials and finished goods are to be stored in the households, space becomes a constraint and limits the individual artisans and weavers from taking large orders.

### 3.2.2 Financial resources

- Artisans across handloom and handicraft clusters do not seem to be aware of the myriad central government and state government schemes. This could be one of the reasons for the lower utilization of funds in the northeast region.
- The lack of adequate livelihood support might be one of the reasons which force artisans and weavers to search for other occupations. As per the Handloom census report of 2020, for 87.5 percent of the weaver households in the NER, the monthly income from handloom-related activities is less than Rs.5000. Further, in the region, Handicrafts and Handloom are seen at best as part-time activity. As per the Handloom Census data of 2020, the number of days a handloom worker in the region is engaged in weaving, on average in a year, is 137, which is significantly lower than the all-India average of 207 days. Further, the proportion of workers engaged in weaving on full-time basis in the region at 27 percent, which is significantly lower than full-time workers at All-India level of 51 percent. Artisans and weavers should be provided with livelihood support during difficult months so that that they can continue with their craft rather than move on to other occupations. The lack of livelihood support also makes their income irregular and can be the reason why the artisans and weavers are seen as less creditworthy in the eyes of financial institutions.



### 3.2.3 Production resources

- The lack of training for using small machinery seems to prevent artisans working in Cane from mechanizing low-value-added activities. Artisans working on Bamboo also seem to be unaware of using jigs and fixtures to facilitate production. Training can be provided to entice artisans to use machinery to replace low-value-added activities, as China and Southeast Asian countries have successfully experimented. Automating low value add activities can reduce costs and also product lead time. Further, it allows for more time to be spent on value-adding activities and craftsmanship.
- Only a small percentage of artisans do seem to use the Common Facility Centers set up across the region, and this could be due to the lack of awareness regarding the assistance provided by the centers.
- The machinery procured and installed at the Common Facility centers (CFC) seems to be out of sync with the artisans' needs working in Cane. A careful evaluation of the clusters' needs around the CFCs could be done before such machines are procured.
- In some of the CFCs, machinery seems to have been imported. These costly pieces of machinery seem to be challenging to operate without the assistance of trained personnel. Also, breakdowns of imported machinery take a longer time to be rectified and result in more extended downtimes. Experts working in the handicraft sector have suggested the use of locally manufactured machinery to circumvent this problem.
- Low-cost machinery, locally developed by IITs or other firms, could be used in the CFCs. This could allow for better maintenance and quicker resolution in case of machine breakdowns. Low-cost machinery can also allow for better utilization of funds allowed for th CFCs.
- Artisans and Entrepreneurs have highlighted the need for industrial dryers in the CFCs for Cane handicrafts. As the northeast region has high humidity in certain months of the year, the lack of drying facilities inhibits artisans and entrepreneurs from taking large orders during those periods. These dryers can also be used by those artisans working in Kauna. Further, considering that dryers and other machinery run on electricity, it would be better that these are installed at the CFCs, where a regular supply of electricity can be assured.
- It was observed that individual artisans and weavers show a reluctance to try out newer designs in arts and crafts. This could be due to the time required to skill themselves in the new designs or the lack of understanding of contemporary customer requirements. This issue is much lesser in artisan groups working with master weavers and artisans, as the latter

groups train the artisans involved in these new designs. The limited accessibility to design experts also contributes to this issue.

- It was also felt that the dispersed nature of artisans and weavers in an area further reduces the reach of government support to these groups. Craft villages in key urban areas can be thought of as an alternative. These craft villages can be equipped with the required machinery, adequate stock of raw material resources, and design experts. These craft villages can possibly be designed in such a way, with housing, canteen, and medical facilities, so as to attract artisans and weavers who would want to take up these activities as a full-time occupation. Implementing schemes at these craft villages will be much easier, and it will also give agencies an opportunity to closely evaluate the effectiveness of the schemes.
- Many artisans and weavers have mentioned that the younger generation do not seem to be interested in crafts. This might be because they felt that handicraft and handloom occupations are less rewarding. If this happens, soon we may find lower labor for Handicraft and Handloom activities.

### 3.3 Transactional Constraints

#### 3.3.1 Market Access

- Artisans and weavers seem to have very little knowledge about markets and end-customer needs. Government agencies that interact closely with them also do not seem to have systematically collected information on new markets, changing consumer preference, attitudes, behavioral predispositions, and perceptions which limits the planning of effective marketing strategies
- Across Handicraft and Handloom clusters, we tend to observe that Master weavers/artisans or Cooperatives take very little initiative in involving themselves across the different steps in the product value-chain, especially with regard to sourcing and sales. This could be due to their lack of expertise in sourcing raw material or in selling directly to markets. Given their lack of expertise, it is possible that they are exploited by traders and entrepreneurs. Training in business and marketing can be given to select full-time, master artisans and weavers in each cluster so that they have enough capability to organize themselves and trade directly with the markets. Doing so will also increase their bargaining power with middlemen and allow them to obtain higher margins.

- Artisans and Weavers alike face high transportation costs for procuring raw material and also transporting finished goods. As higher transportation costs can be mostly attributed to the difficult terrain and connectivity in the northeast region, transportation subsidies can be provided to create a level playing field for them compared to artisans and weavers in the rest of the country.
- Higher transportation costs for raw material and finished goods can also be attributed to small quantities of goods being transported. This increases the per-unit cost of transportation. Clusters, located nearby, can be encouraged to cooperate with each other so that transportation costs can be shared.
- It was observed that neither artisans, weavers, nor entrepreneurs have understood the value of effective packaging. Good packaging can add to the perceived value of a product and also act as a tool that sets a product apart in a vast sea of options that the consumer has at their disposal. An entrepreneur, whom we talked to, described a case wherein, a few years back, a first-time exporter from the NER, dispatched finished goods, rolled in old newspapers, to a foreign buyer. Such instances will hurt export potential from the whole region as foreign buyers will consider entrepreneurs from the region as low-value providers or as those having limited commitment to product quality. It is therefore imperative that product packaging be given greater importance and efforts be made in this regard.
- The NER has a massive handicap with regard to transportation, mainly owing to its varied terrain. The Government has initiated many steps to ease out this pain, but it might take few years before those efforts take fruit. In the short term, considering the difficulties that the entrepreneurs, artisans, and weavers face, transportation subsidies can be provided to these groups to provide a level playing field compared to those from the rest of India.

### 3.3.2 Market Power

- The lack of branding of crafts and weaves by entrepreneurs from the region also seems to hurt the region. Branding can help customers in differentiating products with consistent quality from others with lesser quality. Especially for crafts and weaves, branding is a necessity as the quality of the product cannot be easily entirely ascertained by the customer; for example, the quality of dyes used in a handloom product or the post-treatment done on cane basketry will be only revealed with time.
- Geographical Indication (GI) tags can further help in branding the items from a region. Apart from branding by individual entrepreneurs, GI tags can further help in providing

global visibility for the craft. Take the case of Eri Silk produced across the northeast region. Eri Silk's USP is that it is extracted using a non-violent and peaceful processing method, where the moths are not killed while extracting the silk. This makes Eri silk a preferred Silk for a select set of environmentally conscious customers. However, it is unfortunate that Eri Silk still isn't awarded a GI tag.

- Geographical Indication (GI) tags are mainly awarded based to crafts and weaves based on the region in which they are produced. However, as some crafts and weaves are produced across many states of the North east region, there seem to be some issues with providing a GI tag. For example, as Eri silk is produced in many a north-eastern state, GI tags were rejected to individual states applying for the same. In such a scenario, a high-potential craft or weave gets excluded from receiving a GI tag. This could possibly be circumvented by awarding a GI tag for the north-east region as a whole, as was done in the case of Phulkari craft of Punjab, Haryana, and Rajasthan.

### 3.3.3 Market Security

- Apart from slightly higher demand for handicraft and handloom products around local festive seasons, the overall demand seems to be steady across the year. However, the capability of artisans/weavers and entrepreneurs to provide products is limited during rainy months and during periods of higher agricultural activity. As most handicraft and handloom workers view this as a part-time secondary occupation, their availability drops during the agricultural cropping and harvesting seasons. Also, during the rainy months, considering the difficulty in drying the raw material, production is limited. The cyclicity in production further exacerbates the issue of irregular income to artisans and weavers and making it, at best, a secondary occupation and not a primary one.

## 3.4 Challenges related to Government Schemes and their execution

- Artisans and weavers do not seem to be aware of the many schemes that the government provides for the sector. As per the Handloom Census 2019-20, almost 65 percent of weavers reported being unaware of the Handloom welfare schemes. The lack of awareness regarding the schemes is one reason why certain schemes have low utilization and even differing utilization across states.
- It was observed that there are multiple schemes across ministries catering to the same objective. This could create overlapping across schemes. Schemes with overlapping

objectives can possibly be clubbed together. This could help in better monitoring and also make it easier for implementing agencies to measure their effectiveness.

- While designing schemes for Handicraft and Handloom sectors, differentiated schemes can be made available based on the commercial viability of the crafts and weaves. Greater allocation for production and marketing-related support can be provided to crafts and weaves with commercial viability. For crafts and weaves, which require only preservation, more allocation can be done for activities related to training so that these crafts do not languish and die out. Classifying crafts and weaves based on such a classification also makes it easier for implementing agencies to evaluate the efficacy of the schemes.
- There seems to be insufficient data on the efficacy of government schemes regarding improvements in production, sales, or even the conditions of livelihood. This hinders governments from improving the schemes as government agencies do not have enough data to corroborate their qualitative judgments regarding the efficacy of the schemes. Therefore, defining beneficiaries of the government schemes needs to be redefined.
- It was observed that there is very little data available for the Handicrafts sector in the NER. The Office of DC (Handicrafts) has data on the number of registered artisans, and EPCH has data on the exports of Handicrafts from the region. Apart from these, data is minimal for the Handicrafts sector in the NER. In contrast, rich data is available for the Handloom sector, as a census is carried for the sector every ten years. The lack of data on the Handicraft sector affects the sector in myriad ways. The lack of data could also result in misallocation to certain schemes, resulting in wasteful over-expenditure on some and shortage in others.

## Chapter 4

### Recommendations for Action Plan

#### 4.1 Introduction

This chapter proposes recommendations that could help circumvent many of the challenges observed in the Handicraft and Handloom sectors of the region. The recommendations proposed are based on evidence and research, and while deciding on them, the gaps in the existing policies have also been looked upon.

The recommendations are also demarcated into short-term, medium-term, and long-term proposals for action. The best possible implementing agencies, to the best of our knowledge and information, and the allocations required for interventions based on these recommendations are estimated for a select set of recommendations and are highlighted in the subsequent chapter.

For State and Central government agencies wishing to work on these recommendations, the next stage involves deciding on the targets to be achieved and in choosing the recommendations to be implemented after making considerations based on resource availability and resource constraints. However, as noted in the study, the outcome and success of interventions are determined more by the success of implementation than the policies per se. Therefore, as noted in the study, policymakers are urged to create teams for regular monitoring and evaluation of the interventions they choose to initiate.

The list of all the recommendations that the study proposes, based on the challenges identified, is provided in Table 4.1. The recommendations are also classified based on their urgency for implementation; short-term, medium-term, and long-term.

Table 4.1 – List of Recommendations

### Short Term

- Increasing focus on Product Branding
- Creating a Marketing Strategy
- Increasing access to Finance
- Emphasis on better and attractive Packaging
- Increasing livelihood support to Weavers and Artisans.
- Increasing awareness about Govt schemes and policies

### Medium Term

- Upgrading IT Infrastructure
- A re-look at the role of the Middlemen
- Increasing productive capacity
- Improving product quality
- Creating high value-added products
- Improving product design
- Ergonomic interventions
- Improving monitoring & evaluation
- Improving the coordination across Govt departments
- Improving the accessibility of Government schemes
- Streamlining Taxes
- Collecting periodic data on the Handloom & Handicraft sectors

### Long Term

- Providing adequate logistics support
- Setting up “Craft Villages”
- Convergence of different Central and State Government policies

## 4.2 Recommendations to be implemented in the Short Term (i.e. within 1 year)

### 4.2.1 Increasing focus on Product Branding

Based on interaction with the government officials, entrepreneurs, artisans, and weavers, it was observed that little effort had been taken for branding the beautiful handicraft and handloom products from any of the states of the region. The interaction with the weavers and artisans suggested that their understanding of the importance of branding is minimal. Therefore, it is recommended that, even before making efforts for marketing the crafts and weaves of the region, branding of the products need to be undertaken on an urgent basis. Moreover, any attempts at penetrating the international market will be meaningless without branding.

The region (or individual states) can think of creating a brand name and a logo for all the products produced in the region. A brand strategy needs to be charted out immediately with the objective of showcasing the products from the NER as being unique and with good craftsmanship.

However, a caveat needs to be mentioned here; if all the currently unbranded products from the region/cluster are to have the same branding, the states/region should also ensure that all the products created from the region/cluster are of consistent quality. If not, the low-quality products will discount even the high-quality products from the region. Certification of handicraft and handloom products can be a solution in this regard.

States could also try to obtain GI (Geographical Indication) tags for their unique crafts and weaves. This can give these crafts and weaves global visibility and also improve their brand image.

#### Implementation

- To ensure that all the products from the region have a minimum quality, it can be made mandatory that all products from the region should be certified. The certification chosen can be one similar to the CraftMark certification by AIACA or the India Handloom Brand by the MoT. NEHHDC may also be authorized to issue such certifications.
- State governments could hire experts or consult with the following organizations for assistance on branding - Tata Trusts, Dastkar, FabIndia, Jaypore
- State govts can by themselves, or via established collectives in the state, try to obtain GI tags for their unique products. If a product is produced by more than one cluster,



steps can be taken to ensure that the GI is shared across these clusters as was done in the case of Phulkari craft of Punjab, Haryana, and Rajasthan.

- The state governments may select any of these celebrities as brand ambassadors

Sport Personalities	<p>Hima Das (Sprinter, Assam)  Mary Kom (Boxing, Manipur)  Anshu Jamsenpa (Mountaineering, Arunachal Pradesh)  Anuradha Devi Thokchom (Hockey, Manipur)  Bombayla Devi Laishram (Archery, Manipur)  Chekrovolu Swuro (Archery, Nagaland)  Dipa Karmakar (Gymnastics, Tripura)  Gohela Boro (Archery, Assam)  H Lal Ruatfeli (Hockey, Mizoram)  Kalpana Devi (Judo, Manipur)  Ngangbam Soniya Chanu (Weightlifting, Manipur)  Saikhom Mirabai Chanu (Weightlifting, Manipur)  Sushila Chanu (Hockey, Manipur).</p>
Film Actors	<p>Adil Hussain (Assam)  Dipannita Sharma (Assam)  Lin Laishram (Manipur)  Thangjam Biju Singh (Manipur)  Geetanjali Thapa (Sikkim)  Patralekha Mishra Paul (Meghalaya)</p>
Others	<p>Rima Das (Award winning film maker, Assam)  Anagarag Papon Mahanta (Singer, Assam)  Lou Mazaw (Performing artist, Meghalaya)  Jadav Payeng (Environmental activist, Assam)  Irom Sharmila Shanu (Civil Rights Activist, Assam)  Rewben Mashangva (Padma Shri, Manipur)  Radhe Devi (Padma Shri, Manipur)  Sangkhumi Bualchhuak (Padma Shri, Mizoram)  Satyaram Reang (Padma Shri, Tripura)  Trinity Saioo (Padmashri, Meghalaya)</p>

## 4.2.2 Creating a Marketing Strategy

One of the areas that require urgent attention is in the area of product marketing. Most of the rural weavers and artisans, the number of which far exceeds their counterparts in the urban sector, has been producing only on the requirements of the middlemen and a few customers with whom they have direct contact. Though this may just provide sustainability for their day-to-day existence, it is certainly not sufficient for their business's longevity and growth. Showcasing Handloom & Handicraft products of the region only through exhibitions and in showrooms located in metros cannot help in market penetration. The need of the hour is for sellers to have a well-designed marketing strategy. To create a winning marketing strategy, one must answer the two questions – "What customers will we serve (what's our target market)? and how can we serve these customers best (what's our value proposition)?"<sup>8</sup>. Considering that we have minimal information on these questions for products created in the NER, studies that answer these questions need to be undertaken urgently.

Though much has been said about 'Look East' and 'Act East' policies, minimal effort has been undertaken concerning identifying global markets for the products from the northeast region. It is, therefore, necessary that professional bodies or organizations may undertake this work to suggest the type of market that has demand for the products of this region and the extent to which the products from the region may be customized to cater to the needs of the customers in different markets.

### Implementation

Professional organizations have to be identified by the Ministry of Handloom and Textiles in coordination with the state governments for market identification.

- International agency like USAID may be given the consultancy to study the global demand for the Handloom & Handicraft products of the NER. Private players from the corporate sector such as Tata, Godrej may be assigned the task, initially for two years, and extended based on their performance.
- The Department of Handloom & Handicraft may contact the Digital Empowerment Foundation for e-marketing of the products.
- Jaypore e-commerce Pvt Ltd is an e-marketplace that sources products directly from artisans across the country, as well as from co-operatives, self-help groups, established

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<sup>8</sup> Kotler, P., & Armstrong, G. (2013). Principles of Marketing (17th Global Edition), Page 34.

manufactures, and exporters. It does not own the products but gets them on consignment from artisans. They are then stored in its central warehouse in Delhi. The respective state governments may contact them.

- Fabindia links over 55,000 craft-based rural producers to modern urban markets, thereby creating a base for skilled, sustainable rural employment and preserving India's traditional handicrafts in the process. They, too, can be contacted by the state governments.
- State Government may issue orders, like the Government of Kerala, making it mandatory for all Government schools to provide school uniforms free of cost made from Handloom to the students.
- A marketing Cell consisting of experts from the corporate sector can be constituted, to look after different dimensions of marketing both at the national and international level. The Departments of Handloom & Handicrafts may undertake the responsibility, where NEC can provide the necessary support if required. Funds for the purpose may be made available through the NEC. The cell will have to work in close coordination with the master weavers and technicians so that orders for mass production after-market identification can be met on time and as per the requirement of the customers.
- MoT may get in touch with market research firms to provide insights on customer preference and market identification. Firms which may be contacted are - Majestic MRSS, RNB Research, KPMG, Ernst & Young or Industry bodies such as CII or FICCI

#### 4.2.3 Increasing Access to Finance

Securing finance has been one of the biggest challenges faced by all stakeholders engaged in the sector. State government departments have expressed the problem that they are unable to implement the Central Government schemes and policies for the lack of funds. They do not have the adequate funds to invest in the requisite infrastructure in terms of technology or machines for imparting training to adequate the weavers and the artisans. In Arunachal Pradesh, for instance, due to the remoteness of different districts, weavers and artisans are spread out in far off villages, with difficult terrain. Due to poor road connectivity and lack of funds neither are they able to come to the towns nor are the officials able to travel to those remote places. All these challenges increase the cost of policy implementation, a problem not encountered by most other states in the country. Even the expenses on stationery and

electricity and internet connectivity poses a challenge not encountered in many other states. Therefore, it is recommended that for every central government policy, budget estimate with the break up under different expenditure heads needs to be simultaneously approved.

The weavers and craftsmen of almost all the states particularly in the rural areas, face the challenge of obtaining credit for the work from formal sources. This is either due to the lack of financial literacy, or their unsound financial condition, which prevents them from securing loans for their business. The only source of fund for them are relatives or the middlemen or the local money lenders. The situation is further aggravated because a majority of the weavers in North East India are women. Their literacy level and information about the financial schemes to help them in their profession are much more restricted, as they weave mostly as part-time household activity and are also confined more to the household sector. Due to inadequate income, even if the weavers and artisans receive any financial benefit, it is often diverted for other family expenditure.

### Implementation

- The Ministry of Textiles and the state governments, collectively, need to ensure that neither the implementing agencies nor the small-time weavers and artisans are constrained due to the lack of funds.
- For the livelihood projects and raising the weavers and artisans' financial literacy, NGOs and other SHGs have to be involved by the state governments.
- State governments have to regularly assess the real benefits that are likely to accrue from this kind of planning. If it is observed that the NGOs and the SHGs are unable to deliver, strategies will have to be changed accordingly.

#### 4.2.4 Emphasis on better and attractive Packaging

Packaging and packing form an important and integral part of any product's presentation, making the product more attractive to the consumer. While attractive packaging does raise the product costs, it can significantly improve the perceived value of the product, especially in high-end products. However, none of the states seem to have given much thought to packaging, particularly in the international market. Efforts towards superior packaging may be initially restricted to higher-end niche products which cater to high end customers. As such customers are more value and quality-conscious than price, they will not be discouraged from buying the products even at a higher price. Poor packaging and packing may give the

impression that the product is technologically poor and qualitatively unsound. This may reduce the demand.

### Implementation

- Ministry of Minority Affairs has roped in Indian Institute of Packaging (IIP), National Institute of Fashion Technology (NIFT), and National Institute of Design (NID) to upgrade the design and packaging of 40 shortlisted handloom fabrics and handicrafts in the country. NEC may get in touch with the Ministry to help the different states in this respect.

State governments of the region may contact

- Good Earth Ltd which is working towards sustainability, by lowering their carbon footprint. The company works closely with craftspeople and designers. They use only natural dyes in their handloom products. They also minimize Styrofoam and plastics in packaging. They have even completely stopped the use of polyester.
- International Trade Centre and Oxfam Packaging for getting inputs on the type and quality of packaging required for the handicraft and handloom products from the region
- Indian Institute of Packaging (Guwahati Centre) for conducting training programs for entrepreneurs from across the region.

#### 4.2.5 Increasing livelihood support to Weavers and Artisans.

Raising productivity and commercializing the Handloom and Handicraft sector is crucial to uplift the living conditions of the weavers and artisans. Most of the weavers and artisans are confined to the rural economy. Average earning of the weavers does not even exceed Rs 2000 to Rs 3000 per month. Similar is the state of the artisans. In view of the fact that there are a wide variety of handicraft products, the average income of the artisans ranges from below Rs 1000 to over Rs 5000 per month. The interaction with artisans and weavers also suggests that most of them have never heard about government schemes for financial help or come under any health insurance schemes. This is despite the fact that they have many health problems arising out of their profession. Further, the cyclicity of product demand during the year creates huge variation in income and there can be times when they need financial support for subsistence.

Therefore, state governments need to take the initiatives in this regard and ensure that the benefits of all government schemes, especially those relating to livelihood assistance, reach all of them. It is only when the livelihood challenges are addressed along with policy issues for the sector, that the full and successful outcome of the policies in the sector can be ensured. Skill upgradation and development in handicraft sector is an excellent approach for development of artisans and their poverty reduction. Almost 70 per cent of our country's population residing in rural areas are directly or indirectly dependent on agriculture as the primary source of livelihood. In non-agricultural or lean seasons, handicrafts become an alternative means of subsistence for this population which safeguards them from food insecurity. In this way, handicrafts become an important source of livelihood for a large chunk of the Indian population.

### Implementation

- Craftizen Foundation, which works for improving the livelihood of the artisans in Andhra Pradesh, Telangana, Karnataka, Chhattisgarh, Maharashtra and Delhi can be asked to work in close coordination with the North East Rural Livelihood project under the Ministry of Development of North Eastern Region (MDoNER).
- The State Governments too have rural livelihood projects and their functioning in the rural sectors may be focused towards the weavers and artisans of their respective states for which they may get in touch with Craftizen Foundation.
- The Chanderi model in Madhya Pradesh which has been successful in raising the livelihood of the weavers may be adopted by the states. The model has been able to demonstrate the viability of market-based solutions for alleviating the poverty of 'bottom of the pyramid' producers, while also salvaging dying art forms. Such interventions when done in a timely and appropriate manner can create functional ecosystems of partnerships between the social sector, governments, and poor weavers to successfully develop markets for dying art forms. NEC may assist the state governments in this respect.

### Good Practices from Assam

The Sualkuchi handloom cluster in Assam increased its fabric production by adopting cluster development. Before implementing the scheme, the monthly income of the individual weaver was approximately in the range of Rs. 5,000 to 6,000 per month. It has now gone up to around Rs.10,000. This has been possible due to two main initiatives; the 'Less Profit, More Wages'

formula of the cluster, and adoption of the new technology in Buti weaving, which increased productivity.

#### 4.2.6 Increasing awareness among weavers and artisans about Govt schemes and policies

One of the important factors for the benefits of the government schemes and policies not percolating to the grassroots level is the lack of awareness about these schemes. Even if some of the weavers and artisans may have some idea about the schemes for their benefit, they do not know how to avail the benefits and who should be approached for the same. The result is that, most of them continue to languish in perennial poverty. Consequently, weaving and craft just remain only as a means of survival and they do not have any motivation to expand their production or business. Greater emphasis on education, awareness programs and poverty elimination programs will raise the awareness among the weavers and artisans. It is noted that the level of awareness is slightly better among the economically well-off weavers and artisans. Adequate policy focus on these issues will also attract the younger generation to these sectors.

##### Implementation

- Some NGOs working for education in the rural areas needs to be contacted by the respective state governments. The task of creating awareness among weavers and artisans on the different government schemes and policies and, how best to take advantage of these schemes and for what purpose, may be outsourced to these NGOs.
- Financial and marketing, and basic business skills also need to be imparted to them. It is advisable that one or two state government officials also can be assigned to oversee these activities.

### 4.3 Recommendations to be implemented in the Medium Term (i.e. within 2-3 years)

#### 4.3.1 Upgrading IT Infrastructure

Interaction with different stakeholders revealed that though some states sell their products through e-platform, the effort is yet to take off with respect to most states. However, for quick and efficient business practices and to remain competitive in the business, it is recommended that even Handicraft and Handloom sector need to take the support of IT services. The need for IT support is not experienced keenly because the Handloom & Handicraft sector is not

carried out in a systematic and professional manner. For the same reason, there is no data particularly in the handicraft sector, because there is no system of recording any of the activities of the sector. Lack of data on production, investment, salaries, income, employment pattern makes policy drafting extremely hazy and uncertain. IT support will not only make conducting business faster but will help all those associated with planning and implementation of policies to be more efficient. The problem of monitoring and evaluation can also be facilitated with adequate IT support. Market identification and market research, discovering the special requirements of the customers, using promotional campaigns to attract the customers to the products of north eastern region, all of which form the backbone for the success of this sector can be supported through information system. Increasing the satisfaction of the customer and understanding customer's behavior can also find success much faster through the support of information system. In fact, good number of challenges encountered by the sector can be overcome simultaneously through IT support.

#### Implementation

- State Governments may connect with reputed IT firms and have some staff from their own state dedicated to this assignment. A separate budget from the Ministry of Textile may be made available for the purpose.

#### 4.3.2 A re-look at the role of the Middlemen

Those who negotiate on behalf of the producers with the end users are traditionally called the middlemen. They play a very important role in the value chain, especially for small time producers, who do not have much literacy, experience or the required expertise to be able to access the market.

Most of the small weavers and artisans in almost all the states of the region are dependent on middlemen right from the supply of raw materials, deciding on the type of products to be produced till the final sale of the products. The result is that these small-time workers who are in the unorganized sector neither have any idea about the type of customers they are producing for, or the price at which their products are sold in the market. They only know that their products are sold in the market at a much higher price. Any responsibility for investment in their training, research and innovation therefore is not undertaken by any organizations. There is also absence of any investment in the purchase of any latest machine



or technology. The result is that the artisans and weavers continue with their traditional production style being totally ignorant about the market and the customer's need. Though they are aware that they are paid much less than the price at which the middlemen sell them at the market, they do not have any choice either. In the absence of the middlemen the poor weavers and artisans will have to contact the customers themselves, or in some cases buy the raw materials or the yarn themselves, transport the product to the market, all of which will require credit and additional manpower. Most rural artisans are not able to undertake these functions as they neither have the knowledge nor the expertise for these business activities. Bulk purchase done by the middlemen to sell to the wholesalers need inventory investment and warehousing facilities. This too requires additional investment. Therefore, to increase their margin, they will also have to make additional investment. As all of them lack finance and financial skills, middle-men may not be eliminated immediately from the handloom and handicraft business.

However, regulatory authority may ensure that middlemen do not appropriate the bulk of the profit and exploit the weavers and the artisans. Simultaneously, some NGOs may be encouraged to step in this business scenario, who will not have the exploitative tendency.

### Implementation

- State Governments may devise some schemes to get the middlemen registered with the Department of Industries and Commerce. Certain clear and specific terms and conditions need to be laid out for them so that the weavers and artisans are not left totally at their mercy and there is no tendency for any kind of exploitation of the poor weavers and the artisans.
- At the same time the return which the middlemen will get needs to be regulated and it is only the registered middlemen who will be able to operate. They also have to take the responsibility of conveying the market demand for the type and nature of the goods, design, packaging etc. If necessary, some of the activities that government need to undertake in these areas may also be outsourced to the middlemen. It is therefore essential that the middlemen are just not any traders only but they have to be acquainted with some business knowledge and expertise as well.
- Craftsvilla.com uses an online marketplace model by aggregating artisans, designers and retailers from all over India onto a single platform and connects local artisans and designers directly to global customers. The model focuses on removing middlemen,

increasing the livelihood of local artisans and designers, helping them create/promote their brand, and preserve the Indian culture, traditions and values. State governments need to contact them to resolve the matter.

### 4.3.3 Increasing productive capacity

The ability to operate on scale limits the handloom and handicraft sectors in the NER. The lack of scale prevents businesses from exploiting economies of scale, disallows benefits from specialization, and limits their ability to take up large customer orders. The ability to operate on a large scale is limited for many entrepreneurs working in the handicraft and handloom sectors due to multiple reasons; unavailability of quality raw material, lack of mechanization for non-value-added activities, irregular supply of manpower, access to finance, lack of warehousing facilities, among many others. As some of the issues mentioned here are covered under other recommendations, we focus on issues concerning with raw material availability and on the need for mechanizing time-consuming non-value-added activities. We suggest the setting up of a greater number of raw material banks, along with steps to ensure that the availability of raw material is monitored periodically and replenished if it falls below a threshold. With regard to mechanization, we suggest involving consultants who could evaluate production needs and suggest which non-value-added activities could be mechanized. Training programs should also be provided to artisans and weavers for using machinery, thus identified. When low value-added activities mechanized, artisans and weavers could spend more of their time on high-value added activities which require their craftsmanship.

#### Implementation

- State Govts/ State Handloom and Handicraft development Corporations can ensure the availability of pre-processed raw material at the existing raw material banks and depots
- The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can take steps to set up a larger number of raw material banks and depots, in close proximity to the handloom and handicraft clusters
- Ministry of Skill Development and Entrepreneurship (MSDE) can hire experts and take up the task of identifying the non-value adding tasks which can be mechanized. Machinery can be provided to select clusters based on need. The ministry could also take up training programs for artisans and weavers so that they understand how to use

machinery and also appreciate the impact mechanization can have on lead times and also profit margins.

#### 4.3.4 Improving product quality

Quality is one of the important factors that drive customer satisfaction and, subsequently, product and brand loyalty. Quality is even more so important if one plans to sell their products globally. Given this understanding, it is imperative that Handloom and Handicraft products are of a minimum acceptable level of quality. The quality of products from the NER is affected due to two main reasons – lack of availability of quality raw material and lack of post-treatment facilities for finished products. With regard to the availability of raw material, as pointed out in the section on challenges, artisans and weavers face many issues; shortages of quality raw material of raw material banks, non-availability of standardized raw material, and farness of raw material banks from the handloom and handicraft clusters. With regard to post-treatment facilities, there is a lack of drying, painting, and polishing facilities for their finished goods.

We recommend that steps be taken to ensure the availability of good quality raw material to all artisans and weavers, especially those catering to export markets. The presence of machinery for post-treatment of finished goods, depending upon the requirement, should be made available at the common facility centres so that all artisans and weavers from the region can provide products with an acceptable minimum level of quality

#### Implementation

- State Govts/ State Handloom and Handicraft Development Corporations can ensure the availability of raw material at the raw material banks and depots
- The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can ensure that the Common Facility Centres (CFCs) set up are equipped with machinery for post-treatment of finished goods. The type of machinery to be installed can be decided based on the requirements of artisans and weavers from the region.

#### 4.3.5 Creating high value-added products

The perceived value of handloom and handicraft products needs to improve, if handloom and handicraft products from the region compete in the national and international markets. Quality, design, finesse, packaging and packing, and utility are ways in which the total offering of a

product can be improved. Therefore, it is urgent that market experts need to find out what exactly the customers need and their likings and preferences. Value addition can also be enhanced through speed in the delivery of items and adequate IT support. Therefore, logistics support will have to be developed along with product design and other forms of value creation. Value creation can increase the ability to raise the product price, which will pave the way for higher profitability. Customers will also not mind paying higher prices for Handloom & Handicraft products which they know that they are paying for a higher value.

None of the states have made much effort in this direction, while some have made sporadic efforts. However, steps in this connection cannot be left to the artisans and weavers. Awareness level among them have to increase and they have to be given the requisite training wherever necessary, especially the master weavers or the master craftsmen. Creativity will have to be incentivized by the government because it will add in value creation. After-sale connectivity with the customers can be established and a customer's data base needs to be created. Regular feedback from customers is a business strategy which needs to be adopted.

### Implementation

- Adding value to a product through branding, beautiful designing and packaging or after sale service of a product has never received its due importance for the handloom and handicraft products of the north eastern region. Immediate attention needs to be paid to these aspects for raising demand, sale and higher margins. A new body consisting of some experts from the handloom and handicraft sector, marketing experts, some members from one or two NGOs and one or two representatives from the corporate sector may be constituted for the purpose.
- Respective state Governments may contact House of Anita Dongre Limited (HOAD) which is a sustainable luxury brand born to revive, sustain and empower India's crafts and artisans. They believe in slow fashion, use environment-friendly techniques, work with NGOs such as SEWA Trade Facilitation Centre, Self Employed Women's Association in Lucknow and Trishul Foundation. None of their products consist of fur, leather, skin or products of animal origin.

#### 4.3.6 Improving product design

In this modern age of stiff market competition, with handloom and handicrafts being no exception, business competition cannot be wished away. One of the ways in which producers

even if they are engaged in the unorganized sector can withstand this competition is through consistent efforts towards better and innovative designing. Designing is the way in which the same product can be offered in a different way, which is more acceptable to the buyers. Customers prefer handicraft and handloom products which is associated with the feel of the history and tradition of the region and the uniqueness of the tribe or the ethnic features of the place.

In case of designing of the handloom and handicraft products, designers have to work closely with the community and the tribe concerned. It is only then that the uniqueness of the products can be ensured by incorporating the feature and tradition of the region. A lot of designers are working for reviving, restoring and marketing these products, so that they are also commercially permissible. Some work on their own while coming up with new designs, whereas others work with the tribes themselves using traditional knowledge. Professional designers have therefore to be hired who can work closely with the ground level artisans and weavers. They also need to be made aware of the need and importance of designing for their business.

### Implementation

- Asha Handicrafts Association or the Craftizen foundation may be contacted by the respective state governments.
- To help the artisans connect with the designers, traders, businesses and the Government, the Sangam Platform may also be used.
- Ronjon Bordoloi, winner of Red Dot Design Concept Award 2017, from Guwahati, uses existing skills of the artisans in Assam to create high-end utilitarian products. He may be contacted for improving the offerings of the crafts clusters in the region.
- Experts from other states can be hired by the NEC in consultation with the state governments. Some of them who have proved their excellence and worked excellently in this field may be contacted such as Anantaya of Ayush (Designer) and Geentanjali Kasliwal (Architect) based in Jaipur.
- State governments could also ask for the expertise of the National Institute of Design at Ahmedabad in designing new handicraft and handloom products

#### 4.3.7 Ergonomic interventions for preventing work-related musculoskeletal disorders

It seems that no effort was taken in the past to address the ergonomic problems faced by the weavers and artisans. Efforts are required to address these issues so that artisans and weavers

could improve their productivity. The interaction with the weavers and artisans of different states reveals that sitting for long hours in a particular position and movement of the fingers and hand repetitively results in strain injury and ‘Carpel tunnel syndrome.’ It is recommended that policies and schemes with allocation for ergonomic treatment of such artisans and weavers be designed. They also need to be taught how long they should be sitting in a certain position and how they need to position their feet and hands.

#### Implementation

- Health officials of the respective states in collaboration with the Department of Industries & Commerce. Separate funds have to be allocated for the purpose.

#### **Good Practices from Meghalaya**

A German organization “Sidentraum” has collaborated with the Government of Meghalaya and introduced a new type of loom for Eri Silk weavers in the Ri Bhoi district. The looms, called as “Flying 8” looms, not only work faster but also prevents back-aches as in the case of floor looms. Eri silk has a huge market in the European countries.

#### **4.3.8 Improving the monitoring & evaluation (M&E) of Govt schemes and interventions**

Governments, across time, have taken multiple steps, via policies and schemes, to uplift the Handloom and Handicraft sectors in the region. However, the impact of those are seen only in certain select parts of the region. This calls for measures to monitor and evaluate the efficacy of the current schemes. It is important to understand that policymaking is not confined only to drafting and implementing policies. There is also a need for constant monitoring and evaluation of policies continuously to achieve the desired outcome. Therefore, it is recommended that monitoring and evaluation have to form an integral part of policy drafting and implementation.

#### Implementation

- NEC may create teams for the monitoring and evaluation (M&E) of schemes and other initiatives. The MDoNER can conduct quarterly reviews of the activities of the M&E team so that issues, if any, are resolved timely and systematically.

### 4.3.9 Improving the coordination across Govt departments during policy implementation

Lack of knowledge and a mechanism for coordination among different polices and also among officials responsible for implementing the policies has emerged as a complex issue that is responsible for ineffectiveness of the policies. There needs to be an understanding among different ministries and officials and also other organizations who are working for a common goal and for a certain target group. This will reduce the chances of overlapping of roles and functions of the officials and different departments of the state governments. Any serious efforts in the direction of upliftment of handloom and handicrafts sector in the NER require coordination of Department of Industries & Commerce with the Department of Tourism, Social Welfare Department, National Skill Development Mission, Livelihood Missions, Health Department, and Education Department. This will ensure holistic development of not only the Handicraft and Handloom sector, but will also ensure operational success with respect to the other departments as well. This will also enable each department to share each other's knowledge and skill.

#### Implementation

- The effort need to be from the top down. In other words, the State governments are required to take the initiative in this regard. NEC may play the role of the facilitator.

### 4.3.10 Improving the accessibility of Government schemes

The benefits of the different schemes and policies does not seem to reach the grassroots level weavers and artisans who are located in remote and far-off places. This is a special problem that implementation of policies is encountered with in north eastern region. States like Arunachal Pradesh, is very sparsely populated, Mizoram and Nagaland and Meghalaya have hilly terrain and accessibility become a real challenge, especially during monsoon seasons, when most of these states, especially Assam, have to deal with floods. Since the benefits under such a situation is confined only to the ones working in the urban areas and close to the towns, special mapping of the weavers and artisans located in different districts and even at the block level will have to be worked out. Accordingly, a census on the number of weavers and artisans in each block needs to be recorded. After that, the list of beneficiaries can be worked out.

While designing schemes for Handicraft and Handloom sectors, differentiated schemes can be made available based on the commercial viability of the crafts and weaves. Greater allocation for production and marketing-related support can be provided to crafts and weaves with

commercial viability. For crafts and weaves, which require only preservation, more allocation can be done for activities related to training so that these crafts do not languish and die out. Classifying crafts and weaves based on such a classification also makes it easier for implementing agencies to evaluate the efficacy of the schemes.

### Implementation

- The Panchayats and the block development office (BDO) will have to help the Department of Commerce and Industry to prepare the mapping.
- State governments may hire market research firms or take inputs from experts to understand which craft and weave products have commercial viability and which don't. Money and effort can be then distributed across different crafts and weaves accordingly.

#### 4.3.11 Streamlining Taxes

The sudden implementation of GST came as a big shock for the entrepreneurs of the Handicraft and the Handloom sector. Like other small business enterprises, they lack knowledge on filing the returns or getting the tax refunds. Due to the imposition of GST on cane and bamboo, sales of handicraft have declined by almost 50%. GST on yarn, dye and chemicals has increased the production cost of the handloom sector and has further reduced the margins for the weavers, which was already much lower for the handloom products of the region. Garments and apparels over Rs 10,000 have 12% GST rate. Muga and Silk sarees of the region can cost over Rs 10,000 thereby discouraging the production and sale of such products for the niche customers.

Though rates have thereafter been reduced substantially, yet the small handicraft businesses are not able to maintain the records themselves due to lack of tax literacy. Hiring of tax professionals increases the cost of the product. As a result, handmade products became price uncompetitive and lose out to the machine-made products. This has reduced the profitability of cane and bamboo furniture and handloom items of the region. Entrepreneurs are cutting down on the orders due to declining demand and sales, all of which are having adverse effect on the employment and income of the artisans and weavers. It is, therefore, strongly recommended that a study on rationalization of GST on handloom and handicraft products be conducted and the GST rates be reduced based on the findings of the study.



#### 4.3.12 Collecting periodic data on both Handloom and Handicraft sectors

Any kind of policy formulation needs to be supported by adequate and authentic data. Data on production, sales, revenues, cost, market accessibility, profitability need to be available. In the course of conducting the present study, the team was seriously constrained by the unavailability of data on the handicraft sector. Though this is a challenge faced in the rest of the country, the situation is more acute for the states of the north-eastern region. The absence of relevant data may make policy drafting, and more so policy implementation, an enormous challenge.

#### Implementation

- Therefore, it is recommended that each state Govt need to develop an overall plan for data collection, analysis, and dissemination of the handicraft sector. Prioritization in terms of the different aspects of data collection will also have to be done urgently, emphasizing authenticity and reliability of data collection.

### 4.4 Recommendations to be implemented in the Long Term (i.e., within 3 to 5 years)

#### 4.4.1 Providing adequate logistics support

The cost of transporting goods, especially for bulky products of the handicraft sector like cane and bamboo products, is observed to be exorbitant in the NER. This is a common experience in states like Manipur, Mizoram, and Nagaland. Also, considering that most artisans and weavers work on smaller scales, it is costly to send their products to distant markets. As a result, their profit margin is reduced considerably, and, in many cases, they decline to send their products to distant places even if they get the orders. This discourages them from expanding their production and exploring newer markets in other parts of the country. Better transportation can also improve the competitiveness of the products from this region as it allows for competitive pricing of handloom and handicraft products.

Lack of warehousing facilities also discourages both the weavers and the artisans from increasing their scale of production. In an interaction with the producers of cane-based items, it was noted that constraints on space and drying facilities for raw materials prevent them from taking large orders.

## Implementation

- MDoNER, in collaboration with NEC, need to take care of the issues related to logistics

### 4.4.2 Setting up “Craft Villages”

It has been observed through our interaction with weavers, artisans, implementing agencies that the weavers and artisans are scattered throughout the states. The flow of benefits of the schemes and policies, therefore, cannot be accessed by all. Difficulties expressed in terms of accessibility of credit, availability of raw materials, benefits of designing, training, R&D, marketability for products can all be taken advantage of if production occurs under a common shed. In other words, the concept of craft village needs to be thought of on a serious note. When the value creation activity is brought under a single roof, there will be huge cost reduction due to shared fixed costs.

All the activities of R&D, branding, designing, packaging can be carried under the same roof. The expenditure on logistics, such as warehousing and transportation, can also be reduced. Further, crafts villages can also provide huge potentiality to attract tourists, where they can go through the real-life experience of watching the artisans and weavers at work. These crafts villages can developed in lines of those at Kanchipuram in Tamil Nadu, Bishnupur in West Bengal, Raghurajpur in Odisha, or Andretta in Himachal Pradesh.

## Implementation

- MoDONER and Ministry of textile in coordination with the department of Industries and Commerce of the respective states

### Case of Vietnam

In order to capture the essence of 40,000 national cultural heritages and about 10,000 festivals, Vietnam has successfully established Craft Village in the country. The establishment of the Craft Village has encouraged crafts village tourism, created jobs, preserved tradition, and raised the economic benefits in a significant manner. Vietnam Crafts Village Association has been created, which is successfully meeting the needs of the tourists and synergizing it with the ability of the craftsmen to meet the growing demand. These villages preserve and restore the cultural and historical relics along with the development of the folklore of the respective villages and crafts. In addition, they also need to diversify in terms of design, pattern, and quality. Developing craft

village tourism is an excellent way to promote the image of Vietnam to the world. The NER can make the rest of the country and the world know and understand about their land, people and culture through the creation of Crafts Villages.

“From now until 2023, the Association has set a program of action to link the communities of craft village. Human resources, such as local artisans, are very important. They are the ambassadors of craft village tourism. Visitors who learn the distinguished values of the craft first-hand will have an experience of greater significance. The culture of the villages attracts them more. They will surely be interested in hands-on experience. Such services can attract tourists and encourage them to spend more on buying products,” says Luu Duy Dan, Chairman of the Vietnam Craft Village Association.

#### 4.4.3 Convergence of different Central and State Government policies

It was observed that there are too many policies and schemes for this sector. Sometimes there is also overlapping of these schemes, and many a time, there is duplication of the schemes and benefits to the beneficiaries. The convergence can also be worked with different SHGs. The same persons may be getting benefits from different schemes, whereas some others do not get any benefits at all from any of the schemes.

It is therefore recommended that all the current schemes and policies be reworked and policy integration be worked at. The convergence of schemes and policies will not only open up opportunities for employment and livelihood but will also result in saving a substantial amount of government resources. Synergies of policies can thereby supplement and complement government policies, and policy intervention will become more holistic rather than a piecemeal effort.

#### Implementation

- Representatives of the Ministry of Textiles and the department and Directorates of handloom and handicraft of the respective state governments, along with some NGOs and master weavers and craftsmen may be set up. The committee should examine, keeping the goals and aims of the sectors in mind, the strategy for adopting those aspects of the schemes and policies which will not overlap and helping in achieving the

targets fast and without any major challenges. It can also be decided whether the convergence will be resource base, village or cluster based.

### **A Success story from Japan**

In Japan, many attempts were being made to revitalize the country's traditional craft industry but none of the initiatives were successful before the establishment of "Nakagawa Masashichi Shoten". Within a short period, the small family business mushroomed to a large company having more than 40 outlets and 17 partnered brands.

As of 2015, the company had retail shops under three main brands; Yu Nakagawa, Nakagawa Masashichi Shoten and Nipponichi. "Yu Nakagawa", which has 16 shops, specializes in textile products that combine traditional materials, skills and designs with a contemporary feel. Nakagawa Masashichi Shoten, which has 21 shops, carries many functional and beautiful "tools for living" rooted in the home and daily life. Nipponichi, which has 6 shops, offers crafts from various parts of Japan, as well as products that incorporate the motifs of local Japanese souvenir craft items.

How did all this happen? The primary reason for this growth seems to lie in the company's policy on restoring originality and quality of products it produces. In the words of Jun Nakagawa, the President of the company, "I can't ask a craftsman to make something cheaply, or to produce 1,000 items. I have to find ten artisans to each create 100 quality items". The company's primary focus was on improving the quality of a product. With regard to marketing efforts, the company hardly spend money on advertising. To attract the attention of the customer, Nakagawa Masashichi Shoten reworked on the company's logo and also put efforts on improving product packaging. The packaging was done in such a way that it exhibits a mixed blend of traditional flavor and modern designs. Further, the company emphasized more making such traditional products which have everyday use. This helped them to retain traditional crafts which suited the current era.

Over the years, the Nakagawa Masashichi Shoten has seen spectacular growth in revenues. It established itself as a SPA (Specialty store retailer of Private label Apparel); a business model wherein the company will produce their own items and sell them exclusively. As of 2015, the company had 305 employees and reported an annual sales of 4.3 billion yen.

## 4.5 State-level recommendations

This section lists the interventions and assistance requested by the north-eastern states, based on our interaction with State government officials and other key stakeholders working in the Handloom and Handicraft sectors. Recommendations and possible course of action for each of these issues are mentioned alongside. Note that some of the challenges mentioned in this section have already been highlighted earlier in this chapter. The detailed recommendations and action plan for each of those can be found in sections 4.2 to 4.4 and also in the subsequent chapter.

### Arunachal Pradesh (Handloom and Handicraft sectors)

Intervention requested	Recommendation
Steps to ensure production of one product which may be unique for that particular tribe only.	Department of Handloom and Handicraft in the state, in consultation with master weavers and master craftsmen, may decide on the product which can represent the respective tribes. Greater focused assistance can be then provided for those select items.
Hiring of experienced trainers from reputed institutes in India	Department of Handloom and Handicraft may take the initiative, funds for which may be made available from the Ministry of Textiles
Establishment of a Craft Village	State Govt, Ministry of Textiles, and NEC need to work in collaboration for establishing a Crafts village.
To allot adequate funds for participation in national-level exhibitions and Craft fairs.	Funds for the same may be made available from MDoNER and the Ministry of Textiles.
To encourage the younger generation to take up the traditional family profession, training and skill development programs is essential	State government, with the respective BDO, may contact Fabindia, which links over 55,000 craft-based rural producers to modern urban markets. Such an initiative could help in creating sustainable rural employment and in preserving India's traditional crafts and weaves in the process.
More funds are needed for skill upgradation	National Skill Development Corporation, through the Skill development Departments of the State

	government may undertake the responsibility and also fund the same.
Steps needed for ensuring availability of raw materials for Handicrafts	<p>State Govts/ State Handloom and Handicraft development Corporations can ensure the availability of pre-processed raw material at the existing raw material banks and depots</p> <p>The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can take steps to set up a larger number of raw material banks and depots, in close proximity to the handloom and handicraft clusters</p>
Establishment of Common Facility and production Centre with Hostel Facilities	<p>The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can ensure that the Common Facility Centres (CFCs) set up are equipped with machinery for post-treatment of finished goods. The type of machinery to be installed can be decided based on the requirements of artisans and weavers from the region.</p> <p>Craft villages can also be setup with these facilities. Hostel facilities may be provided to artisans and weavers working in these craft villages.</p> <p>Funds may be made available from Ministry of Textile and MDoNER.</p>
Branding of the craft and weave products and providing market linkage	<p>State Handloom and Handicraft departments need to hire-marketing experts. CII and FICCI may also be contacted. International agencies, like the USAID, may be given the consultancy to study the global demand for the Handloom &amp; Handicraft products from the NER.</p>
Establishment of urban haats in different parts of the country.	<p>Ministry of Textiles and respective State governments may take steps in this regard.</p>
Regulation in prices of raw materials and finished products	<p>Ministry of Textiles and State govt departments need to ensure availability of quality raw material at fixed</p>

	prices. Price fixation for some type of Handicraft and Handloom finished goods can also be thought of.
Setting up of a common warehousing facility	State governments need to take the responsibility. NEC may facilitate setting up of the same.
Establishment of Textile parks	Directorate of Commerce and Industries in collaboration with the Ministry of Textiles can take initiatives in this regard.
MoU to be signed with e-commerce companies	Department of Commerce and Industries may take steps in this regard. They may also get in touch with the Digital Empowerment Foundation for aiding artisans and weavers for e-marketing of the products.

### Meghalaya (Handicraft Sector)

Intervention requested	Recommendation
Setting up of Sales Outlets in the major tourist circuits of the state	Department of Industries & Commerce in collaboration with the Department of Tourism can undertake the responsibility.
Value addition of handicraft products	High value-added products can be created by making improvements in design and by also communicating those by appropriate packaging. Immediate attention needs to be paid to these aspects for raising demand and for obtaining higher margins on products sold. A new body consisting of some experts from the handicraft sector, design experts, and one or two representatives from the corporate sector may be constituted for the purpose.
Introduction of new craft designs as per the latest trend, style and fashion	Department of Industries & Commerce can hire expert craft designers. Also, the master craftsmen can be send to the National Institute of Design for training.

Facilitation required for artisans to participate in all India exhibitions and fairs.	Department of Industries & Commerce can take the necessary steps for the same.
Improvement in packaging	<p>Department of Industries &amp; Commerce may send some personnel for training to the Institute of Packaging centre in Guwahati.</p> <p>Ministry of Minority Affairs has roped in Indian Institute of Packaging (IIP), National Institute of Fashion Technology (NIFT) and National Institute of Design (NID) to upgrade the design and packaging of 40 shortlisted handloom fabrics and handicrafts in the country. NEC may get in touch with the Ministry to help the different states in this respect.</p>
Collaboration with e-commerce companies for online-marketing and publicity	Department of Industries & Commerce may get in touch with the Digital Empowerment Foundation for aiding artisans for e-marketing of the products.
Standardization of products and quality control	<p>Department of Industries &amp; Commerce may set up a separate cell with some experts in the field to ensure that all the products from the region have a minimum quality. It can also be made mandatory that all products from the region, sold through state-level outlets, should be certified. The certification chosen can one, similar to the CraftMark certification by AIACA or the India Handloom Brand by the MoT. NEHHDC may be also authorized to issue such a certification.</p>
Transportation subsidy to small time artisans to send their products to other parts of the country.	State governments may provide subsidies for transportation of finished goods. This can enable products from the NER to have parity in costs with that produced in the rest of the country.
Financial assistance to the artisans in the form of soft loans with low	State Cooperative/Apex Banks have an important role to play and should take appropriate steps in this regard.



interest rates and improve access to MUDRA schemes	
Setting up of emporiums across the state	State government in collaboration with NEC may set up emporiums in the state capital.
Engaging professional and technical Institutions for improving product designs	State Government can engage designers and design institutions in this regard.
Need for Cluster development to take advantage of scale.	Department of Commerce and Industry in the state can take steps to improve organization in the clusters and also make funds available for improving infrastructure available at the clusters.
Setting up of a Crafts Development Centre	State Government, in collaboration with NEC, may take the responsibility.

#### Meghalaya (Handloom sector, based on the interaction with weavers)

Intervention requested	Recommendation
Need for proper looms with upgraded equipment and tools	This may be facilitated by Department of Industries & Commerce
Arrangements for proper working space and sheds	Department of Industries & Commerce need to take steps to improve the infrastructure at the clusters.
To ensure continuous supply of yarn at subsidized prices.	State Govts/ State Handloom and Handicraft Development Corporations can ensure the availability of pre-processed raw material at the existing raw material banks and depots The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can take steps to set up a larger number of raw material banks and depots, in close proximity to the handloom clusters.

### Tripura (Handloom sector, based on the interaction with weavers)

Intervention requested	Recommendation
Weavers are willing to learn about new designs, but need support from government for training.	Master artisans may be sent to training programs organized by the National Institute of Design. Experts can also be consulted with for suggesting improvements in Design. The Department of Industries & Commerce may contact NGOs such as the Asha Handicraft Association or the Craftizen Foundation.
Request to the government for making bulk procurement of handloom products from the weavers	State Government can make the use of handloom products mandatory in government departments and all other institutions which are funded by the Government.
Need for a common work shed	This may be facilitated by Department of Commerce and Industry of the state
Weavers want to increase production, but they require financial and institutional support to increase production	State Government through the respective BDOs have to facilitate the weavers secure loans and also provide all the infrastructural support necessary for them.

### Tripura (Handloom and Handicraft sector, based on the interaction with Govt officials)

Intervention requested	Recommendation
If the weavers are assured of sufficient demand for their products, they are willing to increase their production. Most weavers currently take weaving as a part time job. Given a stable demand for their products, they may even switch over from part-time to full time weaving.	Department of Handloom in collaboration with FICCI and CII may work on marketability of handloom products from Tripura. State govt may also contact Jaypore e-commerce Pvt Ltd. It is an E-commerce marketplace and they source products directly from artisans across the country, as well as from co-operatives, self-help groups, established manufactures and exporters.

More funds need to be provided for training. Otherwise shortage of funds is forcing the states to club many training programs.	National Skill Development Corporation, in coordination with NEC, can arrange for such training and also ensure adequate flow of funds for various training programs.
The younger generation needs to be attracted to the handloom sector.	Department of Industry and commerce with Department of handloom may develop some special schemes at the state-level to retain the youth in the handloom sector.
Improvement of inter district communication facilities to link up remote villages where there are good number of weavers.	Department of Commerce and Industry may facilitate the State in taking advantage of different government schemes available with the Ministry of Road Transport and Highways.
Need for upgrading the weavers with advanced level training in technology and designing.	Master weavers may be sent to training programs organized by the National Institute of Design. Design experts can also be consulted with for suggesting improvements in Design.
Weavers suggested that looms may be provided to them to be kept in their own homes. For some, coming to the Common Facility Centres is difficult and takes away a lot of time.	Department of handloom of the state Government can look into the feasibility of such an initiative. Else, weavers can be urged to use existing schemes or loans to buy looms on their own.
Artisans and weavers require more skill development training	Department of Handloom should get in touch with NSDC for arranging and funding of such trainings.
Mandatory purchase of handloom items by government department	State Government may make the purchase of handloom products mandatory in all government departments and schools to provide a stable demand.
The functioning and structure of PURBASA, the state-owned organization which deals with sale of handloom and handicrafts products, needs to be revamped.	Department of Handloom and Handicraft in the State needs to look into the issues and take the necessary steps.

### Assam (Handloom sector, based on the interaction with weavers)

<i>Intervention requested</i>	<i>Recommendation</i>
Improve the ease of obtaining funds for the sector	MUDRA and soft loans can be facilitated by the BDOs. The Ministry of Textile can work closely with the state governments and NGOs to ensure that neither the implementing agencies nor the small-time weavers and artisans are constrained due to the lack of funds. For the livelihood projects and for raising the financial literacy of the weavers and artisans, NGOs and other SHGs may be involved.
E-commerce platform needs to be provided to them	Department of Industries & Commerce may get in touch with the Digital Empowerment Foundation for aiding artisans in e-marketing of the products.
Weavers require information regarding markets to sell their products	State government may outsource the task of market identification (both national and international) for Handloom products to some professional body which has expertise in the same.
Less ability to scale due to inadequate number of looms	Department of Handloom can step in to help with the challenges faced by the weavers
Weavers face shortages in yarn, especially of nylon yarn.	State Govt, along with MoT, may establish a yarn bank in every district. State Govts/ State Handloom and Handicraft development Corporations can ensure the availability of pre-processed raw material at the existing raw material banks and depots.
Weavers wish to use machines for low value-added activities	Department of Industries & Commerce can facilitate in identifying the machinery required at the clusters for automating low-value adding activities.

### Nagaland (Handloom sector, based on the interaction with the weavers)

<i>Intervention requested</i>	<i>Recommendation</i>
Provision for financial support	Department of Handloom can work in close collaboration with the banks to ensure that the

	benefits of MUDRA schemes are made available to the weavers.
Weavers want to know and understand their own unique selling proposition	Department of Handloom may take the help of research firms or consult experts to understand the USP of the products from each part of the state.
They need training to know how to make their products more acceptable in the market. They also required training for upgrading their skills.	Department of Handloom can get in touch with National Skill Development Corporation, CII and FICII. Design experts could also be hired to provide inputs to the weavers as to how to improve their product designs.

### Manipur (H&H sector, based on interaction with Govt officials, artisans, and weavers)

<i>Intervention requested</i>	<i>Recommendation</i>
Training is required in product design	Department of handloom and handicrafts can outsource the responsibility for training in design to the National Institute of Design. The department could partner with the Sangam platform for craft product development.
Assistance in e-marketing	Department of Industries & Commerce may get in touch with the Digital Empowerment Foundation to assist artisans for e-marketing of the products.
Establishment of a Trade Facilitation Centre	State Government, in collaboration with NEC may set up such centres
Need for subsidy in procuring yarn	State Govts/ State Handloom and Handicraft Development Corporations can ensure the availability of pre-processed raw material at the existing raw material banks and depots  The Office of DC (Handlooms) and Office of DC (Handicrafts), under the Ministry of Textiles, can take steps to set up a larger number of raw material banks and depots, in close proximity to the handloom and handicraft clusters

Transport subsidy for selling finished products to other states.	State governments may provide subsidies for transportation of finished goods. This can enable products from the NER to have parity in costs with that produced in the rest of the country.
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### Sikkim (Handicraft sector, based on response to questionnaires by the Govt officials)

<i>Intervention requested</i>	<i>Recommendation</i>
Facilitating designing of Products	Department of handloom and handicrafts can outsource the responsibility for training in design to the National Institute of Design. The department could partner with the Sangam platform for craft product development.
Facilitation required for the Introduction of vegetable dyes for carpets and other eco-friendly products	Department of handloom and handicrafts may check for the feasibility and market for such product improvements. Funds may be made available from existing schemes. State Governments may contact House of Anita Dongre Limited (HOAD), which is a sustainable luxury brand born to revive, sustain and empower India's crafts and artisans.
Market Identification for different products	State governments may outsource such studies to some reputed professional organizations.
Assistance in e-marketing	Department of Industries & Commerce may get in touch with the Digital Empowerment Foundation for aiding artisans for e-marketing of the products.
Branding of the state's craft and weave products	State Handloom and Handicraft departments will have to hire-marketing experts. CII and FICCI may also be contacted. International agencies, like the USAID, may be given the consultancy to study the global demand for the Handloom & Handicraft products from the NER. State govts can by themselves, or via established collectives in the state, should try to obtain GI tags for

	their unique products. If a product is produced by more than one cluster, steps can be taken to ensure that the GI is shared across these clusters.
Quality Improvement of finished products, and packaging	To ensure that all the products from the region have a minimum quality, it can be made mandatory that all products from the region should be certified. The certification chosen can be one, similar to the CraftMark certification by AIACA or the India Handloom Brand by the MoT. NEHHDC may be also authorized to issue such a certification

### Sikkim (Handloom sector, based on response to questionnaires by the Govt officials)

<i>Intervention requested</i>	<i>Recommendation</i>
Need Facilitating in designing	Department of handloom and handicrafts can outsource the responsibility for training in design to the National Institute of Design. The department could partner with the Sangam platform for craft product development.
Developing awareness among weavers about the latest technology, design and markets	Dept of Handloom, in collaboration with NGOs and other experts, can conduct cluster-training programs in this regard.
Introduction of eco-friendly products	Department of handloom and handicrafts may check for the feasibility and market for such product improvements. Funds may be made available from existing schemes.
Facilitating e-marketing	Department of Industries & Commerce may get in touch with the Digital Empowerment Foundation for aiding artisans for e-marketing of the products.

## Chapter 5

### Plan for Implementation

This chapter presents the implementation plan for the key recommendations made in the form of an Input-Output-Outcome framework. The framework includes the allocation to be made in the form of input, the broad activities to be carried out with the allocation, the expected immediate output from the activities, and the medium to a long-term expected outcome. The chapter also mentions the schemes under which the allocation may be made, the suggested partner(s) for the implementation, and also an approximate level of financial allocation required for implementing these recommendations.

The state-wise allocation is calculated based on the size of the handloom/handicrafts sector in each state, which largely depends on the number of handloom/handicrafts clusters. The data on the number of handloom and handicraft clusters in each state was obtained from the website of the Office of the DC (Handlooms) and Office of the DC (Handicrafts)<sup>9</sup>. Apart from the schemes from the MoT, allocation can also be made from the funds available with other ministries, using the ten percent allocation that is reserved for spending in the North Eastern Region.

This chapter refrains from suggesting the level of allocation required for few specific interventions, such as those related to the setting up of a M&E team, establishment of craft villages and providing logistics support, as we have limited data and expertise to suggest the quantum of investment required for those interventions. Detailed studies may be required to ascertain the location and scale of those interventions.

Further, concerning the implementation of these recommendations, the need for monitoring and evaluation (M&E) of those interventions cannot be stressed enough. We suggest at least a quarterly review of the interventions to ascertain their efficacy using separate teams for M&E. We recommend that the NEC, given their expertise, may take up the responsibility for selecting the implementing agencies for the given interventions. We also suggest a quarterly review of the activities of the M&E team by the MDoNER so that any issues could be resolved promptly.

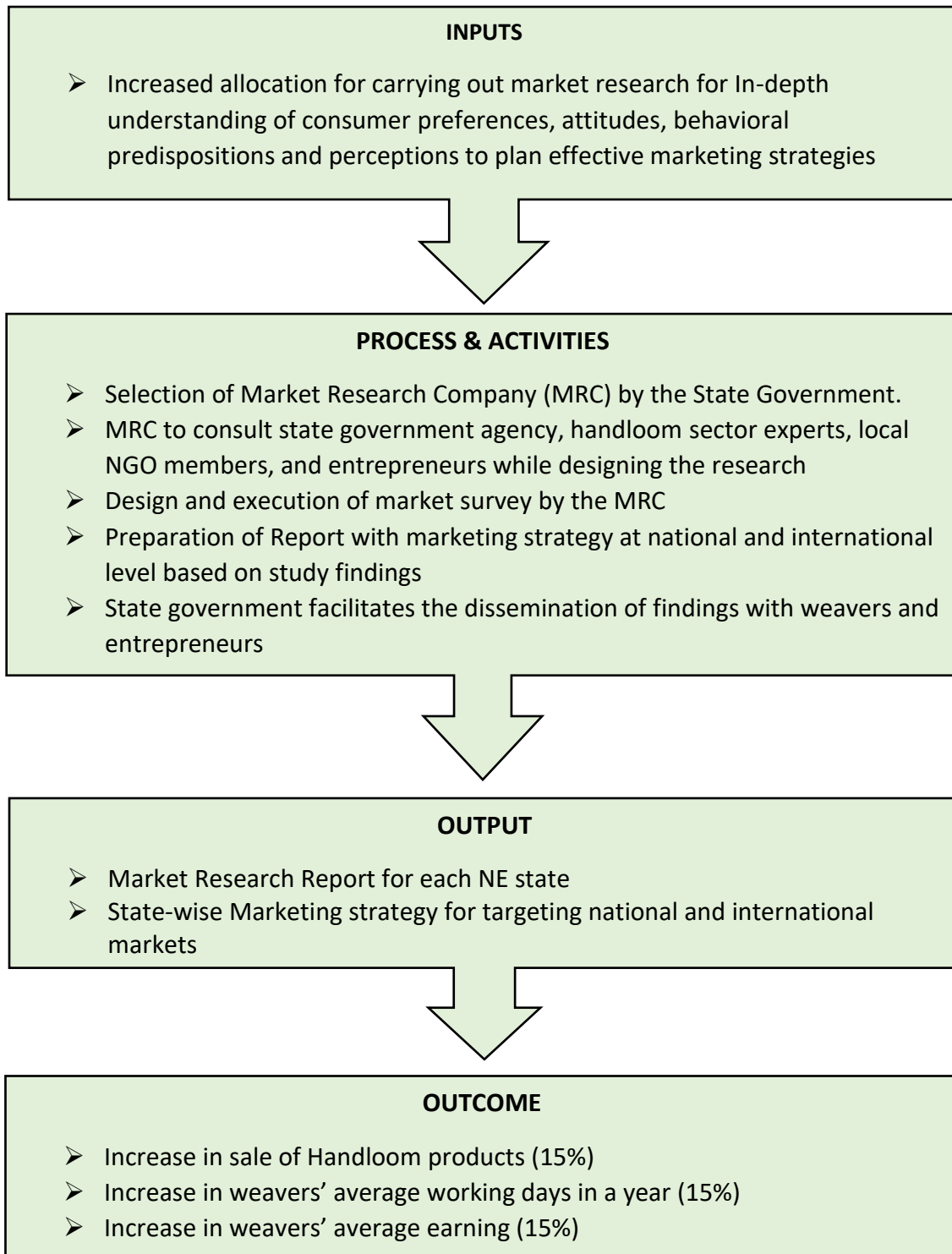
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<sup>9</sup> Handicraft Cluster Directory, Ministry of Textiles. Retrieved from <  
[http://www.craftclustersofindia.in/site/Cluster\\_Directory.aspx?mu\\_id=3](http://www.craftclustersofindia.in/site/Cluster_Directory.aspx?mu_id=3)> as on March 2021



## 5.1 Handloom Sector – Input-Output-Outcome Framework

### 5.1.1 Recommendation – Creating a Marketing Strategy, with a focus on market identification



### Suggested Schemes for Implementation

- Handloom Marketing Assistance under the National Handloom Development Programme (NHDP)
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

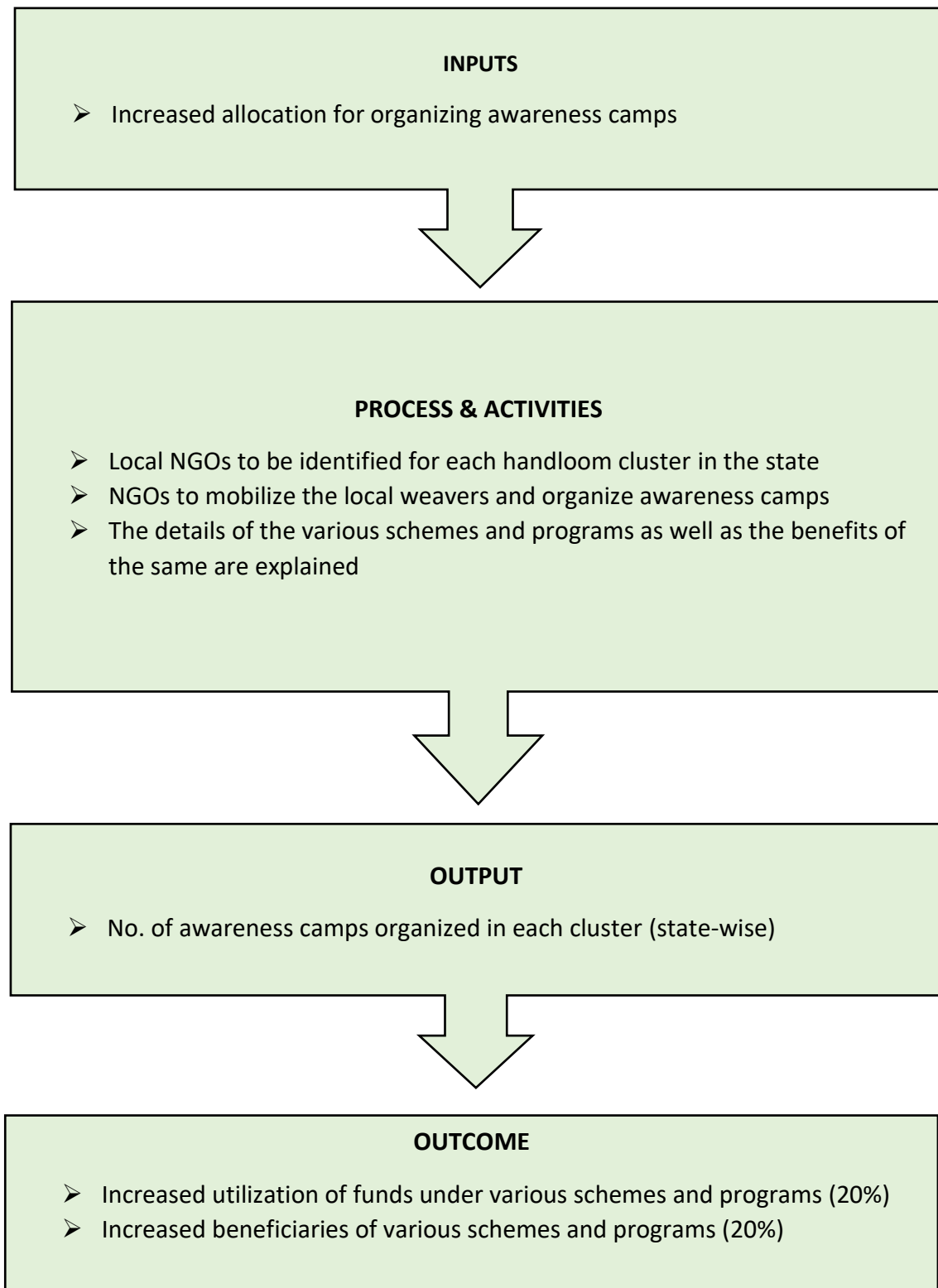
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms)
- Handloom Export Promotion Council (HEPC)
- USAID
- Digital Empowerment Foundation
- Majestic MRSS/RNB Research/KPMG/Ernst & Young
- CII/FICCI
- Tata Trusts, Dastkar, FabIndia, Jaypore

The state-wise allocation for the market research study is as follows:

State	Number of Clusters (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	44	4400000
Assam	158	15800000
Manipur	128	12800000
Meghalaya	84	8400000
Mizoram	26	2600000
Nagaland	54	5400000
Sikkim	4	400000
Tripura	48	4800000
NER Region	546	54600000

Estimated Total Allocation for the NER = 5.46 crore

### 5.1.2 Recommendation – Increasing awareness among weavers about Govt schemes and policies



### Suggested Schemes for Implementation

- Handloom Weavers Comprehensive Welfare Scheme

### Implementation Partners

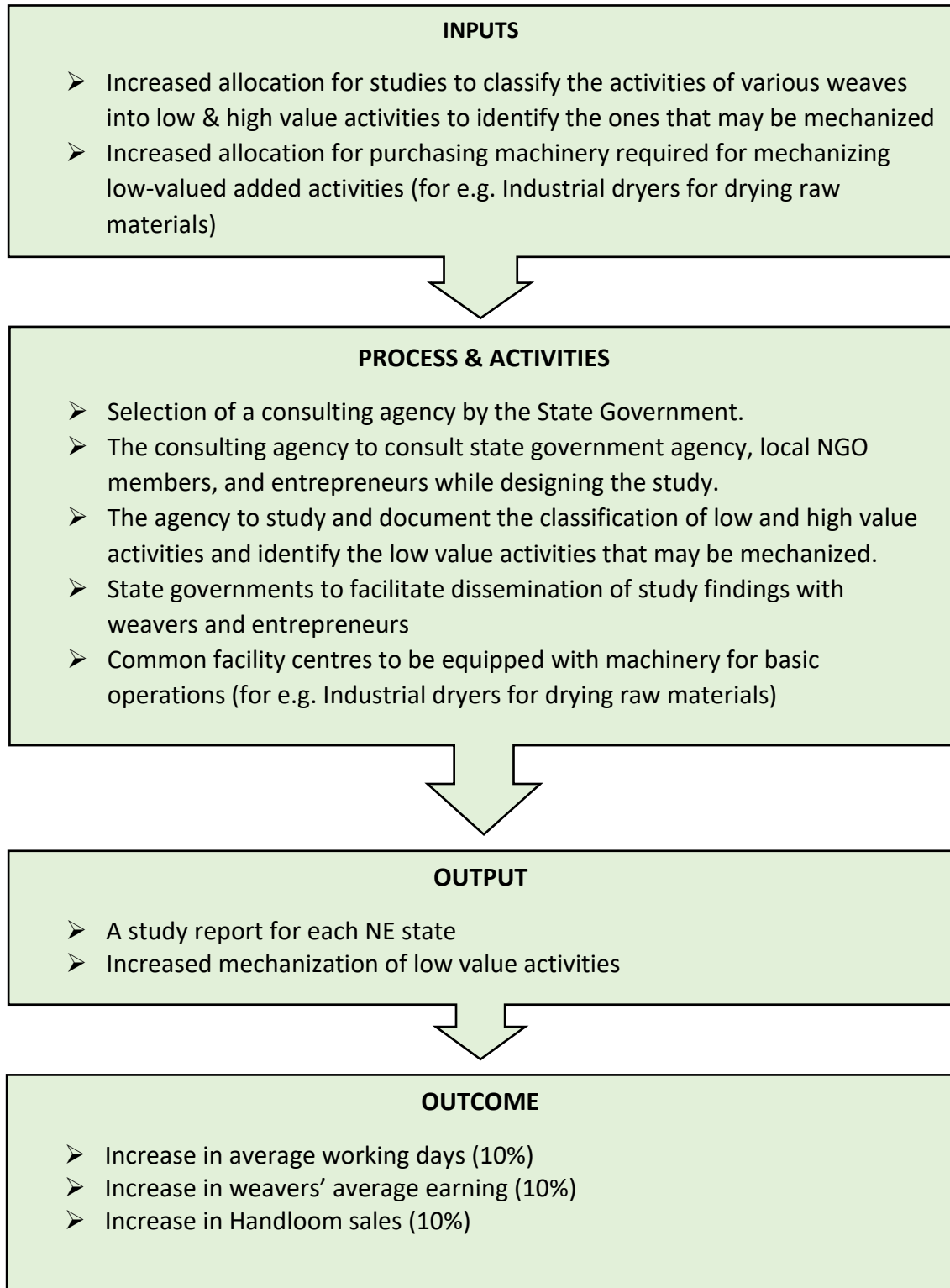
- Local NGOs
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles

The state-wise allocation for awareness camps is as follows:

State	Number of Cluster (Approx.)	Allocation (@Rs. 80,000 per cluster)
Arunachal Pradesh	44	3520000
Assam	158	12640000
Manipur	128	10240000
Meghalaya	84	6720000
Mizoram	26	2080000
Nagaland	54	4320000
Sikkim	4	320000
Tripura	48	3840000
NER Region	546	43680000

Estimated Total Allocation for the NER = 4.37 crores

**5.1.3 Recommendation - Creating high value-added products** by mechanizing low value-added activities. The low-value addition in most tasks performed by the weavers results in lower margins and less income for the time spent.



### Suggested Schemes for Implementation

- Comprehensive Handloom Cluster Development Scheme
- Handloom Marketing Assistance under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

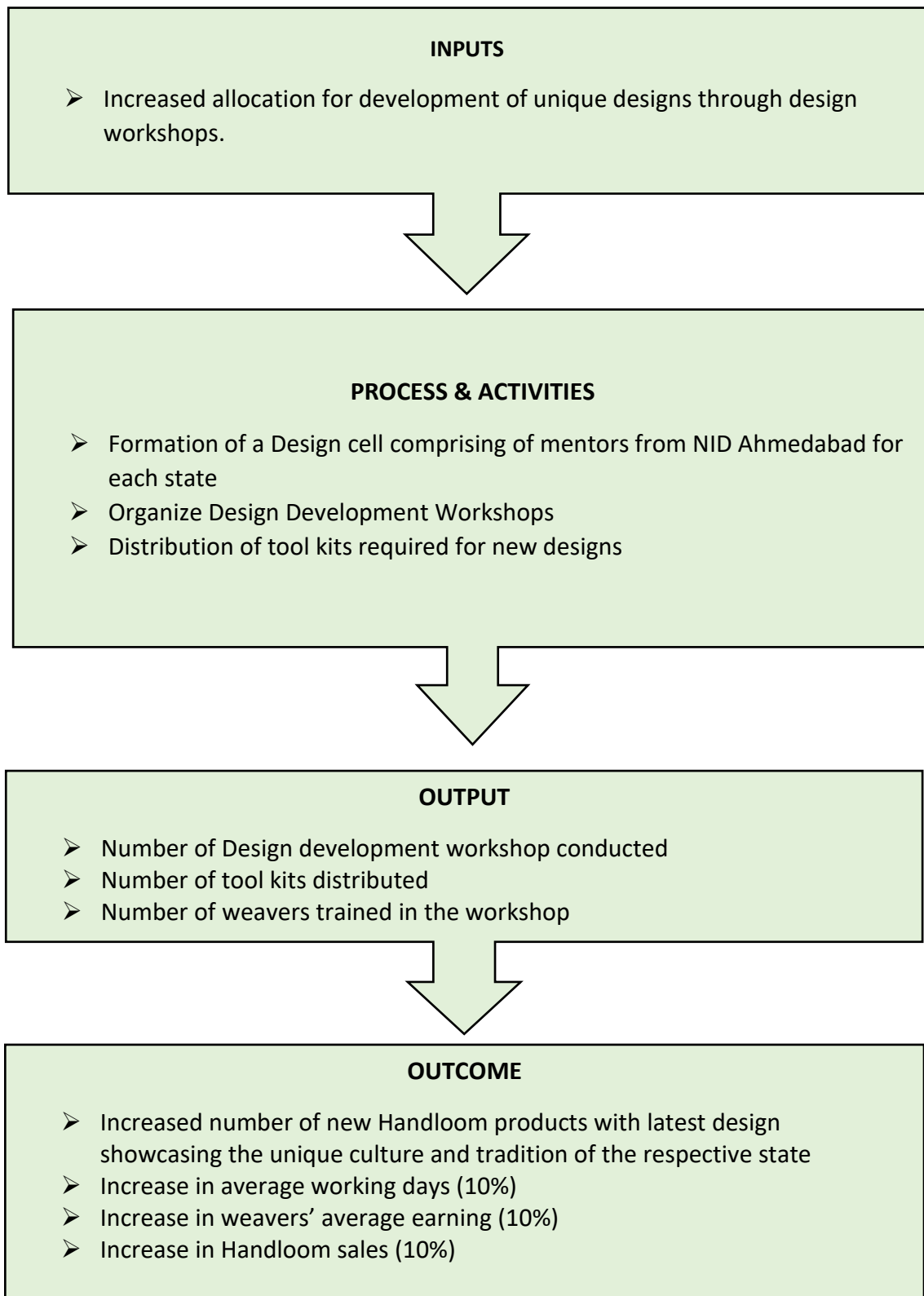
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- IICD/NID/Tata Trusts
- House of Anita Dongre Ltd. (HOAD)

The state-wise allocation for the study is as follows:

State	Number of Cluster (Approx.)	Allocation in Rs. (@Rs. 1,50,000 per cluster)
Arunachal Pradesh	44	6600000
Assam	158	23700000
Manipur	128	19200000
Meghalaya	84	12600000
Mizoram	26	3900000
Nagaland	54	8100000
Sikkim	4	600000
Tripura	48	7200000
NER Region	546	81900000

Estimated Total Allocation for the NER = 8.19 crore

**5.1.4 Recommendation – Improving product design**, as products from the northeastern region fail to showcase their uniqueness, be it cultural or of craftsmanship.



### Suggested Schemes for Implementation

- National Handloom Development Programme
- Comprehensive Handloom Cluster Development Scheme
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- National Centre for Textile Design (NCTD), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- National Institute of Design at Ahmedabad
- Indian Institute of Crafts and Design (IICD), Jaipur
- Asha Handicrafts Association/Craftizen Foundation

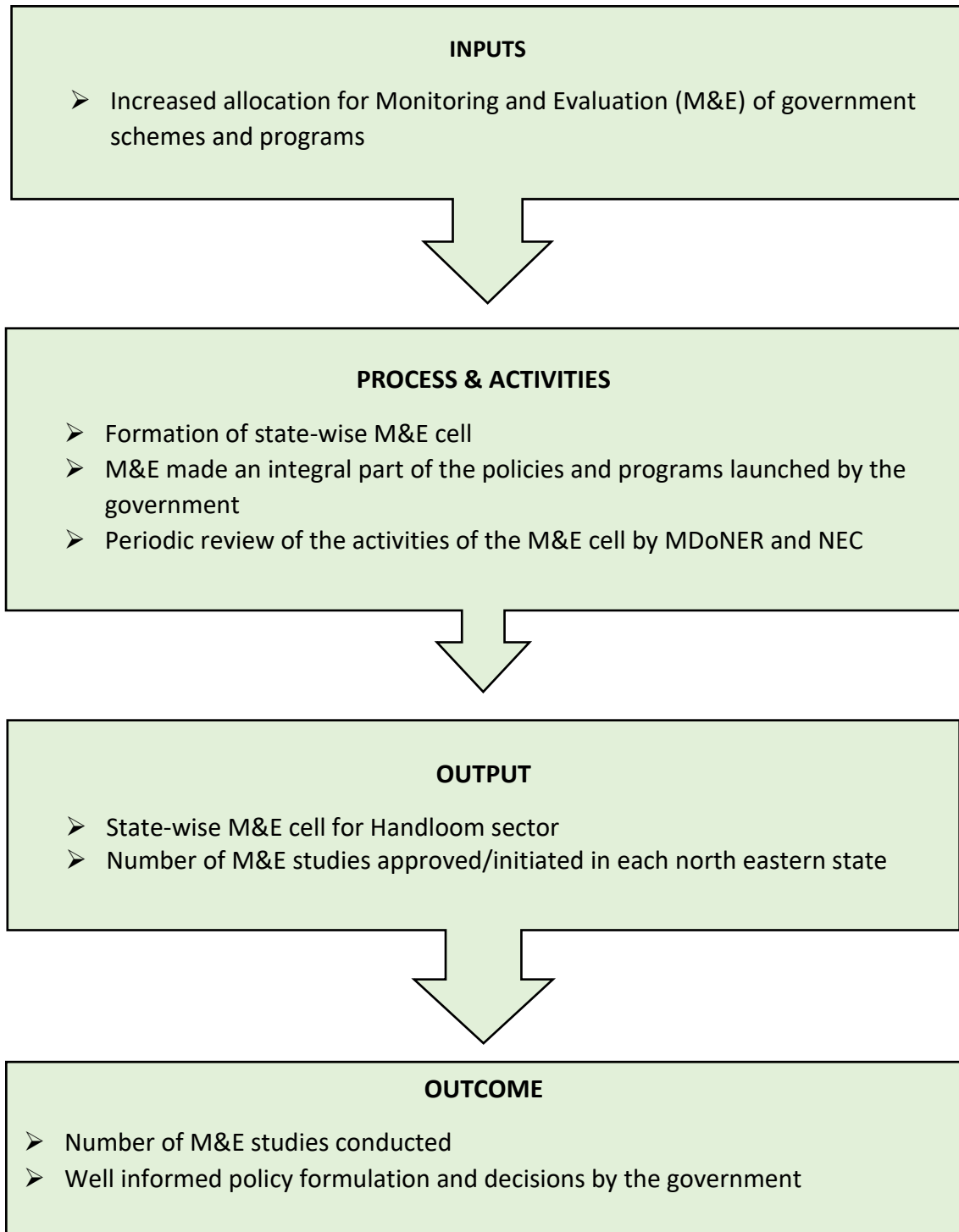
The state-wise allocation for the workshop and distribution of toolkit is as follows:

State	Number of Cluster (Approx.)	Allocation in Rs. (@Rs. 2,00,000 per cluster)
Arunachal Pradesh	44	8800000
Assam	158	31600000
Manipur	128	25600000
Meghalaya	84	16800000
Mizoram	26	5200000
Nagaland	54	10800000
Sikkim	4	800000
Tripura	48	9600000
NER Region	546	109200000

Estimated Total Allocation for the NER = 10.92 crore



**5.1.5 Recommendation – Improving the monitoring & evaluation (M&E) of schemes and programs** launched by the government and thus there is lack of information on effectiveness of such policies and programs.



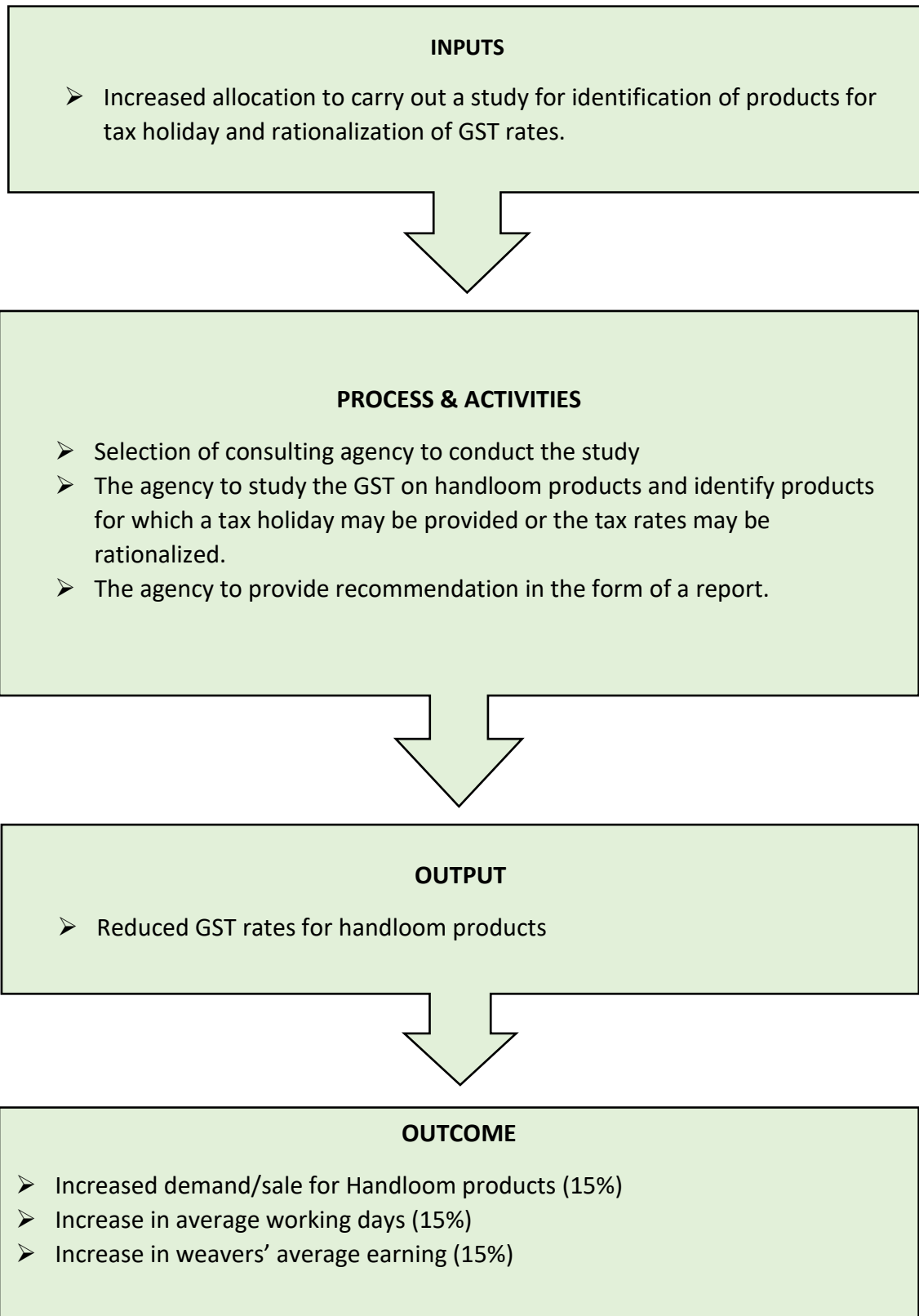
**Suggested Schemes for Implementation**

- National Handloom Development Programme

**Implementation Partners**

- State Governments / State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- NEC
- MDoNER

### 5.1.6 Recommendation - Streamlining Taxes



### Suggested Schemes for Implementation

- Handloom Weavers Comprehensive Welfare Scheme

### Implementation Partners

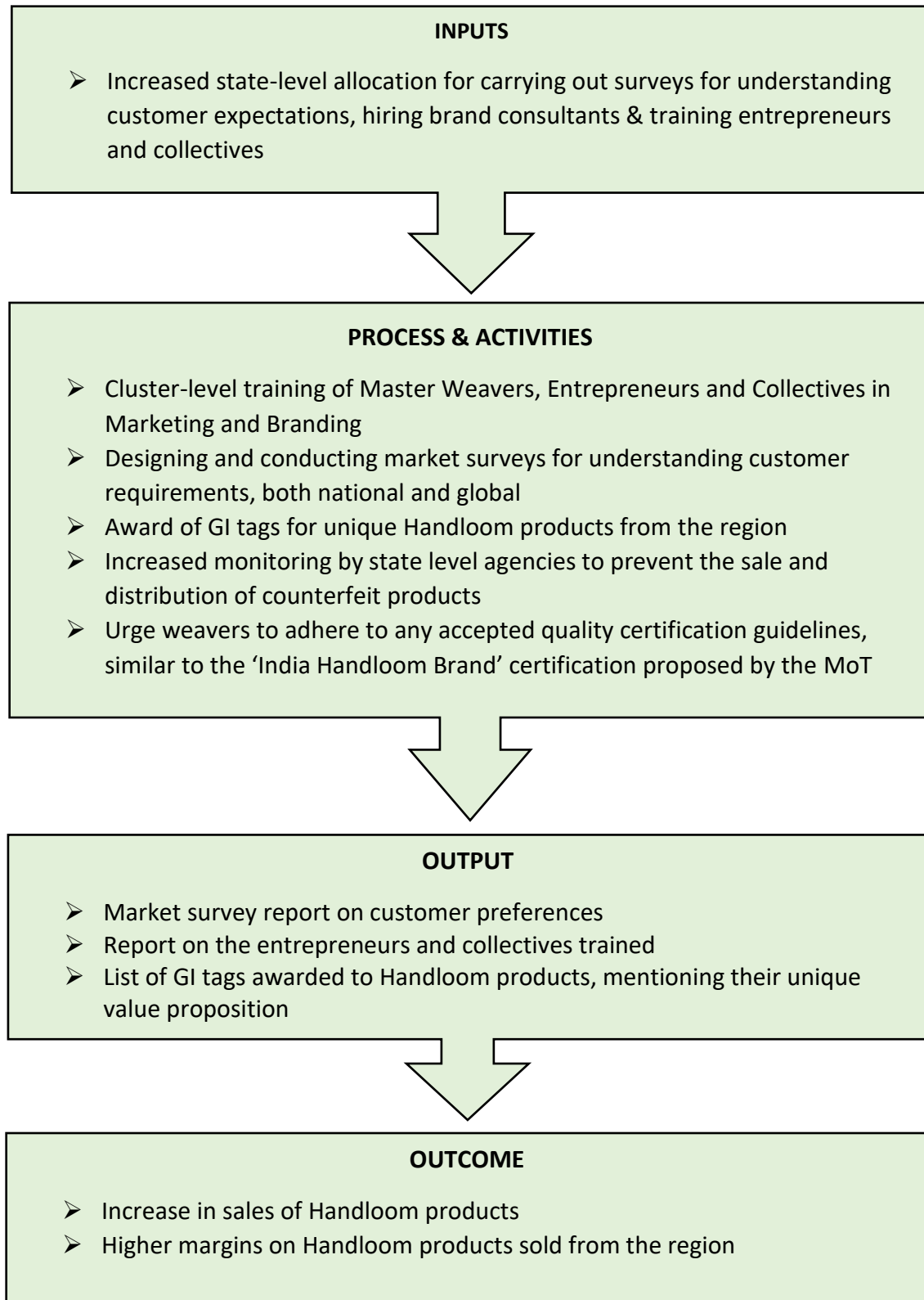
- State Governments/State Handloom Development Corporation
- Office of DC (Handloom), Ministry of Textiles
- CII/FICCI

The state-wise allocation for the study on GST is as follows:

State	Allocation (in Rs.)
Arunachal Pradesh	2000000
Assam	2000000
Manipur	2000000
Meghalaya	2000000
Mizoram	2000000
Nagaland	2000000
Sikkim	2000000
Tripura	2000000
NER Region	16000000

Estimated Total Allocation for the NER = 1.6 crore

### 5.1.7 Recommendation – Increasing focus on Branding



### Suggested Schemes for Implementation

- Handloom Marketing Assistance under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

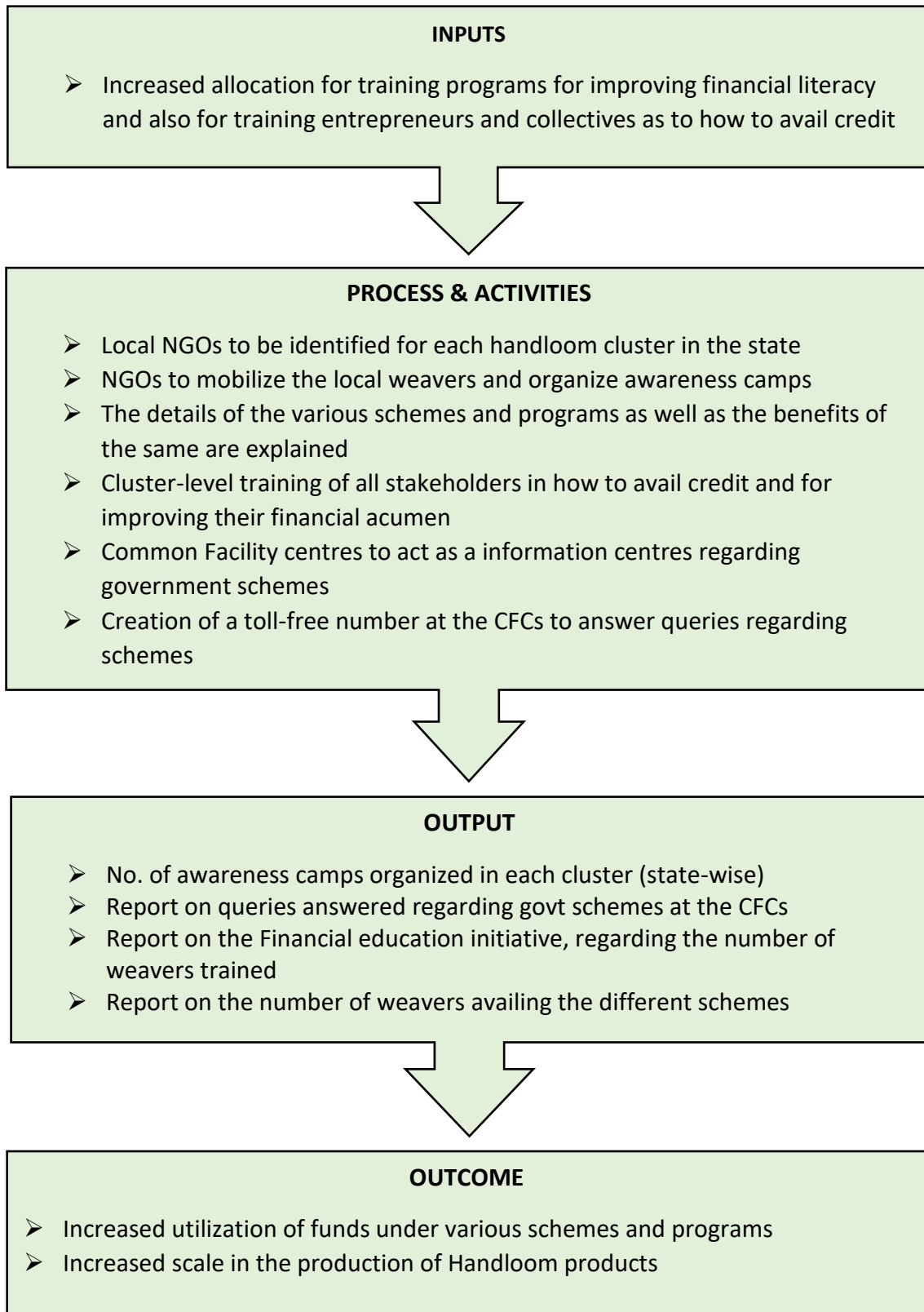
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- NEHHDC
- [AIACA](#)
- [Tata Trusts](#), [Dastkar](#), [FabIndia](#), [Jaypore](#)

The state-wise allocation for the activities mentioned above is as follows:

State	Number of Clusters (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	44	4400000
Assam	158	15800000
Manipur	128	12800000
Meghalaya	84	8400000
Mizoram	26	2600000
Nagaland	54	5400000
Sikkim	4	400000
Tripura	48	4800000
NER Region	546	54600000

Estimated Total Allocation for the NER = 5.46 crore

### 5.1.8 Recommendation - Increasing access to finance



### Suggested Schemes for Implementation

- Handloom Weavers Comprehensive Welfare Scheme
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

- NEDFi
- Tata Trusts/Local NGOs
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- NEHHDC
- NEC
- MDoNER

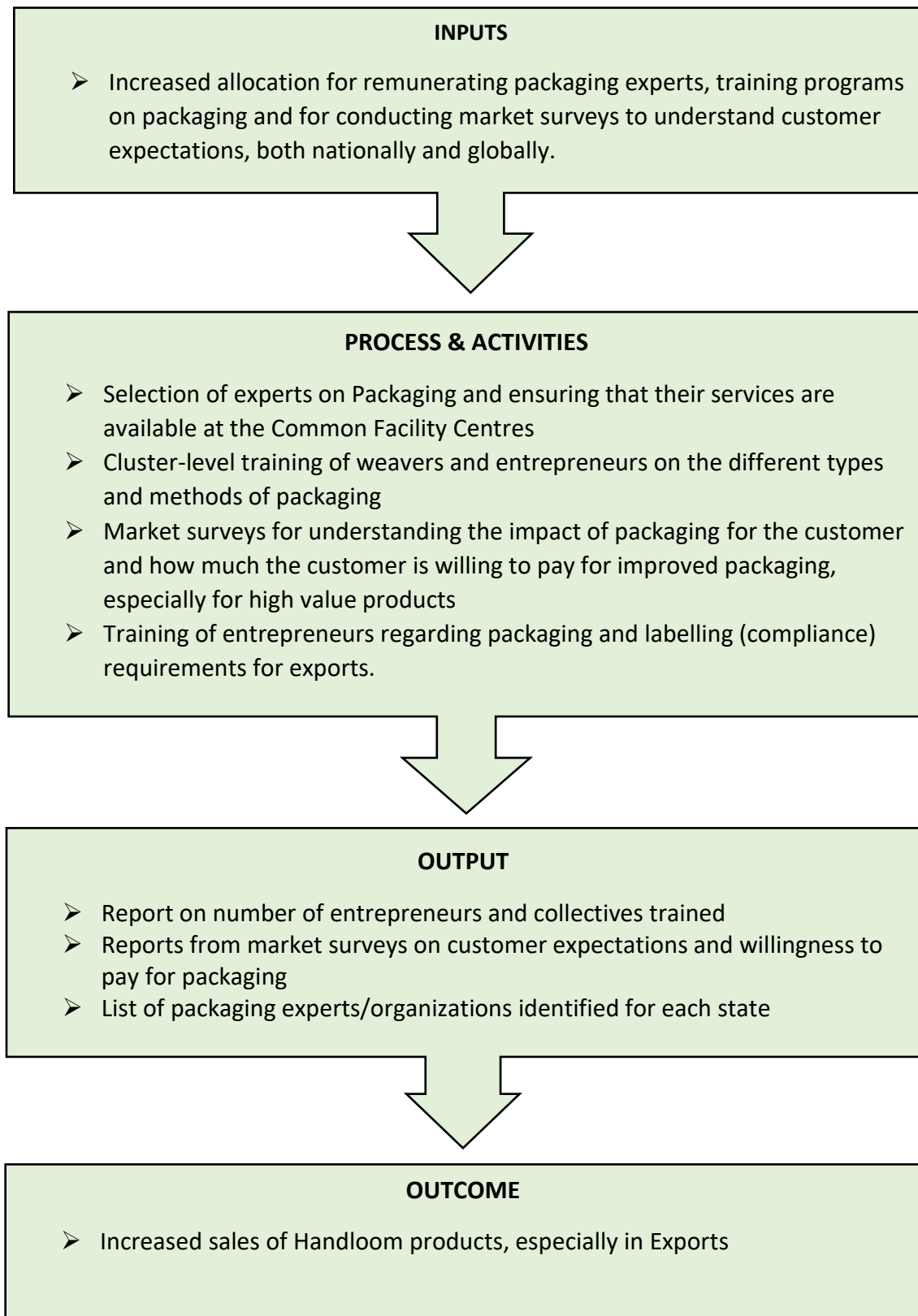
The state-wise allocation for the list of activities mentioned is as follows:

State	Number of Cluster (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	44	4400000
Assam	158	15800000
Manipur	128	12800000
Meghalaya	84	8400000
Mizoram	26	2600000
Nagaland	54	5400000
Sikkim	4	400000
Tripura	48	4800000
NER Region	546	54600000

Estimated Total Allocation for the NER = 5.46 crore



### 5.1.9 Recommendation - Emphasis on better and attractive packaging, especially for high value products



### Suggested Schemes for Implementation

- Handloom Marketing Assistance under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

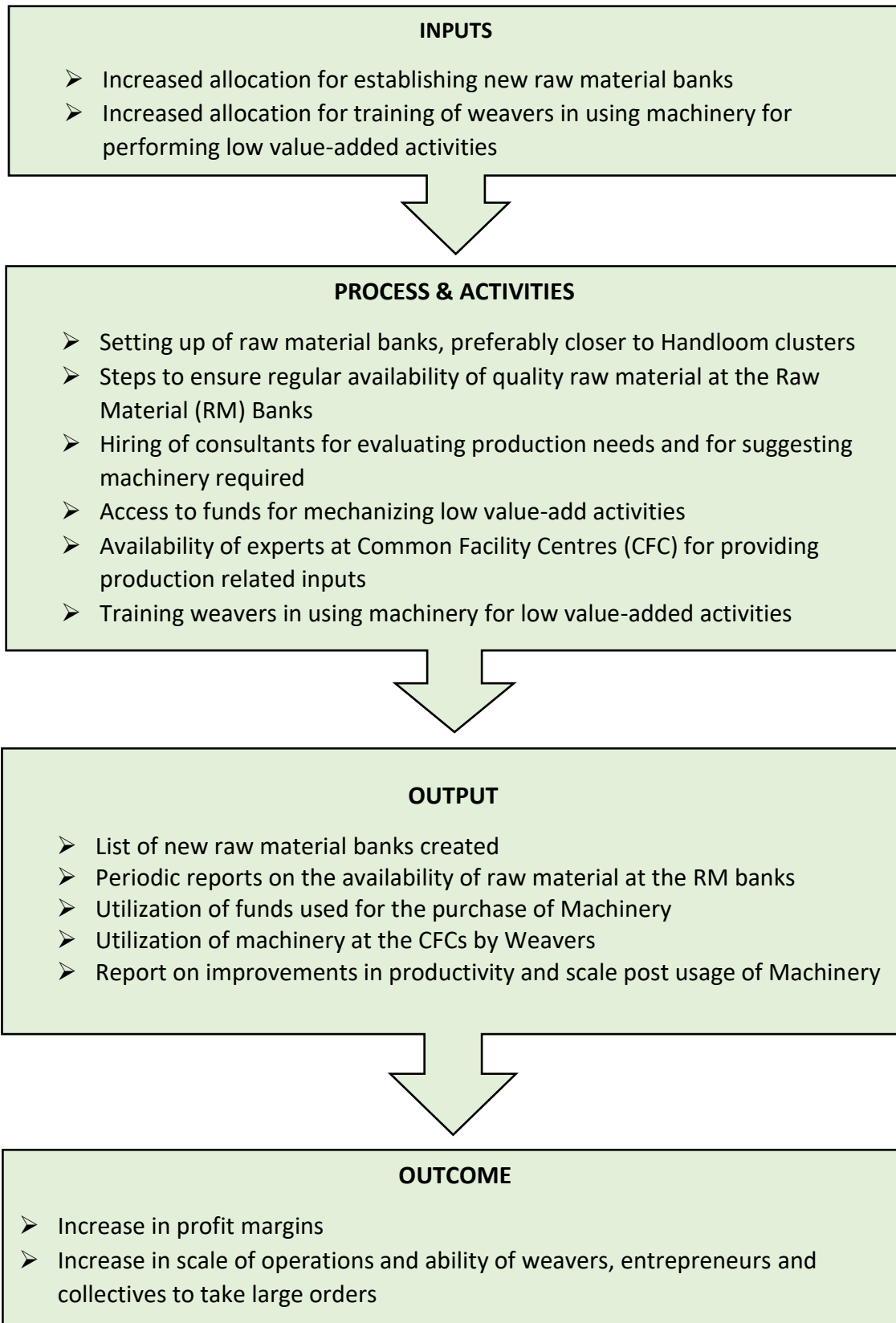
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- Indian Institute of Packaging (IIP)
- National Institute of Fashion Technology (NIFT)
- National Institute of Design (NID)
- International Trade Centre
- Oxfam Packaging
- [Good Earth](#)

The state-wise allocation for the list of activities mentioned is as follows:

State	Number of Clusters (Approx.)	Allocation in Rs. (@Rs. 1,50,000 per cluster)
Arunachal Pradesh	44	6600000
Assam	158	23700000
Manipur	128	19200000
Meghalaya	84	12600000
Mizoram	26	3900000
Nagaland	54	8100000
Sikkim	4	600000
Tripura	48	7200000
NER Region	546	81900000

Estimated Total Allocation for the NER = 8.19 crore

### 5.1.10 Recommendation – Increasing productive capacity



### Suggested Schemes for Implementation

- Yarn Supply Scheme
- National Handloom Development Programme (NHDP)
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

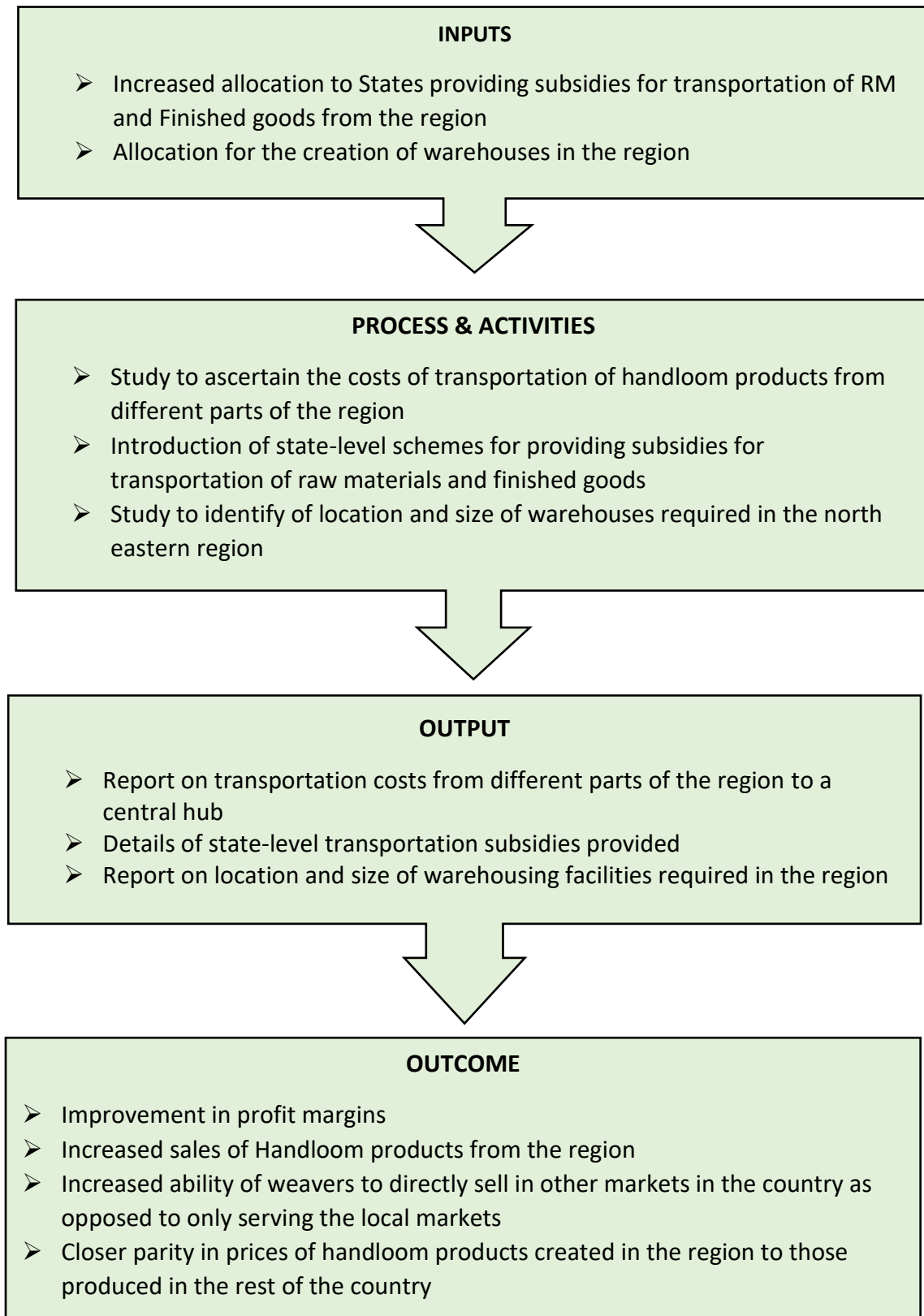
- State Governments/ State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- National Small Industries Corporation (NSIC)
- National Institute of Design at Ahmedabad

The state-wise allocation for the list of activities mentioned is as follows:

State	No of Clusters (Approx.)	Allocation in Rs. (@Rs. 2,00,000 per cluster)
Arunachal Pradesh	44	8800000
Assam	158	31600000
Manipur	128	25600000
Meghalaya	84	16800000
Mizoram	26	5200000
Nagaland	54	10800000
Sikkim	4	800000
Tripura	48	9600000
NER Region	546	109200000

Estimated Total Allocation for the NER = 10.92 crore

### 5.1.11 Recommendation - Providing adequate logistics support



**Suggested Schemes for Implementation**

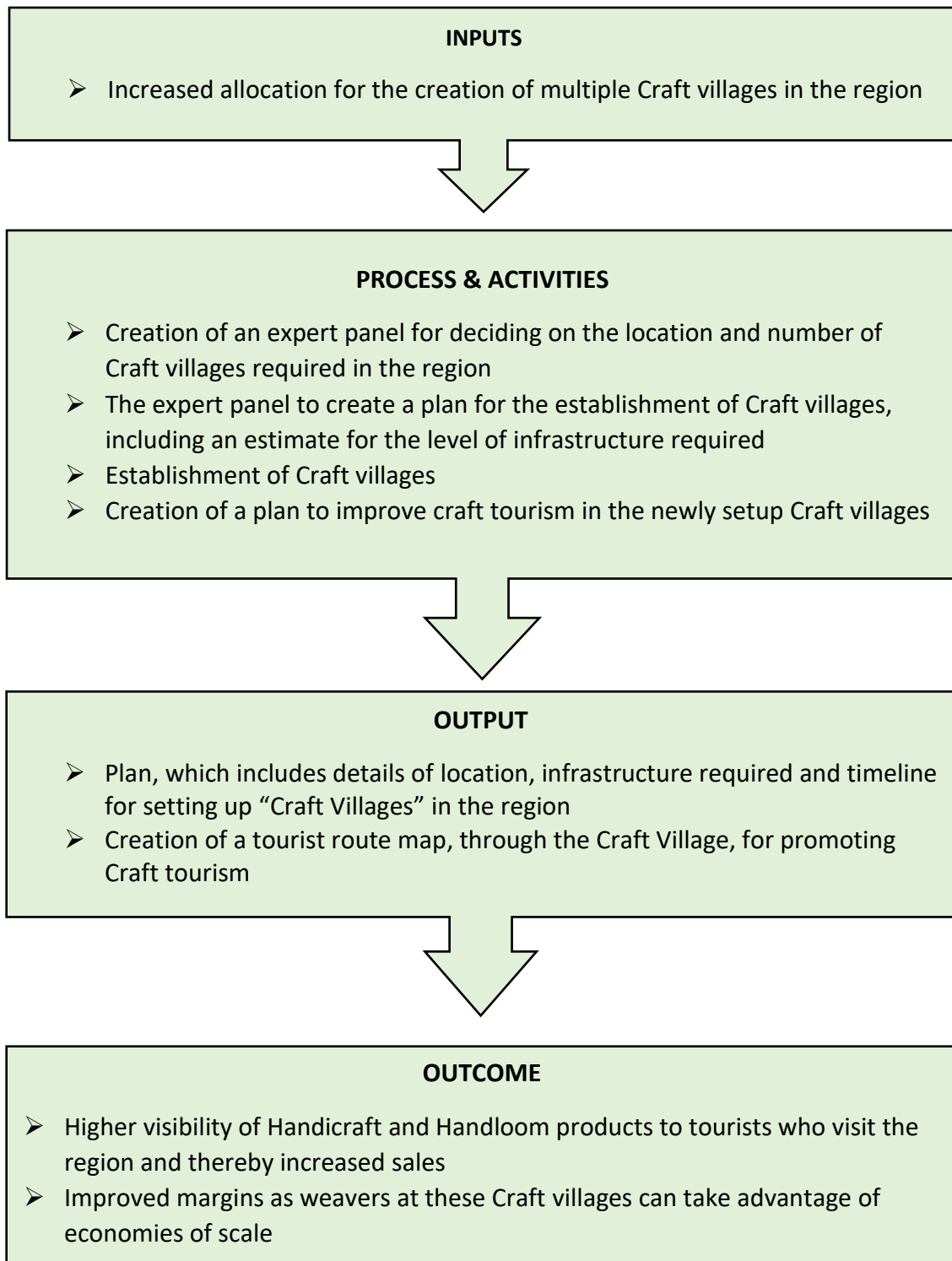
- National Handloom Development Programme
- North East Region Textile Promotion Scheme (NERTPS)

**Implementation Partners**

- State Governments / State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- NEDFi
- NEC
- MDoNER

### 5.1.12 Recommendation – Setting up “Craft Villages”

(Our usage of the term ‘Craft villages’ includes both artisans and weavers, engaged in their respective crafts)



**Suggested Schemes for Implementation**

- Comprehensive Handloom Cluster Development Scheme
- Handloom Weavers Comprehensive Welfare Scheme
- North East Region Textile Promotion Scheme (NERTPS)

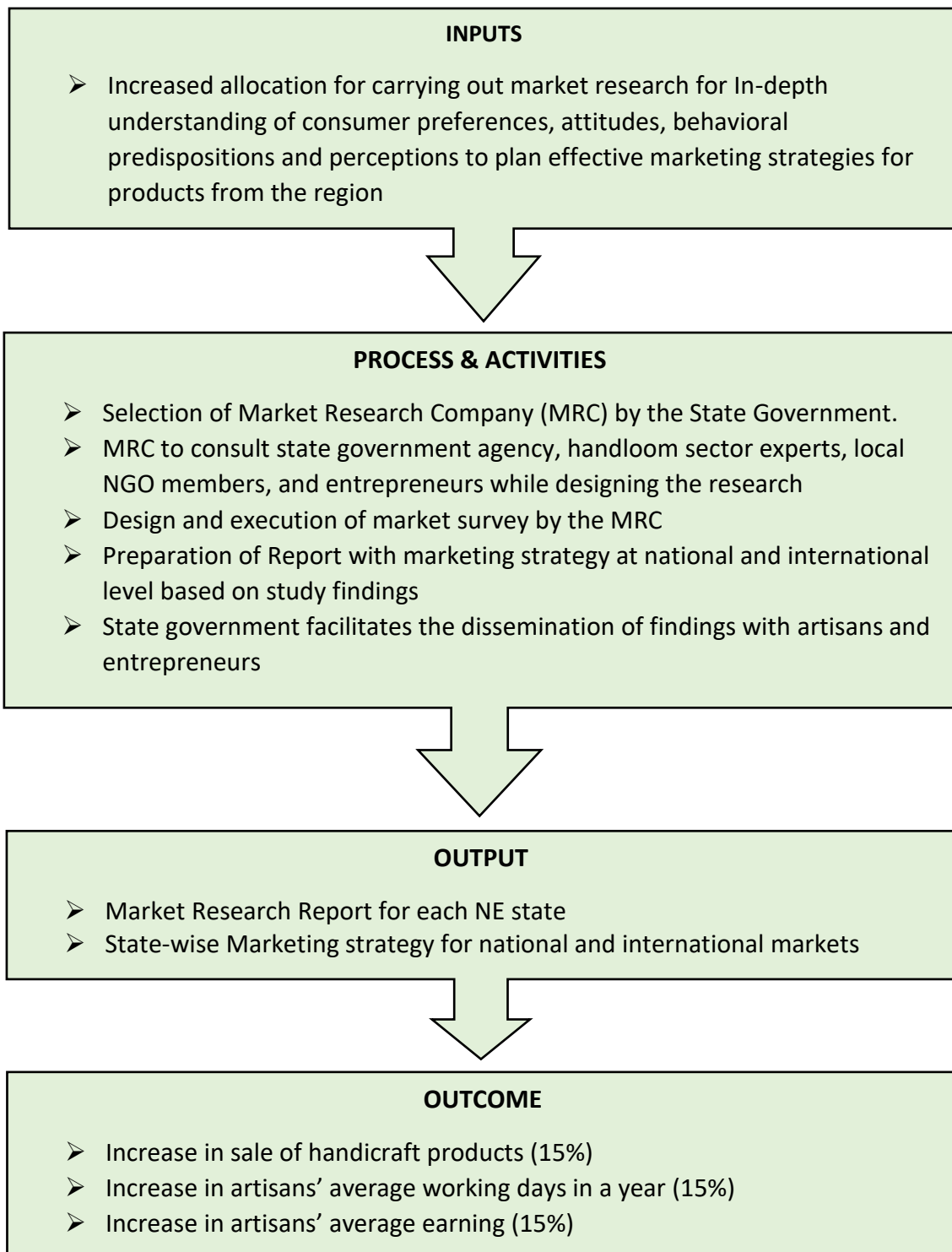
**Implementation Partners**

- State Governments/State agencies
- Office of DC (Handlooms), Ministry of Textiles
- North East Handicrafts & Handlooms Corporation Ltd (NEHHDC)
- Ministry of Tourism



## 5.2 Handicraft Sector – Input-Output-Outcome Framework

### 5.2.1 Recommendation – Creating a Marketing Strategy, with a focus on market identification



### Suggested Schemes for Implementation

- Research and Development under NHDP
- Marketing and Support Services scheme for handicrafts
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

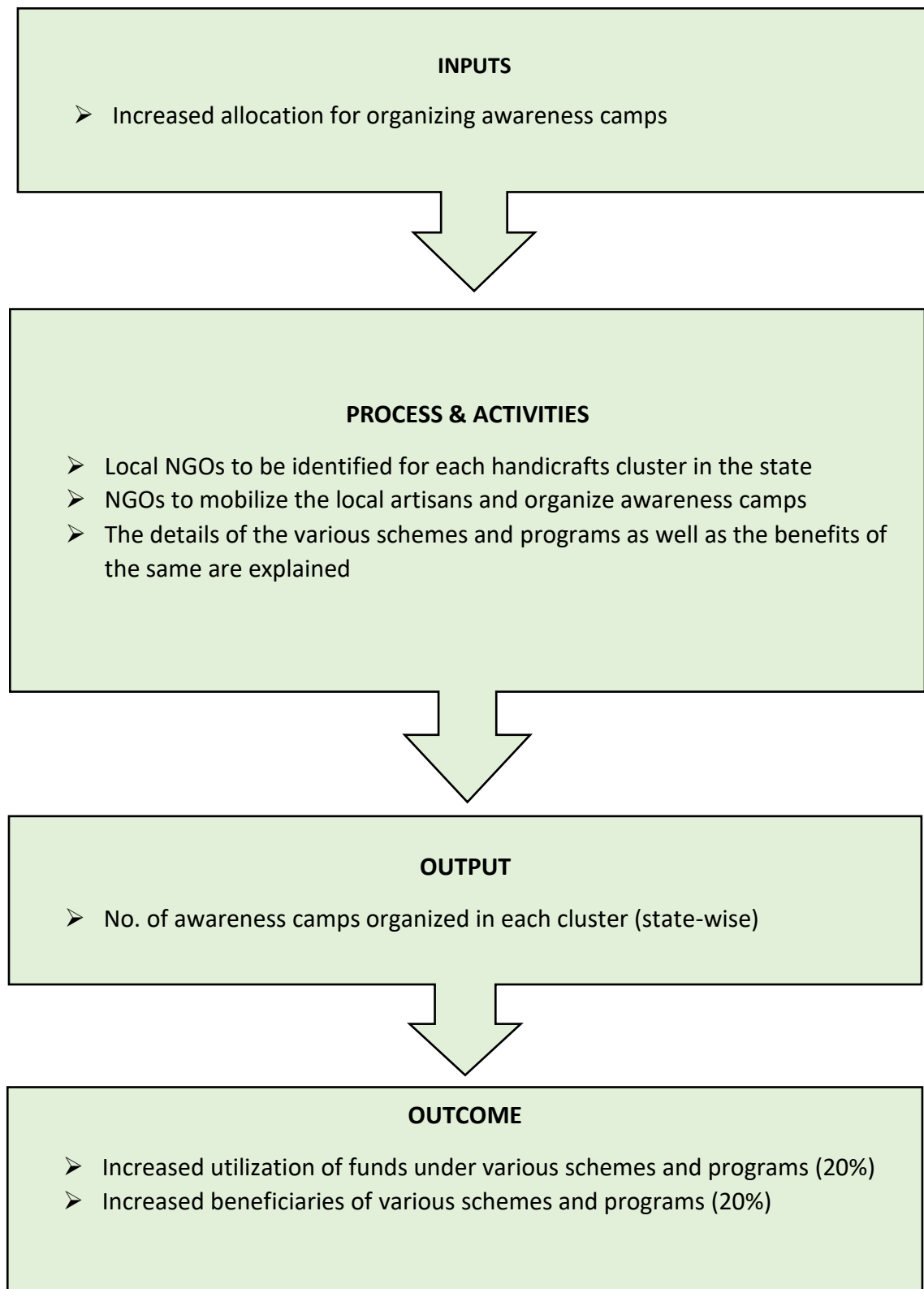
- State Governments/State Handicrafts Development Corporation
- Office of DC (Handicrafts)
- USAID
- Digital Empowerment Foundation
- Majestic MRSS/RNB Research/KPMG/Ernst & Young
- CII/FICCI
- Tata Trusts, Dastkar, Jaypore

The state-wise allocation for market research study is as follows:

State	Number of Clusters (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	6	600000
Assam	46	4600000
Manipur	32	3200000
Meghalaya	4	400000
Mizoram	2	200000
Nagaland	6	600000
Sikkim	2	200000
Tripura	17	1700000
NER Region	115	11500000

Estimated Total Allocation for the NER = 1.15 crore

### 5.2.2 Recommendation – Increasing awareness among artisans about Govt schemes



### Suggested Schemes for Implementation

- National Handicrafts Development scheme (NHDP)

### Implementation Partners

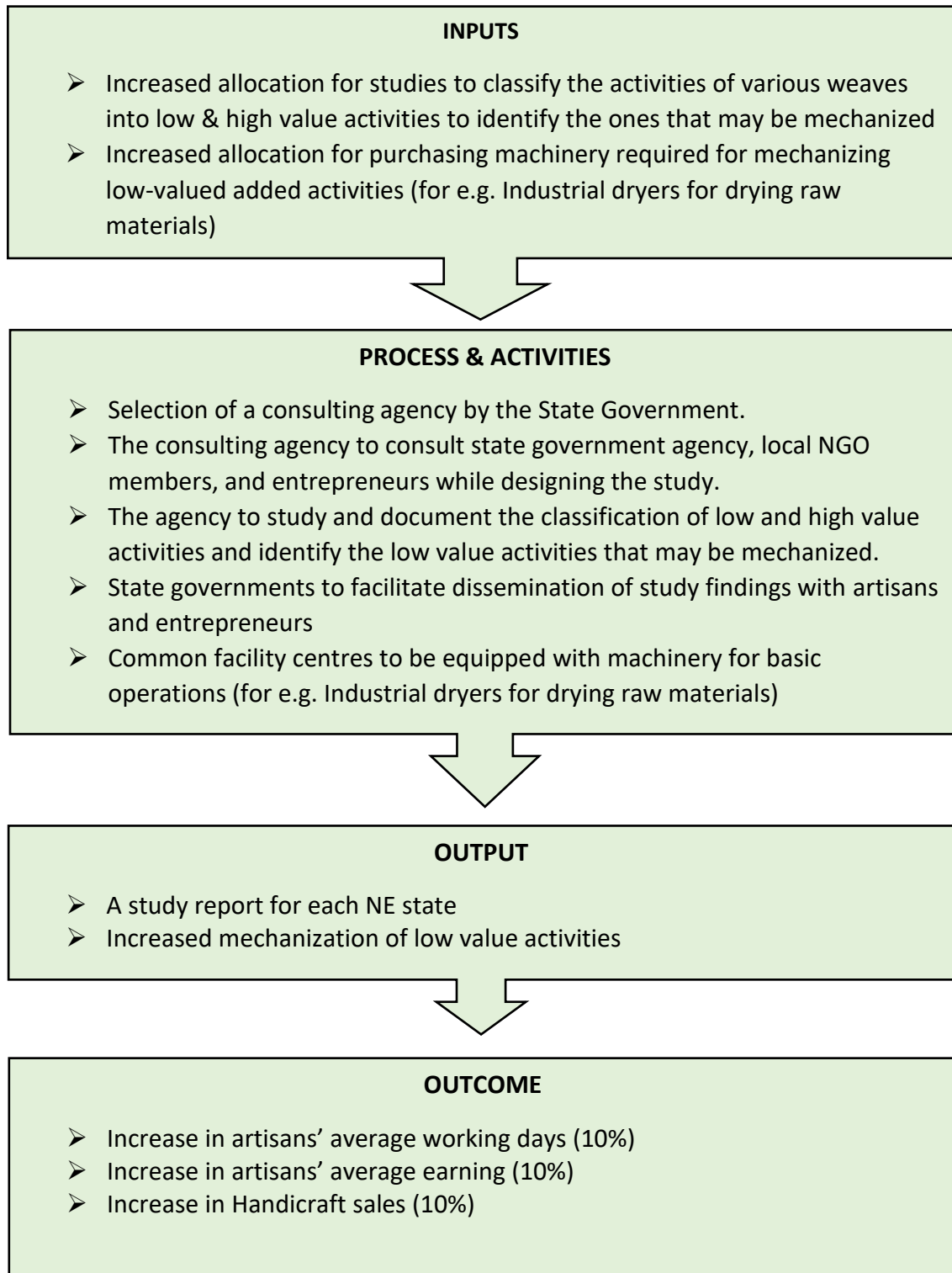
- State Governments/State Handicrafts Development Corporation
- Tata Trusts/Local NGOs
- Office of DC (Handicrafts), Ministry of Textiles

The state-wise allocation for awareness camps is as follows:

State	Number of Clusters (Approx.)	Allocation (@Rs. 80,000 per cluster)
Arunachal Pradesh	6	480000
Assam	46	3680000
Manipur	32	2560000
Meghalaya	4	320000
Mizoram	2	160000
Nagaland	6	480000
Sikkim	2	160000
Tripura	17	1360000
NER Region	115	9200000

Estimated Total Allocation for the NER = 92 lakh

**5.2.3 Recommendation - Creating high value-added products** by mechanizing low value-added activities. The low-value addition, in most tasks performed by the artisans, results in lower margins and lesser income for the time spent.



### Suggested Schemes for Implementation

- Infrastructure and Technology Support scheme, under NHDP
- North East Region Textile Promotion Scheme (NERTPS)
- Research and Development scheme

### Implementation Partners

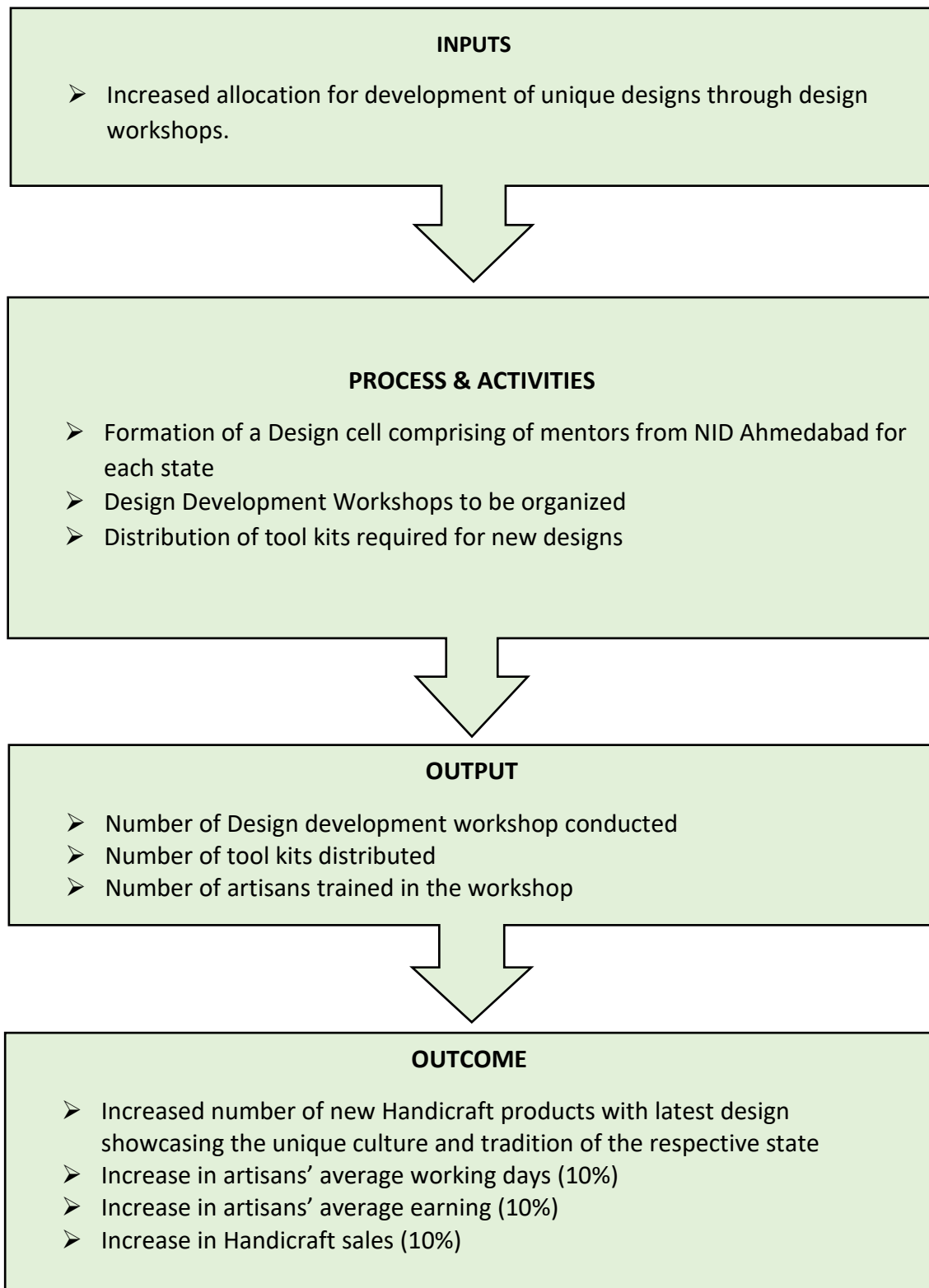
- State Governments/ State Handicrafts Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- IICD/NID/Tata Trusts
- House of Anita Dongre Ltd. (HOAD)

The state-wise allocation for the study is as follows:

State	Number of Clusters (Approx.)	Allocation in Rs. (@Rs. 1,50,000 per cluster)
Arunachal Pradesh	6	900000
Assam	46	6900000
Manipur	32	4800000
Meghalaya	4	600000
Mizoram	2	300000
Nagaland	6	900000
Sikkim	2	300000
Tripura	17	2550000
NER Region	115	17250000

Estimated Total Allocation for the NER = 1.73 crore

**5.2.4 Recommendation – Improving product design**, as craft products from the northeastern region fail to showcase their uniqueness, be it cultural or of craftsmanship.



### Suggested Schemes for Implementation

- Design and Technology Up-gradation scheme, under NHDP
- Human Resource Development scheme, under NHDP
- Comprehensive Handloom Cluster Development Scheme
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

- State Governments/ State Handloom Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- National Institute of Design (NID) at Ahmedabad
- Indian Institute of Crafts and Design (IICD), Jaipur
- Asha Handicrafts Association/Craftizen Foundation

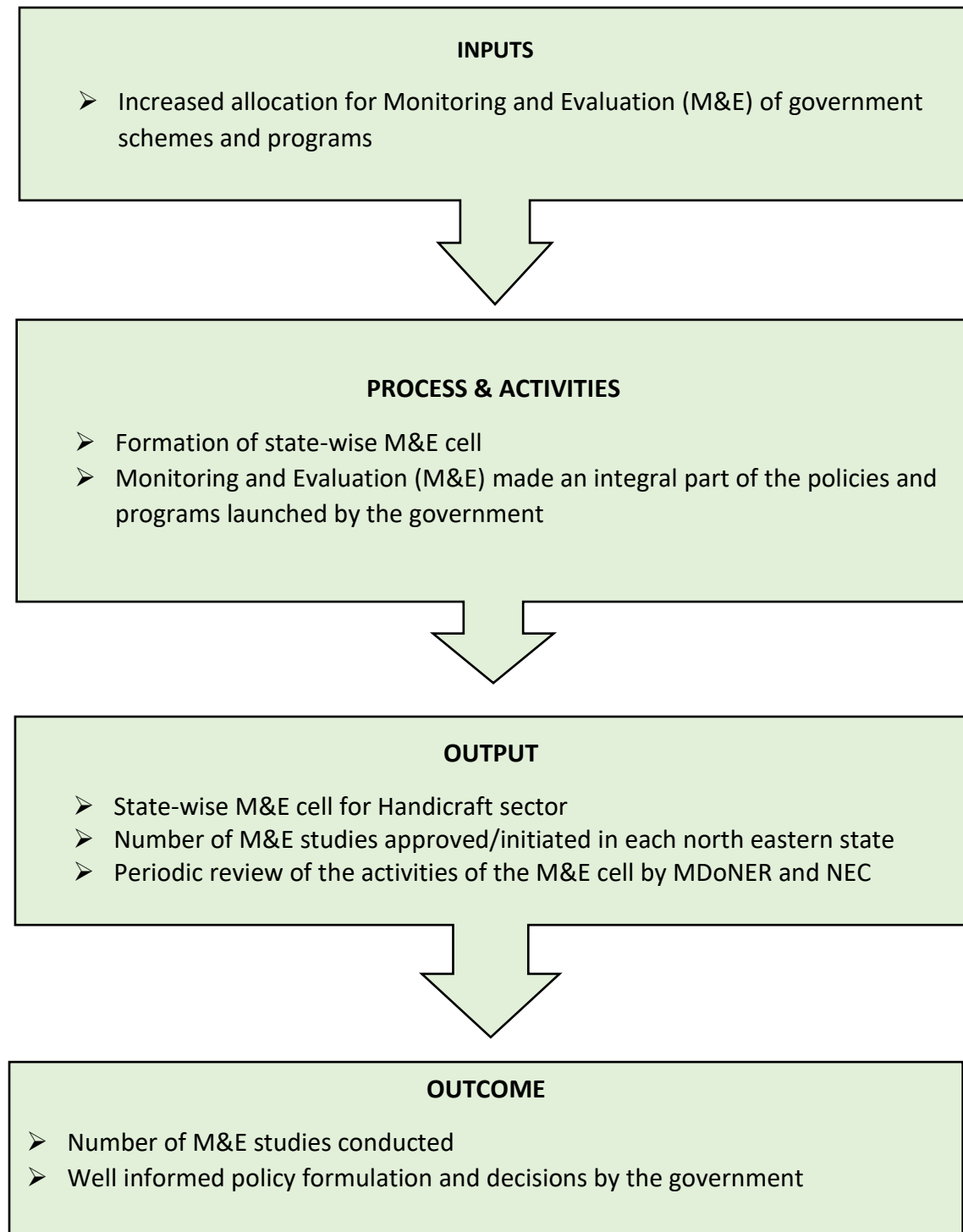
The state-wise allocation for the workshop and distribution of toolkit is as follows:

State	Number of Clusters (Approx.)	Allocation in Rs. (@Rs. 2,00,000 per cluster)
Arunachal Pradesh	6	1200000
Assam	46	9200000
Manipur	32	6400000
Meghalaya	4	800000
Mizoram	2	400000
Nagaland	6	1200000
Sikkim	2	400000
Tripura	17	3400000
NER Region	115	23000000

Estimated Total Allocation for the NER = 2.3 crore



**5.2.5 Recommendation – Improving the monitoring & evaluation (M&E) of schemes and programs** launched by the government and thus there is lack of information on effectiveness of such policies and programs.



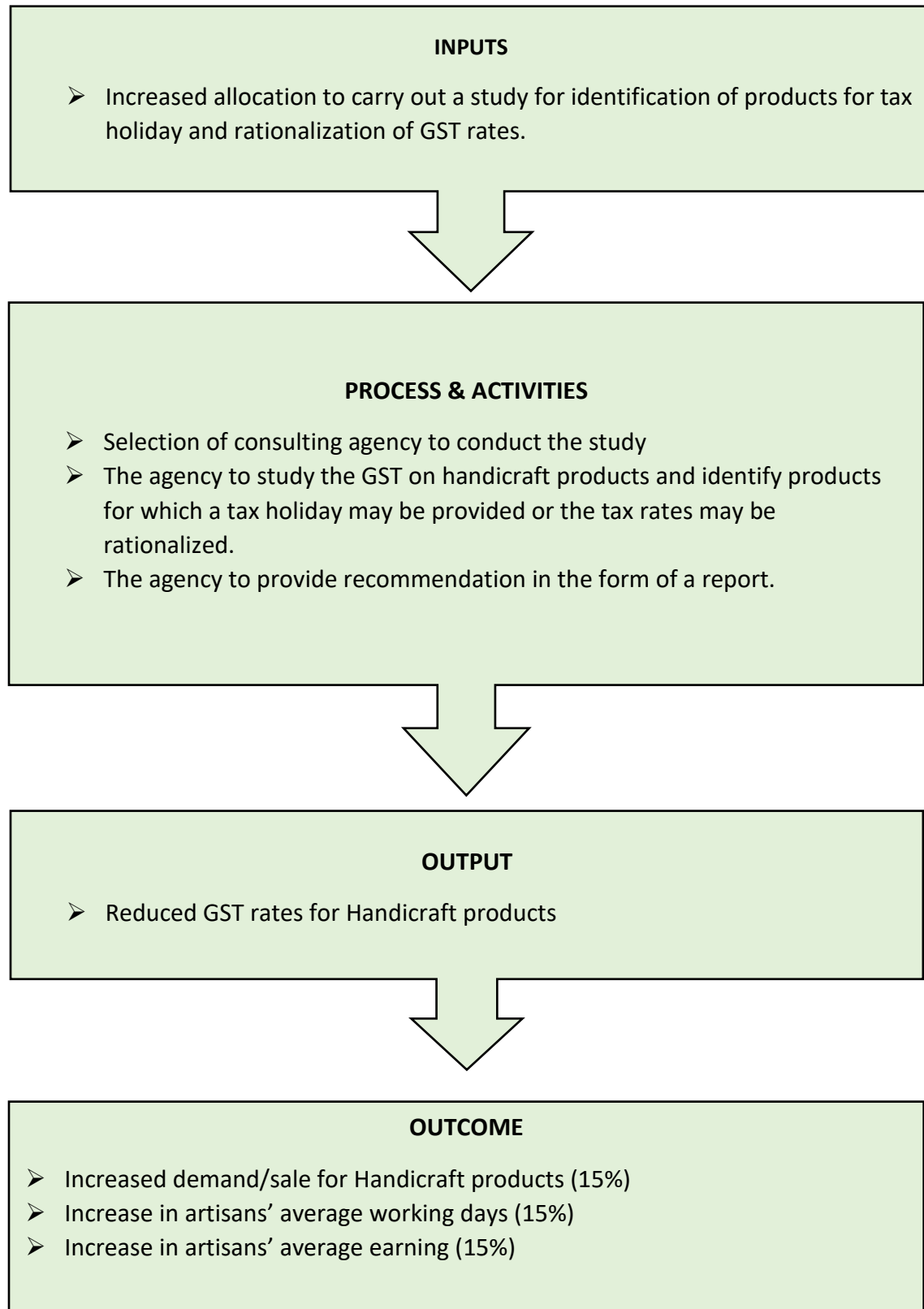
**Suggested Schemes for Implementation**

- Research and Development scheme, under NHDP
- The Plan Scheme of Capacity Building and Technical Assistance, MDoNER

**Implementation Partners**

- State Governments / State Handicrafts Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- NEC
- MDoNER

### 5.2.6 Recommendation - Streamlining Taxes



### Suggested Schemes for Implementation

- Handicrafts Artisans Comprehensive Welfare Scheme

### Implementation Partners

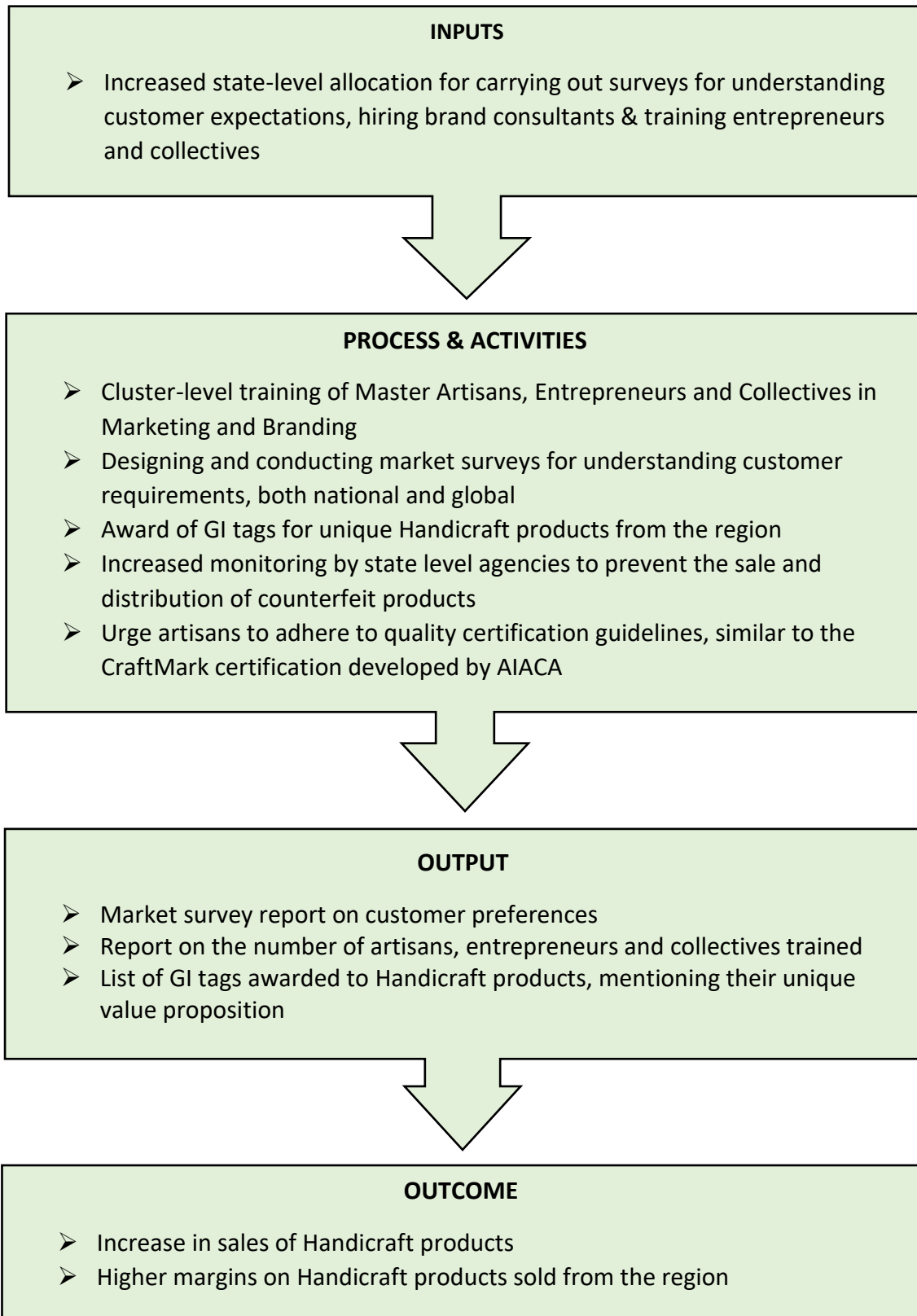
- State Governments/State Handicrafts Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- CII/FICCI

The state-wise allocation for the study on GST is as follows:

State	Allocation (in Rs.)
Arunachal Pradesh	2000000
Assam	2000000
Manipur	2000000
Meghalaya	2000000
Mizoram	2000000
Nagaland	2000000
Sikkim	2000000
Tripura	2000000
NER Region	16000000

Estimated Total Allocation for the NER = 1.6 crore

### 5.2.7 Recommendation – Increasing focus on Branding



### Suggested Schemes for Implementation

- Research and Development scheme, under NHDP
- Marketing Support and Services Scheme, under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

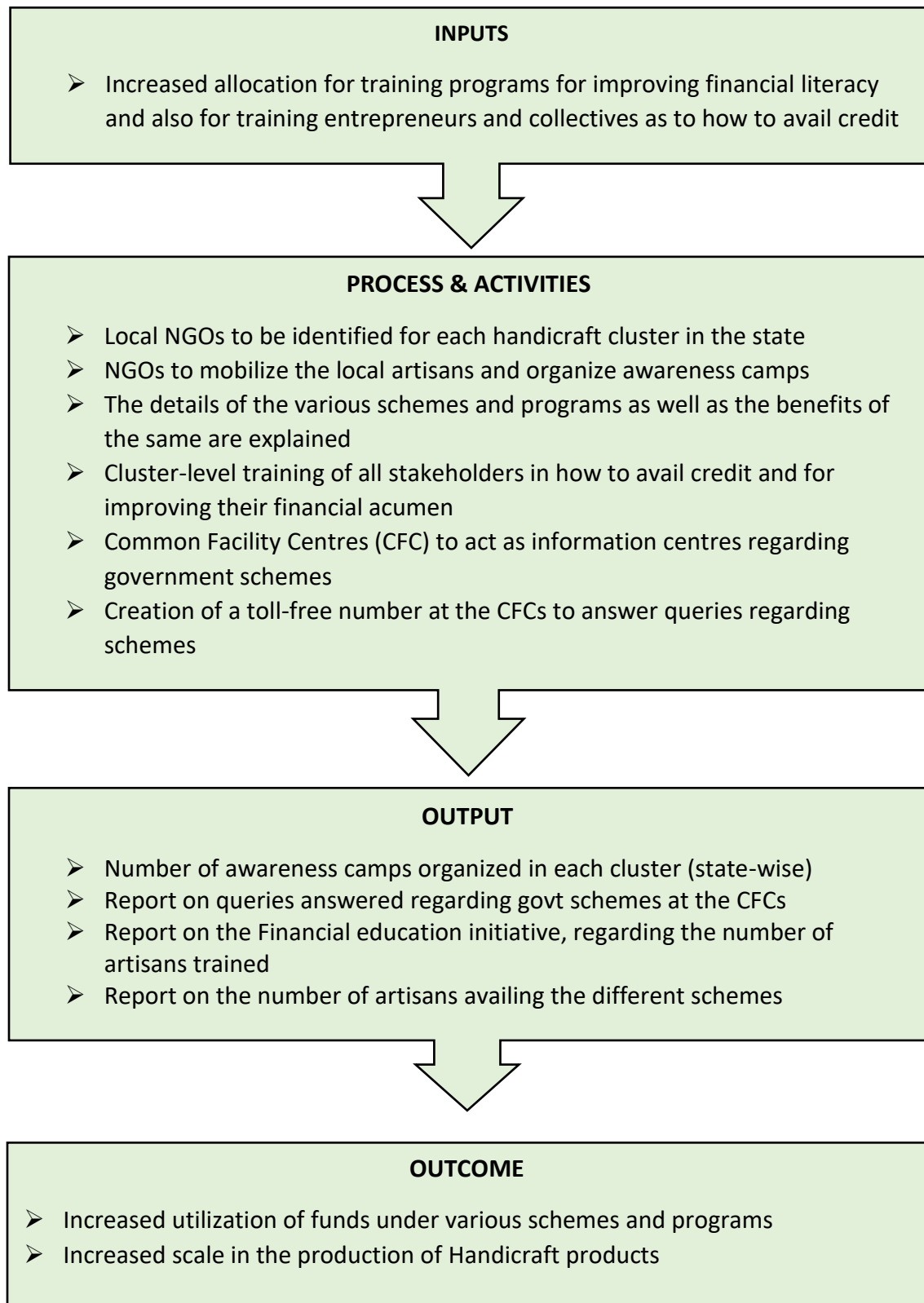
- State Governments/ State Handicraft Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- NEHHDC
- [AIACA](#)
- [Tata Trusts](#), [Dastkar](#), [Jaypore](#)

The state-wise allocation for the activities mentioned above is as follows:

State	Number of Cluster (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	6	600000
Assam	46	4600000
Manipur	32	3200000
Meghalaya	4	400000
Mizoram	2	200000
Nagaland	6	600000
Sikkim	2	200000
Tripura	17	1700000
NER Region	115	11500000

Estimated Total Allocation for the NER = 1.15 crore

### 5.2.8 Recommendation - Increasing access to finance



### Suggested Schemes for Implementation

- Handicrafts Artisans Comprehensive Welfare Scheme
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

- NEDFi
- Tata Trusts/ Local NGOs
- State Governments/ State Handicraft Development Corporation
- NEHHDC
- Office of DC (Handicrafts), Ministry of Textiles
- NEC
- MDoNER

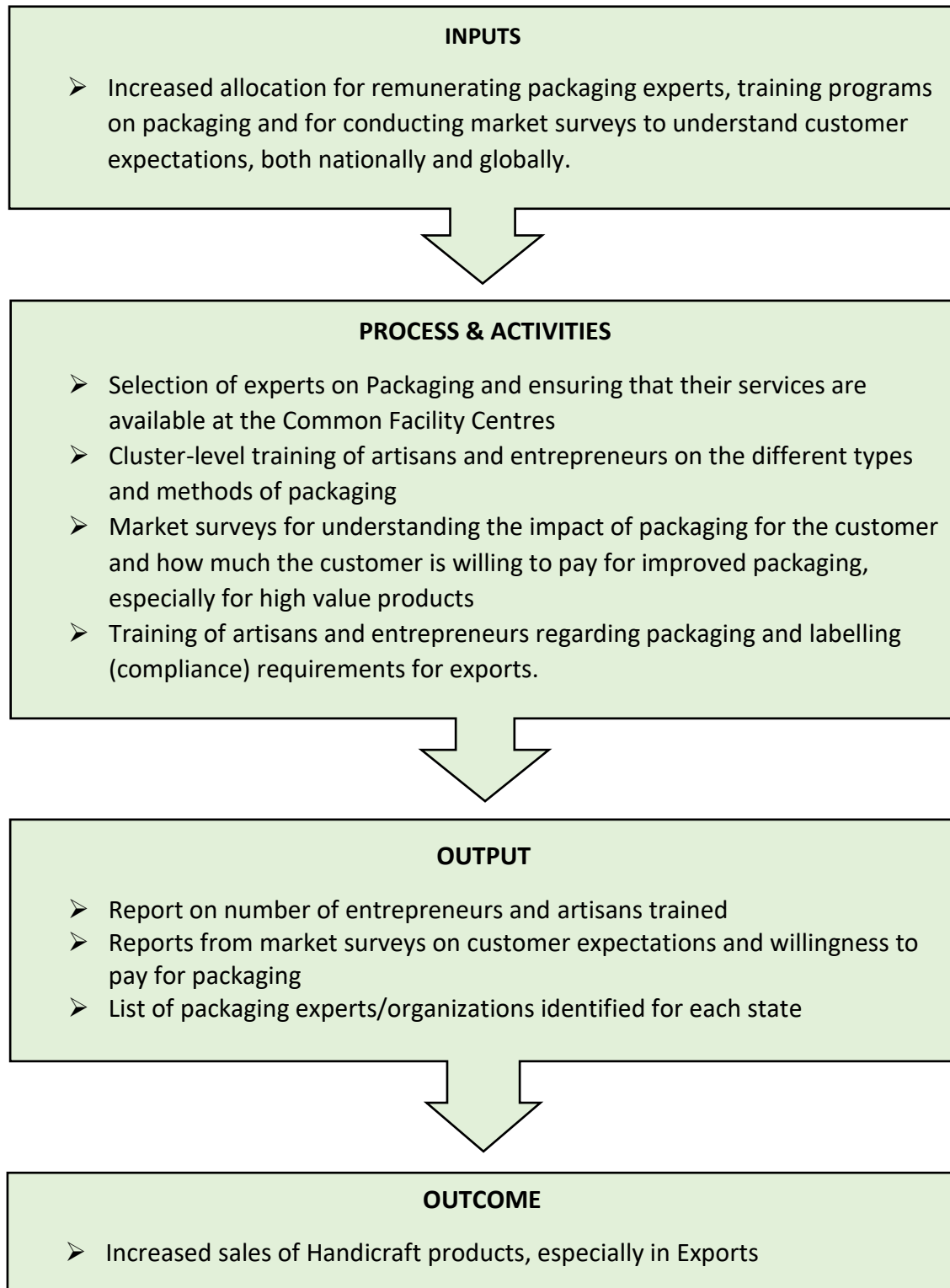
The state-wise allocation for the list of activities mentioned is as follows:

State	Number of Cluster (Approx.)	Allocation (@Rs. 1,00,000 per cluster)
Arunachal Pradesh	6	600000
Assam	46	4600000
Manipur	32	3200000
Meghalaya	4	400000
Mizoram	2	200000
Nagaland	6	600000
Sikkim	2	200000
Tripura	17	1700000
NER Region	115	11500000

Estimated Total Allocation for the NER = 1.15 crore



### 5.2.9 Recommendation - Emphasis on better and attractive packaging, especially for high value products



### Suggested Schemes for Implementation

- Marketing Support and Services scheme, under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

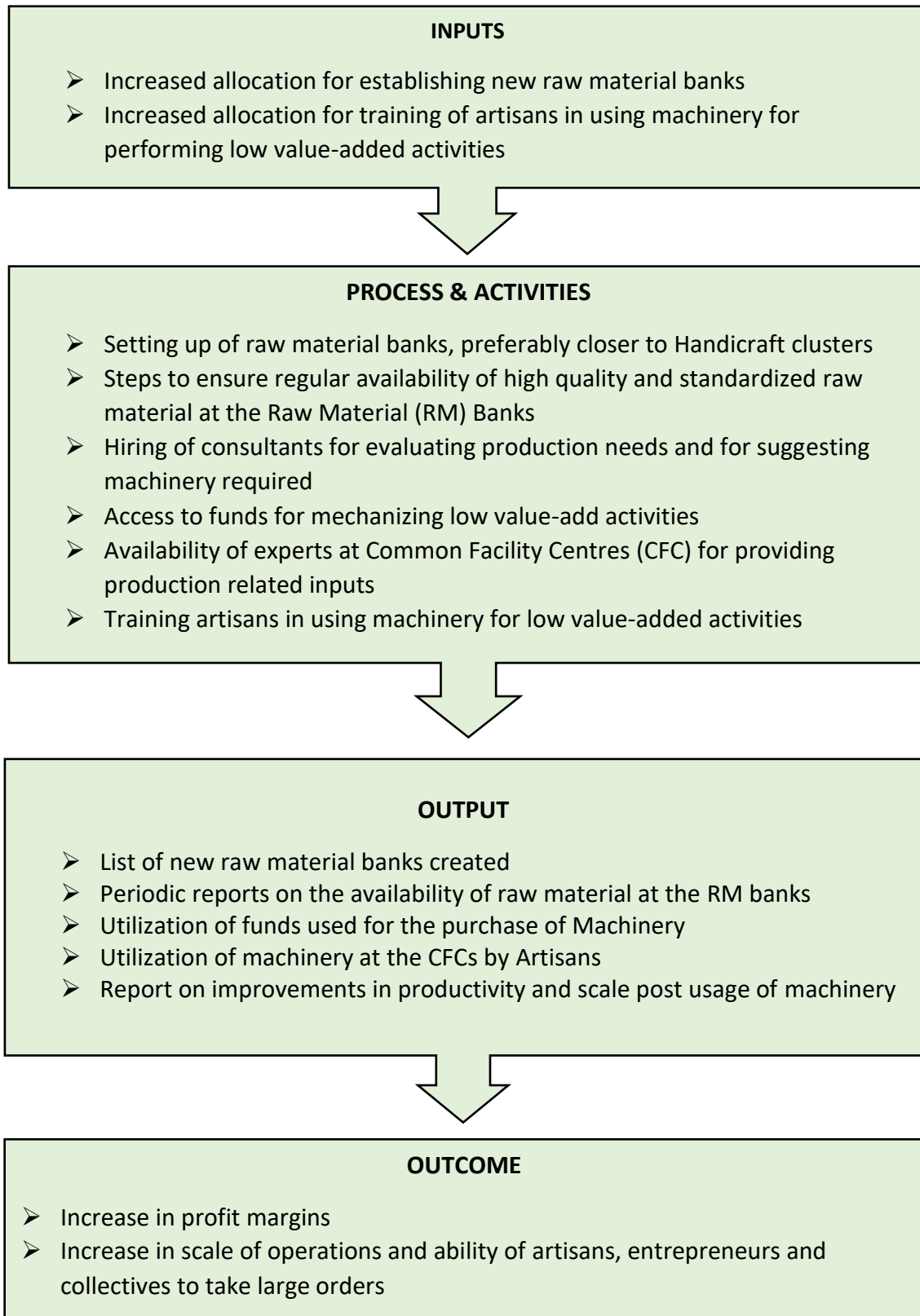
- State Governments/ State Handicraft Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- Indian Institute of Packaging (IIP)
- National Institute of Fashion Technology (NIFT)
- National Institute of Design (NID)
- International Trade Centre
- Oxfam Packaging
- [Good Earth](#)

The state-wise allocation for the list of activities mentioned is as follows:

State	Number of Clusters (Approx.)	Allocation in Rs. (@Rs. 1,50,000 per cluster)
Arunachal Pradesh	6	900000
Assam	46	6900000
Manipur	32	4800000
Meghalaya	4	600000
Mizoram	2	300000
Nagaland	6	900000
Sikkim	2	300000
Tripura	17	2550000
NER Region	115	17250000

Estimated Total Allocation for the NER = 1.73 crore

### 5.2.10 Recommendation – Increasing productive capacity



### Suggested Schemes for Implementation

- Infrastructure and Technology Support Scheme, under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

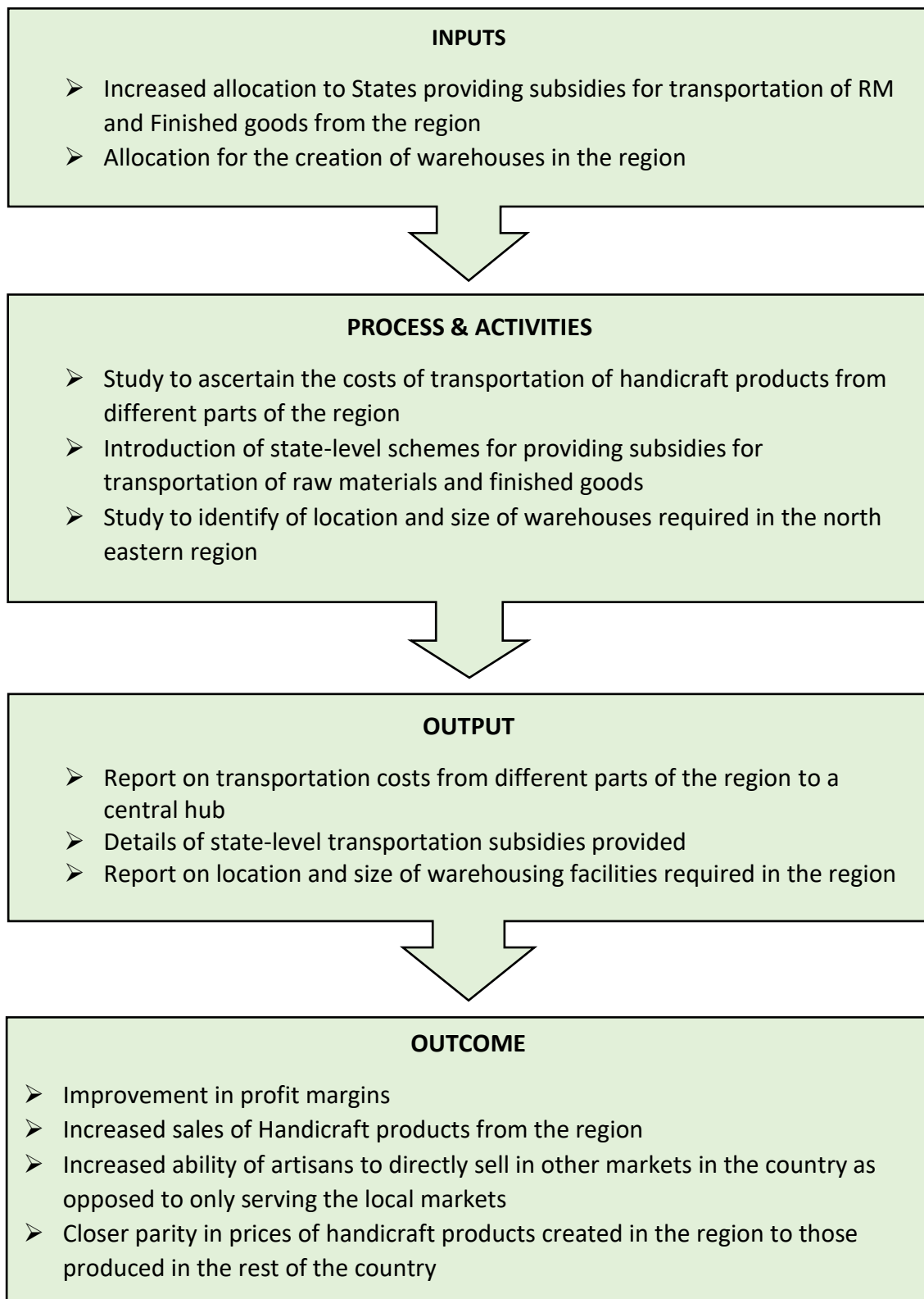
- State Governments/ State Handicraft Development Corporation
- Office of DC (Handicrafts), Ministry of Textiles
- Ministry of Skill Development and Entrepreneurship (MSDE)
- National Small Industries Corporation (NSIC)
- National Institute of Design at Ahmedabad

The state-wise allocation for the list of activities mentioned is as follows:

State	Number of Clusters (Approx.)	Allocation in Rs. (@Rs. 2,00,000 per cluster)
Arunachal Pradesh	6	1200000
Assam	46	9200000
Manipur	32	6400000
Meghalaya	4	800000
Mizoram	2	400000
Nagaland	6	1200000
Sikkim	2	400000
Tripura	17	3400000
NER Region	115	23000000

Estimated Total Allocation for the NER = 2.3 crore

### 5.2.11 Recommendation - Providing adequate logistics support



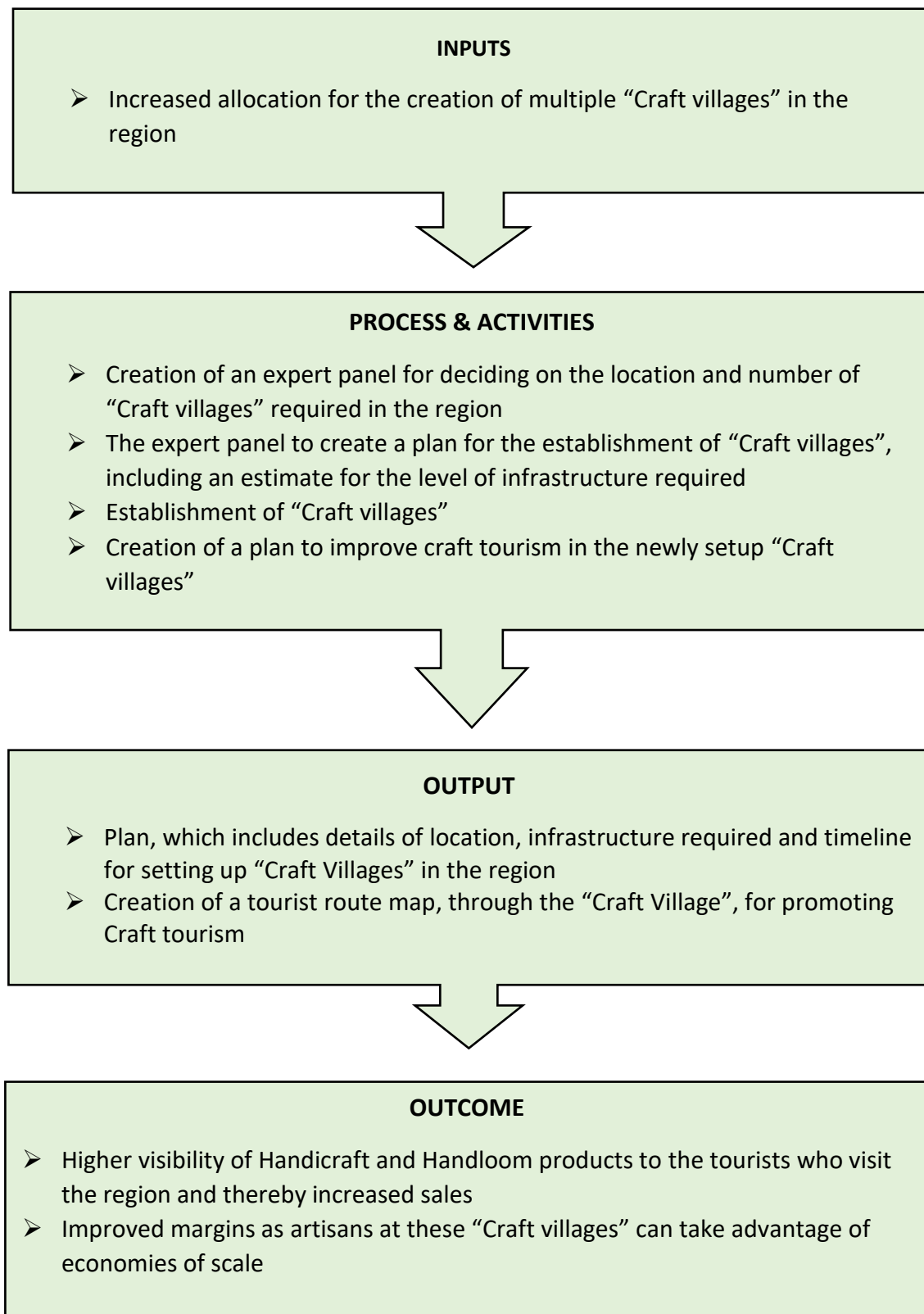
**Suggested Schemes for Implementation**

- Infrastructure and Technology Support Scheme, under NHDP
- North East Region Textile Promotion Scheme (NERTPS)

**Implementation Partners**

- State Governments / State Handloom Development Corporation
- Office of DC (Handlooms), Ministry of Textiles
- NEDFi
- NEC
- MDoNER

### 5.2.12 Recommendation – Setting up “Craft Villages”



**Suggested Schemes for Implementation**

- Baba Saheb Ambedkar Hastshilp Vikas Yojana, under NHDP
- Infrastructure and Technology Development scheme, under NHDP

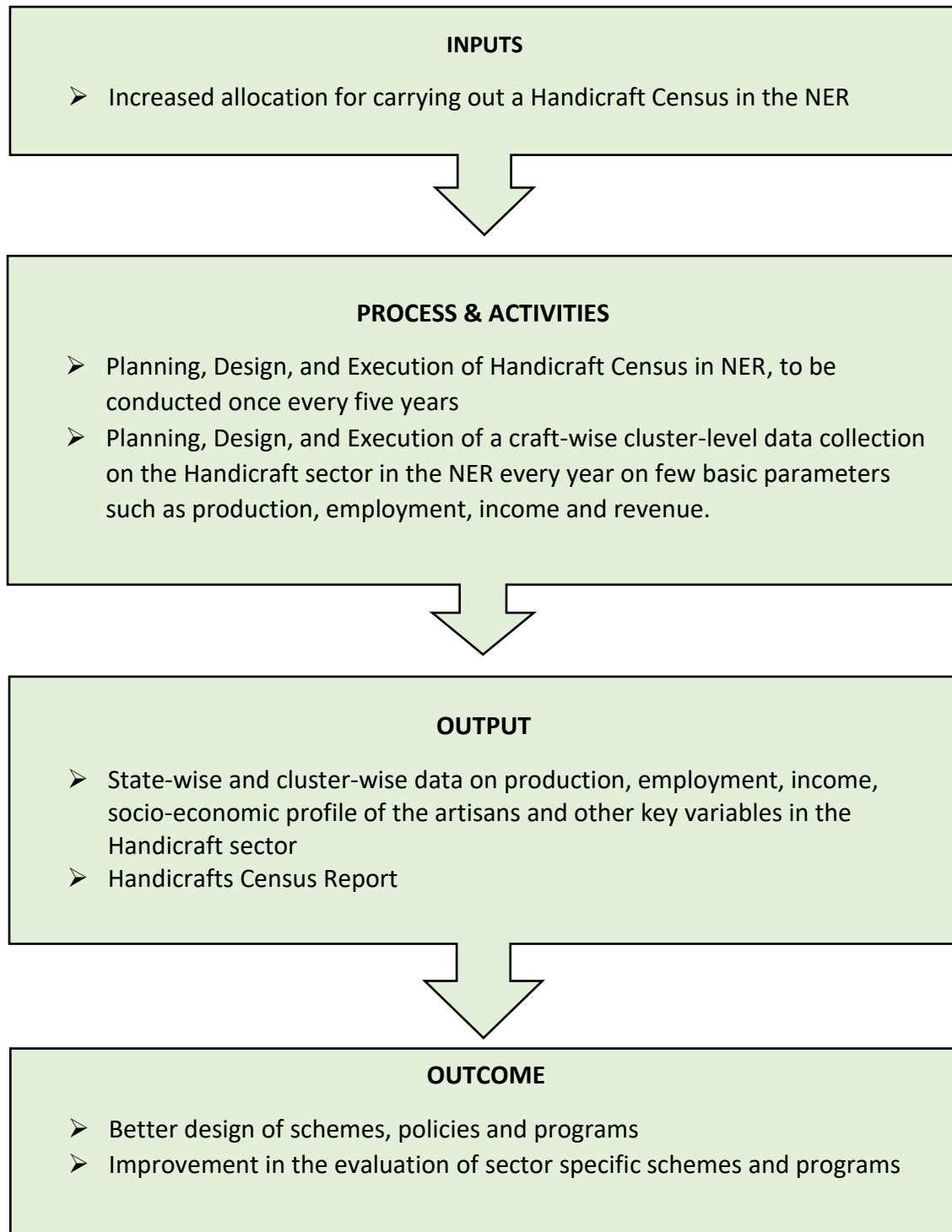
**Implementation Partners**

- State Governments/State agencies
- Office of DC (Handicrafts), Ministry of Textiles
- North East Handicrafts & Handlooms Corporation Ltd (NEHHDC)
- Ministry of Tourism



### 5.2.13 Recommendation – Collecting periodic data on the sector

There is a grave issue of lack of periodic survey data on production, employment, income, socio-economic profile of the artisans and other key variables in the Handicraft sector.



### Suggested Schemes for Implementation

- National Handicrafts Development scheme (NHDP)
- North East Region Textile Promotion Scheme (NERTPS)

### Implementation Partners

- Office of DC (Handicrafts), Ministry of Textiles
- State Governments/ State Handicraft Development Corporation
- Export Promotion Council for Handicrafts (EPCH)
- NEC
- MDoNER

The state-wise allocation for handicrafts census is as follows:

State	Number of Clusters (Approx.)	Allocation (@Rs. 10,00,000 per cluster)
Arunachal Pradesh	6	6000000
Assam	46	46000000
Manipur	32	32000000
Meghalaya	4	4000000
Mizoram	2	2000000
Nagaland	6	6000000
Sikkim	2	2000000
Tripura	17	17000000
NER Region	115	115000000

Estimated Total Allocation for the NER = 11.5 crores

## Conclusion

The present work focused attention mainly on the current status of the Handloom and the Handicraft sector, major hurdles and obstacles encountered by the sector, and the recommendations which may be incorporated in policy drafting for the sector. Some of the challenges which we have highlighted in our study can broadly be divided into two groups. Under the first group, we have the challenges encountered by the sector, which are more similar to the challenges faced by the Handloom and Handicraft sector in other parts of the country. Under the second category of challenges, we have come across challenges that are more specific to the region or some of the states of the region. Most of these challenges have been revealed to us in the course of our interaction with ground-level workers such as the weavers and the artisans. The challenges that are encountered in the sector are plenty in spite of the existence of numerous policies and schemes existing at present in the sector. One of the major challenges which the study has revealed is that, with so many policies and schemes, decision-makers need to decide the main focus of all the policies. This will be possible only through policy convergence, as suggested in the study.

For every policy, and in the case of the handloom and handicraft sector as well, one of the major the challenge is to identify how and who will implement the policies. Monitoring of the policy implementation for the success of the policies often poses serious challenges. The implementation strategy needs to be worked out by the decision-makers even before it is actually implemented. A good number of these policies have not achieved the target due to numerous challenges encountered during implementation. The implementation process and the implementation agencies also need to be clearly defined to avoid confusion and uncertainty during implementation. Clear cut definition of the roles and responsibilities of the implementing bodies and different stakeholders needs to be stated clearly even before the policies are actually implemented.

The required financial resources and human resources with adequate training and knowledge of policy implementation have to receive equal importance for policy drafting and implementation. Resource in terms of space, equipment, IT support, bureaucratic support need to be planned well in advance during policy drafting so that they do not act as a constraint for policy implementation.

In fact, strategy for policy implementation needs to be given urgent attention. Without putting a strategy of policy implementation in place, most policies, however good they are, may fail to

bear any satisfactory result. Therefore, systematic planning through prioritization will be a crucial component of policy success. Alignment of short, medium- and long-term policy priority are essential in the process, which the present study has attempted to undertake. Along with this, policy instruments such as budgeting, regulations, resource (physical and institutional infrastructure), and human resource planning in terms of domain skills, management, and administrative skills need to be worked out as well. Efforts in this direction, along with policy drafting, can ensure the success and sustainability of policies.

Those who are responsible for policy implementation should be able to identify the challenges of implementation for which they need to have the requisite foresight skills. They also need to be able to understand the obstacles they are likely to encounter and be prepared with the solutions; identify what has worked best in the earlier policies and accordingly apply the best practices. Above all, the implementing bodies and individuals need to understand the beneficiaries of the policies well. It is, thus, hoped that the action plan outlined in our study will be helpful in policy drafting and policy implementation of the Handloom and Handicraft sector in the NER of India.

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## Annexures

## Annexure-I: List of the interactions held with different stakeholders

In November and December of 2020, the team had interacted with artisans, weavers, state officials, entrepreneurs, and other key stakeholders to understand the challenges faced in the Handloom and Handicraft sectors. The details of the interactions are given below.

### Interaction with State Govt officials

06 <sup>th</sup> Nov 2020	Online meeting with State Govt officials from Manipur
16 <sup>th</sup> Nov 2020	Online meeting with State Govt officials from Arunachal Pradesh
19 <sup>th</sup> Nov 2020	Online meeting with State Govt officials from Meghalaya
23 <sup>rd</sup> Nov 2020	Online meeting with State Govt officials from Tripura

The team has also interacted with officials from MDoNER and NEC many times during the preparation of the report. Their comments have been exceedingly relevant and are included in the report. We especially thank Shri (Dr.) Inder Jit Singh, Secretary at MDoNER, for his rich inputs and his leadership.

The team also had online interactions with many govt officials during the course of preparation of this report. Given below is a list of officials with whom the team has interacted.

Shri. Nikhil Varma	Additional Development Commissioner (Handlooms), O/o DC (Handlooms), Ministry of Textiles
Shri. Sohan Kumar Jha	Senior Director, DC (Handicrafts), Ministry of Textiles
Shri. M. L. Wanshnong	Deputy Director (Marketing), Commerce and Industries, Govt. of Meghalaya
Shri. K.Lamlee Kamei	Director, Directorate of Handlooms & Textiles, Government of Manipur
Shri. Himanga Dip Das	Deputy Director, Industries & Commerce Department, Govt. of Assam
Shri. Zakabo Rotokha	MD, Nagaland Handloom & Handicrafts Development Corporation LTD

Shri. Karma Samten Bhutia	Joint Director of Handicrafts & Handloom (Marketing & Sales), Department of Commerce and Industries, Govt. of Sikkim
Shri. J. Hmingthanmawia	Director, Commerce & Industries Department, Govt. of Mizoram
Shri. Chandra Kumar Jamatia	Secretary, Industries & Commerce (Handloom, Handicrafts & Sericulture Department), Govt. of Tripura
Shri. Pramesh Lal Chakma	Director; Handloom, Handicrafts & Sericulture Department, Govt. of Tripura
Shri. Babul Debbarma	Additional Director; Handloom, Handicrafts & Sericulture Department, Govt. of Tripura
Shri. Swapnil Naik	Secretary Textiles & Handicrafts, Govt of Arunachal Pradesh

### **Interactions with Artisans & Weavers**

The team has also closely interacted with close to 120 artisans and weavers from different parts of the region. The details are given below.

1. Interaction with weavers in Jampuijala Block & Mandai block in West Tripura, Tripura
2. Interaction with artisans and weavers in Bajengdoba Block in North Garo Hills, Meghalaya
3. Interaction with weavers in Majuli, Assam
4. Interaction with weavers in Borbori, Baksa District, Assam
5. Interaction with artisans and weavers from Dimapur, Nagaland



### Interactions with entrepreneurs and other experts

The team has also interacted with the following experts and entrepreneurs from the region.

- Shri. Sukumar Haobam, Designer and Coordinator, Bamboo Forum of India, Manipur
- Shri. Sharda Gautam, Head of Crafts, Tata Trusts
- Smt. Jesmina Zeliang, Founder of Heirloom Naga, Nagaland
- Shri. Santanu Sutradhar, Founder, Disha Enterprises, Assam

The team has also considered the inputs received from the panelists for the Handicraft and Handloom symposiums organized by the Dr APJ Centre for Policy Research and Analysis at IIM Shillong in the month of July 2020. The symposium saw the participation of ministers of state, entrepreneurs, and various experts from across the northeast region.



## Annexure-II: Best Practices across India and the World

The Handloom and Handicrafts sectors of the North Eastern Region (NER) are paralyzed by a set of production, financial, and market-related challenges. Despite being a major source of livelihood for a large population, these two sectors exhibit a stagnant course of development over the years. In this context, insights drawn from the successful development initiatives across Indian states and foreign countries, with similar geographical and socio-economic backgrounds, can offer some practical solutions. Following are some of the possible ways through which the basic ideas of best practices under the concerned two sectors can be replicated to revive and augment the sectors in NER.

### 1. Raw Material Resources

#### Sourcing of raw material

Entrepreneurs and independent artisans and weavers in the region operate on a much smaller scale than the rest of the country and therefore require raw materials in much smaller quantities. With the additional issue of higher transportation costs per unit associated with the requirement of smaller quantity of raw materials in the region, the artisans are forced to use low quality raw materials available locally.

In order to address the above-mentioned issue, 'Cluster Development' can play a major role by creating collective demand and supply in a region. Keeping that in mind, Uttar Pradesh Government has implemented 'One District One Product' model in the State which was drawn from the famous 'One Village One Product' model of Japan. However, it seeks to work in cluster environment which engenders complementarities by provisioning of common facilities and facilitating collective activities including collective sourcing and marketing. This model can be the answer to the issue of access to raw materials in the NER.

### 2. Production Resources & Processes

#### Improving product design

The NER scenario depicts that artisans and weavers are reluctant to try out newer designs or have no access to new designs. The importance of designs and skilling in the marketing sphere can be observed in the success of Kasongan village of Indonesia under 'Creative Industry Initiative'. A small initiative from a Javanese artist led to the development of Kasongan's ceramic and earthenware industries for both national and international markets. In a similar way, the

designs and appearance of NER crafts and handloom products can be refashioned through some breakthrough initiative under the guidance of native veteran craft entrepreneurs and design experts. It will help in building a robust foundation for sustainable handloom and handicraft sectors in the coming future through incorporation of innovative ideas in terms of exponential designs and crafts.

In terms of handloom products in NER, every state can also follow the same path to make the products attractive like the way 'Maheswari Handloom' has incorporated various printing and weaving techniques like Ajrakh, Bagh, Kalamkari, and Ikat etc. into its core weaving methods. Application of this unique way of outsourcing selected fabrics and prints from other locally viable designs can also add value to the conventional designs of the NER handloom products

The House of Anita Dongre Limited (HOAD) based in Maharashtra, also aims at bringing design intervention and innovation among designers which has led to a positive impact on reviving the sector.

### **Cluster development**

One of the major concerns for the sluggish growth of the Handloom & Handicraft sectors in the region is the dispersed nature of the sectors. It further reduces the reach of government support to these groups.

Once again, Cluster development, like in the case of 'One District One Product' model of Uttar Pradesh Govt can help in systematically arranging the masses with the provision of creating opportunity for various agencies and organizations to analyze and implement different schemes and programs in the respective regions. Similarly, Craft Villages in key urban areas/tourist centres can be thought as an alternative to this issue.

### **Retaining the younger generation in the arts and crafts**

Many artisans and weavers have mentioned that the younger generation do not seem interested in crafts. In order to alleviate this problem, the Karnataka State Handicrafts Development Corporation Limited has been providing workshops and training programs periodically to artisan community. The corporation has established 'Gurukula', where two-year certificate course on craftsmanship is conducted at Sagara in Shimoga District to sustain the traditional crafts like 'wood carving' and 'stone carving'. This training program is designed specifically for the younger generation. This government initiative is aimed at inducing interest as well as create skilled manpower in the sector who can take forward the crafts to new heights.

The initiative of Brunei to explore design intervention in producing an 'illustrative book of visual storytelling' can also be adequately used in NER to revitalize the handloom and handicrafts sectors of the region. This initiative can provide a solution to attract the upcoming generations of artisans and weavers towards preservation of these art forms. Demonstration of history of different tribes and communities in NER which will bring craft awareness and interest among new generations in the occupation.

### **Improving access to credit**

In order to tackle the issue of credit facilities in NER, the Dastkar model can be of great help. The model has enhanced the life of the weavers and artisans as weavers affiliated with Dastkar are provided with credit facilities, production assistance and marketing resources in the cluster.

## **3. Market Access, Product Development and Promotion**

### **Improving market access**

Artisans and weavers seem to have very little knowledge about markets and the ever-changing customer needs, which is directly affecting the entire sectors in the NER.

A Bangalore based start-up called 'Aporv' has sought to help the artisans establish a direct link with the end consumers with maximum profit to the producers. Additionally, they follow a concept of 'Open Evaluation' of the artifacts on the basis of parameters such as skill, history, aesthetics and uniqueness, which in turn helps in knowing the ongoing demand of the products in the market. The poor market knowledge among the artisans and weavers of the NER can also be removed through such kind of innovative initiatives. There is need of skilling the producers through empowering them with knowledge on product development, pricing and so on.

The association with bigger online business platforms like Fabindia and Craftsvilla can provide a necessary impetus to the handloom and handicraft producers to sell their products to a larger market and to earn relatively higher profits. Thus, such digital platforms can bridge the gap between the producers and customers in the market in an easier way, through an export model at par with the contemporary craft and textile business scenario. Associating the weavers and artisans of NER with these types of market forum will help to reap profits of a larger market.

### **Branding of crafts and weaves**

The lack of branding of crafts and weaves by entrepreneurs from the region also seem to hurt the region. In context with this, Karnataka Government has developed a reputed brand name, 'Cauvery Crafts' which is gaining popularity for their unique and authentic craft products of Karnataka such as sandalwood carvings, terracotta, Pile carpets, Mysore traditional paintings and many more. Currently, they have 11 retail sales outlets at major cities of India and an online sales website to conduct business and market the products at an optimum level. In line with this initiative of Karnataka state government, the respective states of NER can also endeavor into branding of ethnic art and craft as well as handloom products to imbibe a unique identity in the market which will help in recurring a larger market.

### **Promotion and generating awareness**

The concept of "Weaving Holidays" can be replicated in NER to showcase the rich history of handloom and handicraft sectors. Such an initiative can also be done jointly in collaboration with the stakeholders in the tourism sector. Similar initiatives have been started across various parts of India. It has the potential to attract consumer/tourists and also build awareness of crafts and weaves. Consumers and tourists can learn about the story of the craft by knowing more about the place of its origin and also about the people who create it.

Promotion and preservation efforts in Vietnam can offer learnings that can be replicated in NER. In order to preserve the traditional values of Vietnam's textile and sustain the craft, many museums, trade associations, handicraft villages and designers have been collecting and preserving thousands of traditional items. Likewise, museums and art galleries can be established at major tourist centres of NER for showcasing and promoting the ethnic handloom and handicraft products. Promotion of craft tourism is an emerging approach adopted and implemented by many Indian states also like Tamil Nadu, Kerala, Rajasthan. The states in the NER can also follow a similar approach to improve sales and also perceived value of the handicraft and handloom products.

### **Livelihood support and market linkages**

Efforts are needed to help the artisans and weavers to understand customer requirements in this fast-changing world. In this context, the Chanderi Model of Madhya Pradesh can be an exemplar. The Chanderi model has been able to demonstrate the viability of market-based solutions for safeguarding the 'bottom of the pyramid' producers by offering livelihood

support and also salvaging dying art forms. In similar way, NER also need to create partnerships between the social sector, governments, and weavers to successfully develop markets for these unique crafts and weaves. Such initiatives will help the artisans and weavers to understand markets better and to create products according to the customers' requirements.

Sualkuchi, the Manchester of East, itself provides an exemplary model of production resource enhancement to revive the handloom sector. Recently, introduction of the additional slay 'multi buta technique', by a native innovator named Dipak Bharali was instrumental in increasing fabric production. Similar advancements in production processes can help resolve the issues of sluggish fabric production across all such handloom clusters of NER. The introduction of 'multi buta technique' has also helped in increase of income of the weavers, from Rs. 5,000-6,000 per month approximately to around Rs. 10,000 a month. The adoption of new techniques with traditional looms in NER is necessary to increase the income of the weavers.

### **Scaling up**

The method of using 'five-star grading' system for the products employed by the 'One Tambon One Product' (OTOP) approach of Thailand is aimed at product development and marketing through community entrepreneurship. The same approach can also be employed in NER to induce communities of selected handicrafts and handloom clusters to produce in larger scale and capture a larger market share, as slow development of community entrepreneurship has been a major drawback of the handloom and handicraft sectors in NER. Such an approach will enable them to take up larger consignments and to produce the requisite volume of products in a collective way.

## Annexure-III: Success stories from the NER

### 1. Assam

*Brahmaputra Fables* was started by 26-year old Dhruba Jyoti Deka who is finding a bigger market for authentic handicrafts from the state by bringing it to the rest of India and beyond. It is an *e-commerce platform*, which enables people to choose from a range of authentic handicrafts carefully sourced from artisans in the region. It sells a variety of products like eco-friendly shopping bags, bamboo straws, bamboo home decors and pickles, ethnic musical instruments and other Handloom products as well. These products are bought from artisans from places across Assam including *Sualkuchi, Jorhat, Barpeta, Sibsagar and Lakhimpur*. At present, it has 3,000 artisans and *keeps only 10-20 per cent of the sales, with the artisans pocketing the rest*. The company was started with just INR 25000 and now has generated INR 25 lakhs in revenue in just 18 months, and has shipped its products within India as well as to the US, the UK, and Italy.

### 2. Manipur

*Ziveli*, founded by brother-sister duo Kehaan J. Saraiya and Tanvi J. Saraiya, employees about 150 Manipuri artisans who also makes lifestyle products by weaving *kauna* and have trained 300 local villagers in this craft as well. The enterprise began with 50 artisans making INR 2,500 per month, and now employs 150 artisans who make INR 7,500 per month. *About 40 per cent of the proceeds go back to the artisans, and 40 per cent is spent on the transportation of goods*.

### 3. Meghalaya

The *Kenbah-Kenmynsaw Handicraft and Multipurpose Cooperative Society* under East Khasi hills district, Meghalaya have been awarded with Meghalaya-Entrepreneurship Recognition Award (MEG-ERA) for the month of September, 2019 by Meghalaya CM Shri Conrad Sangma, for creating opportunities & generating sustainable income for the two villages by making use of the locally available resources (bamboo) to develop the economy of the villages. Currently, there are 200 villagers employed as artisans under the cooperative society. The main activity of the co-operative is in the *production of handicraft, marketing these at emporiums, other sale outlets, and exhibitions in the state and other parts of the country*. The society started with an investment of just INR 50,000 which has now increased to Rs 3,53,640 annually with each employee of the society earning a minimum income of INR 4,000 monthly. The society have

received many training and exposures trips within the State as well as other States of the country.

#### 4. Nagaland

Jesmina Zeliang, owner of *Heirloom Naga* and also Executive member of Handicrafts & Carpet sector Skill Council from the NER in 2015 was named for the “Vasundhara hall of fame” for promoting handicrafts items from Northeast at International markets. She is also an official marketing agent for FabIndia in NE India. Heirloom Naga exports to countries such as USA, UK, France, Spain, Chile, Japan and Germany. It has bagged the JSW Prize for Contemporary Craftsmanship, 2019 for empowering and employing almost 450 Naga women. It has also built up a *culture-based tourism model* in *Longwa* village of Mon district, Nagaland with local people. At present there are 20 houses in the village allotted for tourism purpose.

*Runway Nagaland* was founded in 2012 by Nengneithem Hengna initially to promote ‘Made in Nagaland’ products and their local artisans. They are engaged in producing varied products from jewellery to home furnishings to decorative and gifts. As of January 2021, the company has shown a healthy growth in the past three-four years, with a revenue of 40-60 lakhs. Their ‘Gou-lu’ tribal jewellery has made a name in the fashion world with their primary focus on marketing the products outside of Nagaland which has proven to be successful. They also tried to tackle COVID-19 pandemic by focusing more on social media presence and working on product and design development.

#### 5. Sikkim

*Lagstal*, a brand promoting Sikkimese handicrafts, bamboo products, local dry flowers products, handmade paper products, handlooms, wood carvings, etc. It was founded by Chimi Ongmu Bhutia, who believes in entrepreneurship that is *pro-nature and environmental-friendly*. She uses *local resources in terms of raw materials and local manpower*. She is associated with e-commerce portal and her products are available at some retail shops in New Delhi. For the past six years, Chimi Ongmu is involved in number of sessions and programmes on technical and innovative designs and seminars with reputed agencies. She is also an empanelled designer under Directorate of Handicrafts and Handlooms, North East, Ministry of Textiles. She was also awarded with “VASUNDHARA – NE Entrepreneur of the Year for 2015-16 & 2016-17”.

## 6. Tripura

*Silpakarman*, an entrepreneurial venture for-profit social enterprise that works with clusters and artisans in rural parts of India, was founded by Akshya Shree. The startup has two workshops in Tripura, and has partnered with five artisan community clusters to manufacture the products. They are also part of Amazon's Saheli programme. Most of the sales happen through export exhibitions, and the products are also listed on B2B websites like Indiamart and Alibaba. Sixty per cent of the products are sold to European and South African markets. She is providing income to over 250 craftsmen alongside creating production process that complements their lifestyle.