

Role of Craft and Technology in Interior-Architecture

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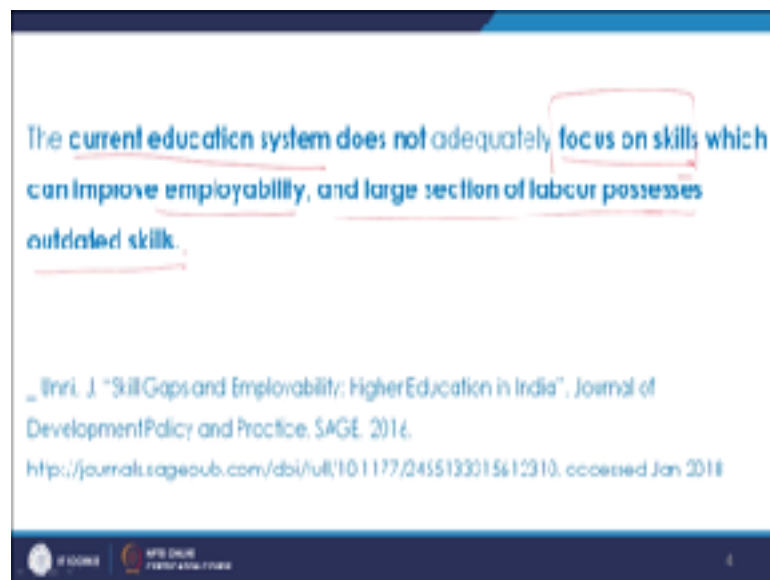
Indian Institute of Technology, Roorkee

Lecture – 29

Craft Sector: Gaps

Namaste! Hello everyone welcome back to the NPTEL course - Role of Craft and Technology in Interior-Architecture. Today we are going to discuss module number 29, which addresses the gaps that have been identified in the policies related to the craft sector specifically in the context of India and generally also the international scenario. So, we will be talking about the Gaps and of course as always the references which are relevant and beneficial for all of us.

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Now, starting from our education system. The current education system does not adequately focus on skills which can improve employability, and large section of labour it still possesses outdated skills. So, until and unless these skills are updated and our

education system you know takes into account that there should be focused on skills and then capacity building and training, then there will be always be a gap between the formulation of the policies and the implementation because education system itself can really contribute a lot and it can you know create the population of skilled people as well as policymakers and lot of stakeholders who are a part of the important crucial value chain when we talk about the craft sector.

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India is the only country in the world which will see an absolute increase in its youth population till 2025. As India grows into a knowledge economy, increasing the use of technology in manufacturing and service industry, the emerging gaps at the level of tertiary education are seen as a major constraint. So, there is already identification of gaps and we are just discussing about them very briefly today. The Prime Minister's council for skill development has set up a manpower target of 500 million skilled workers by 2022. This target has been divided among 20 odd ministries, departments including the National Skill Development Corporation about which we discussed in the last module.

So, it is a humongous task and it requires efficient policy implementation and governance, but with lot of gaps that have been identified and analysed, it would be very

difficult to achieve this target. So, it is very important that the policy implementation is taken well care of and then there is also some sort of assessment and monitoring to it.

Now, we are talking about the efficiency in the policy making, efficiency in the policy implementation, sometimes the policies which are you know created, developed or implemented the results are opposite, they have been created or developed to you know create the upgradation of the sector and for the betterment and empowerment of the craft persons, but going by the service, interviews and lot of researches and the findings, one gets you know that the policy actually failed or it wasn't a success or it was actually criticised.

So, going by a similar example, lets talk about GST. The transition of the goods and services tax that is GST.

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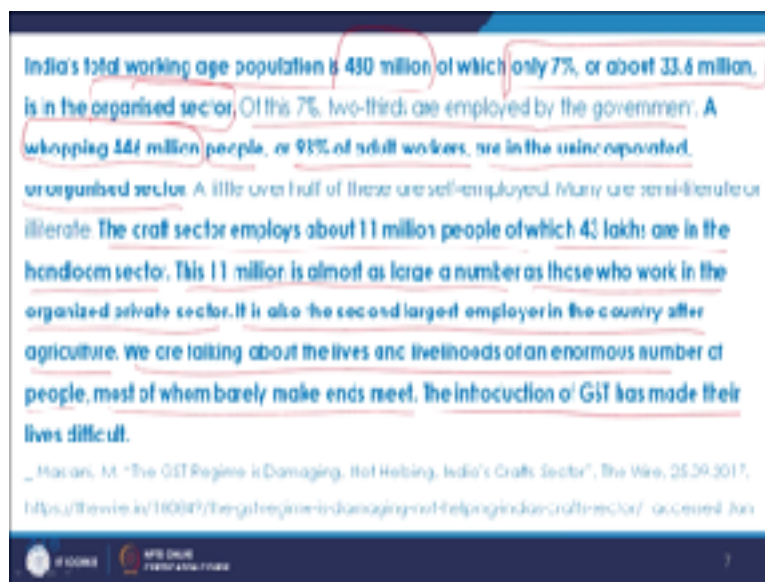


This regime was sold as a reform that would transform Indian industry for the better. Months later the plight of craftspeople across India tells a different story. Artisans who sell across state lines with a turnover under rupees 20 lacks are exempt from filing under GST only if they have a PAN card and send packages through an e -waybill.

Now, that is a distant possibility for lot of craftspersons though the digital India is a campaign and which is going on in full swing, but it will take a lot of time. So, lot of

craftspersons do not yet have their PAN cards, they do not know the e-services and e-transactions and this tax has been a heavy sort of burden on lot of, you know small craftspersons who are specifically in the textile industry.

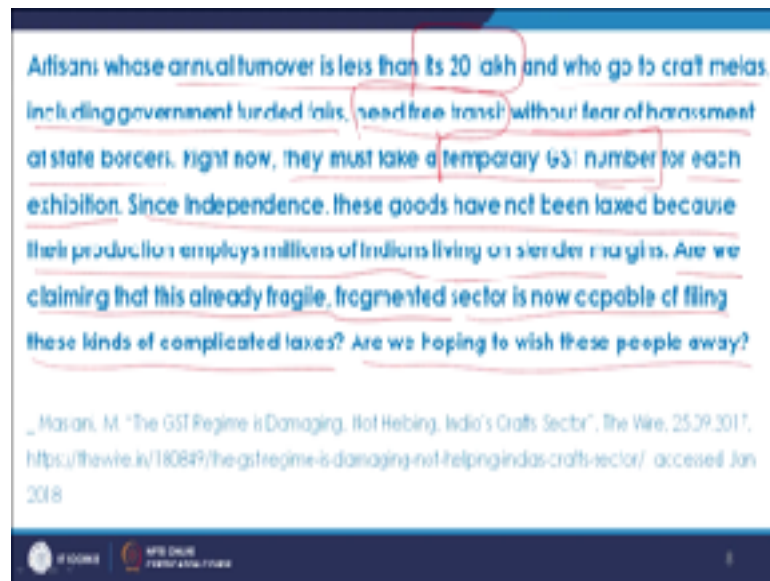
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Now, India's total working age population is 480 million of which only 7 percent, which is about 33.6 million is in the organised sector. Of this 7 percent, 2 thirds are employed by the government. A whopping 446 million people, or 93 percent of adult workers, are in the unincorporated, unorganised sector. We were discussing about this in the previous modules how this is an informal and unorganised sector. The craft sector employees about 11 million people of which 43 lacs are in the handloom sector itself. This 11 million is almost as large a number as those who work in the organised private sector. It is also the second largest employer in the country after agriculture.

Now, we are talking about the lives and livelihoods of an enormous number of people here. Most of whom barely make ends meet. And in this scenario, the introduction of GST has made their lives very tough.

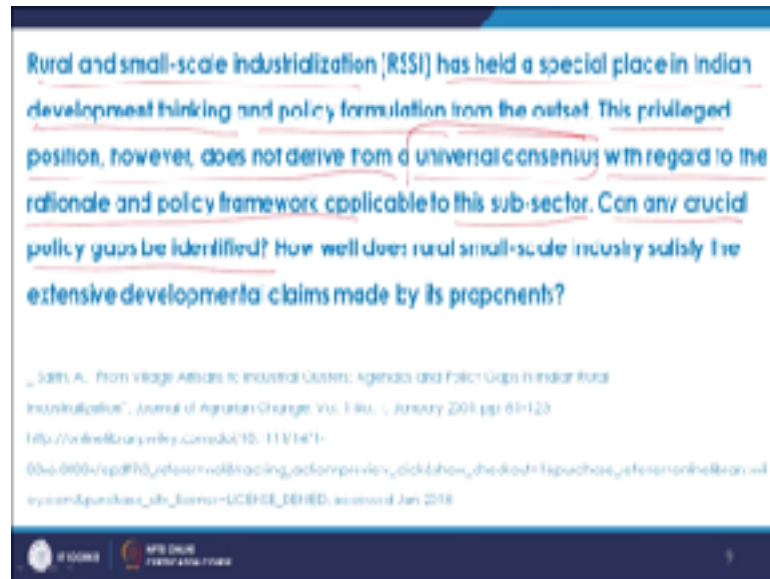
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Artisans whose annual turnover is less than rupees 20 lac and who go to the craft melas, craft bazaars, including government funded fairs need free transit, without fear of harassment at state borders. Right now they must take a temporary GST number for each exhibition. Since independence these goods have not been taxed because their production employees millions of Indians living on very slender margins. So, are we claiming that this already fragile, fragmented sector is now capable of filing these kinds of complicated taxes? Are we hoping to wish these people away?

So, when policies get implemented its very crucial to also you know monitor and assess them and find out where they are failing, what are the bottlenecks or what are the problems, how can they be improvised, is it really inlined with the empowerment of the craftsperson that a policy gets introduced, and there are pros and cons to it and there has to be a balance assessment of that.

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Now, talking about the rural and small scale industrialisation. It has held a special place in Indian development thinking and policy formulation from the outset. This privilege position however does not derive from a universal consensus with regard to the rationale and policy framework applicable to this sub sector. Can any crucial policy gaps be identified? Now the researcher is questioning this and of course there have been gaps which have been identified and there is again this lack of consensus and the rationale for policy making even though it is a priority sector and lot of policies and schemes get made and introduced.

How well does rural small scale industry satisfy the extensive developmental claims made by its proponents? And sometimes the claims that we see which are made on paper and which are seen in terms of a certain number growth, maybe they are actually not showing the ground reality. So, again monitoring assessment and the kinds of gaps that we see in the policy making and the policy implementation they all emerge, they all crop up and it has to be really understood and worked upon.

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Now, we will talk about the cluster approach, the cluster approach has been used as a guiding framework for policy action, which by definition nurtures the existing strength and growth potential of functionally interrelated and geographically co-located groups of specialised forms cross - sectorally linked by technologies, markets or value chains. So, when we talk about craft sector there is always a discussion on the mapping of craft clusters the related communities and the networks, where people could you know work as part of a value chain and come up with a system of working that benefits everyone. The cluster approach has been used to define cluster based policy agendas in innovation policy and traditional policy fields. The approach offers a wider view on the needs and benefits of improving coordination across policy sectors.

So, that is a welcome move that we see the importance and emphases given to the cluster approach, you know for policy formulation at varied levels in different scales, but the clusters need to be carefully chosen and worked with. How a cluster is identified, how a repo is built with, that cluster, how there is a sort of a consensus and then an ecosystem which gets generated, how a system of working is formulated, how everybody really comes forward together and works as a team.

So, that kind of again assessment, monitoring and execution of policy is required. Otherwise policy will be on paper and if the working methods are not developed, if the right tools are not employed then the policy is going to fail.

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The informal sector of India faces a major challenge of skill development and acquisition because 93 percent of the work force is in the informal/unorganised sector, about which we have been talking about. At present, women, we talked about the women artisans in the previous lecture also. So, at present women are contributing only a meagre 24 percent whereas the GDP of India can increase by another 4.2 percent if woman workers may get employment and contribute their full potential to Indian economy.

So, we see the gaps here also that there is lack of participation by the women artisans or craftspersons. Now, sometimes its because of the social fabric and the cultural background and how the society works in their community and also sometimes it is to do with the gaps in the policy making and policy implementation. There are gaps in the present quality standards of formal and informal skills training imparted to females undergoing training and female workers working in informal sector.

So, we see a gap here also in terms of the training and skill building. There is also a need to develop skill mapping model to reduce and bridge the gap between the existing level of training of skills and the desired level of training of skills amongst them.

So, these kinds of analysis and exercises are already in place and the gaps have been identified and I am sure there are efforts to bridge those gaps and there are suggestions and recommendations and lot of work is already happening and such discussions amongst us can also help you know, few of us could come up with sort of recommendations and come up with identification of gaps and we could always associate ourselves with some NGOs SHGs or government bodies and then work hand in hand.

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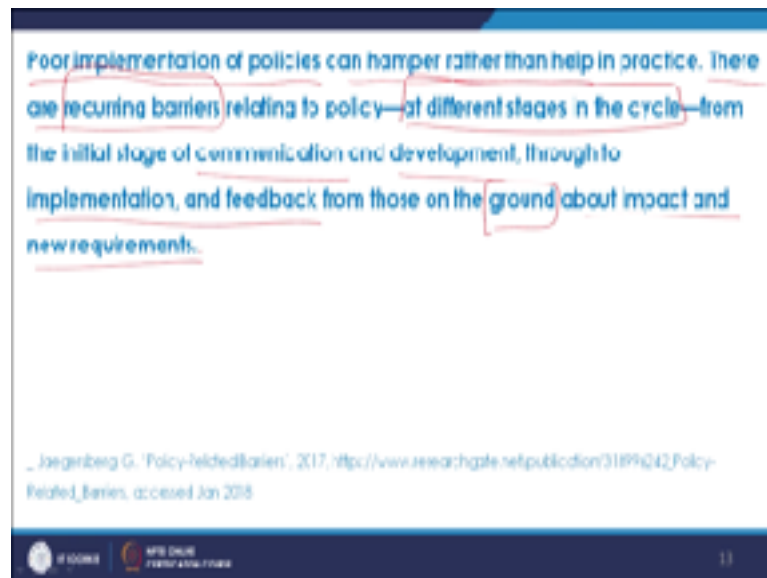


Now, in India the working capital gap has significantly caused sickness in the small scale industrial sector or the small scale industry, and the government of India framed an elaborate financial infrastructure comprising of banking and non-banking financial institutions to meet the credit requirements of the small scale industrial sector, but over the years, the organisational framework has failed to render the desired financial services for the small scale industrial sector for it to meet the challenges of globalisation.

So, to meet the credit requirements again there are schemes and policies and there are frameworks, but somehow the results have not really come the way it was thought about.

So, there are definitely gaps in the policy formulation and implementation. And once they are identified there can be lot of improvements in the policies.

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Also because we are talking about the poor implementation of policies and the gap that exists between the policy formulation and policy execution or implementation, Lets see. Poor implementation of policies can hamper rather than help in practice. There are recurring barriers relating to policy at different stages in the cycle, and right from the initial stage of communication and development, all the way to implementation and feedback from those on the ground about the impact and new requirements.

So, sometimes what is made on paper the ground reality is something else and there is a sort of a gap that exist and we are talking about these gaps so that we can also contribute in doing away with these.

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Also there are dichotomies in India's craft experience and that also leads to these gaps for the you know during the policy implementation. So, there are dichotomies in India's craft experience reflecting the centrality of hand production, the freedom struggle under Mahatma Gandhi's leadership, experiments in craft development in national planning once India was free and contrasting notions today about what represents modernity and progress.

Kamladevi Chattopadhyay pioneered numerous institutions and approaches to empower artisans and ensure a lasting position for craft in India's culture and economy. In recent times there has been a retreat in understanding and supporting artisans and their culture, and skills are being interpreted as representing a primitive past out of step with global power and influence. New attitudes are revealed in terms like 'sunset industry' being applied to the craft sector. A sense of crisis threatens the legacy of India's craft pioneers and the achievements of another generation of activists.

So, where we are talking about the potential of the craft sector and lot of new schemes coming up, the creative cultural industries coming up, the GDPs of the nation being you know contributed through the craft and the craft related activities. There are few researchers and activists who are talking about, you know the other side of the story and how there are dichotomies there are different kinds of perspectives when we talk about

the Indian craft traditions and how there is also a sort of gap when we talk about the traditional craftsmanship and the methods of working vis-a-vis what is the modern method and what are the products which are required in the market.

Now, it could be a healthy debate and there are lot of people who still stick to the very original purest traditional methods of making and there are people who believe in tradition and continuity and how there is a need to definitely bring in change so that these languishing craft can still be brought back to the main stream, but I have always maintained that it should not be completely succumbed by the machine and the mass produced so maybe in the subsequent modules will talk about the tradition and continuity.

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Now, there are also problems related to the enterprising and the entrepreneurship. Problems related to the enterprising environment include critical study of development actions and employer contributions, domestic and international competition, and the problems related to the entrepreneur's qualities, they include the need for better client oriented products, more corporation, accessibility and visibility, and artisans insufficient skills as entrepreneurs.

So, again no matter how many policies are in place if these gaps are not address then the results won't be the best of the what you know the vision things about.

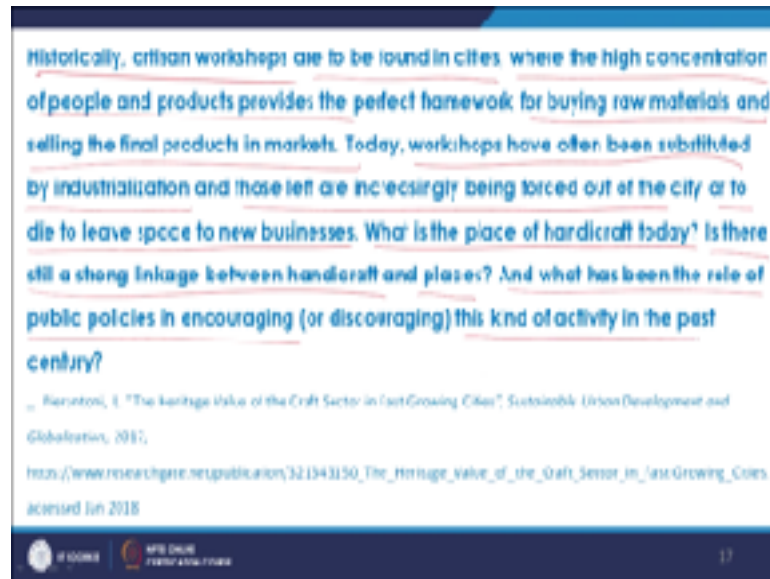
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Now talking about the powerloom sector, the powerloom sector which is decentralised is again one of the most important sectors in Indian textile industry. In view of production and employment of powerloom sector in India, it provides around employment to 60.86 lacs of persons and on the other side it contributes around 58.26 percent to total cloth production in India. Government of India, Ministry of Textiles is always trying to implement sound policies for the growth of powerloom sector because it has been identified as a very important priority sector but sometimes these policies do not reach the craftpersons. And, they don't even know about the existence of such policies.

So, this is also a gap and there needs to be created and awareness regarding these policies and they need to you know be accessible to the craftsman and at the ground level. Also we were talking about the infrastructure in the last lecture where we were talking about the workshops of the craft persons, there is partial configuration and the lack of infrastructure there. So, when we see lot of policy formulation still these you know infrastructural problems are not considered while making the policies.

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Historically artisan workshops are to be found in cities, where the high concentration of people and products provides the perfect framework for buying raw materials and selling the final products in the markets.

Today, workshop have often been substituted by industrialisation and those left are increasingly being forced out of the city or to die to leave space to new businesses. What is the place of handicraft sector today? Is there still a strong linkage between handicraft and places? And what has been the role of public policies in encouraging or discouraging this kind of activity in the past century?

Again this questions has been posed by a researcher and they are talking about the workshops and their location within the city or you know what are the advantages of placing them in a particular zone so that also needs to be addressed while making policies. Then there are lot of policies which get made but there is no discussion on the occupational hazards which are faced by the craft persons.

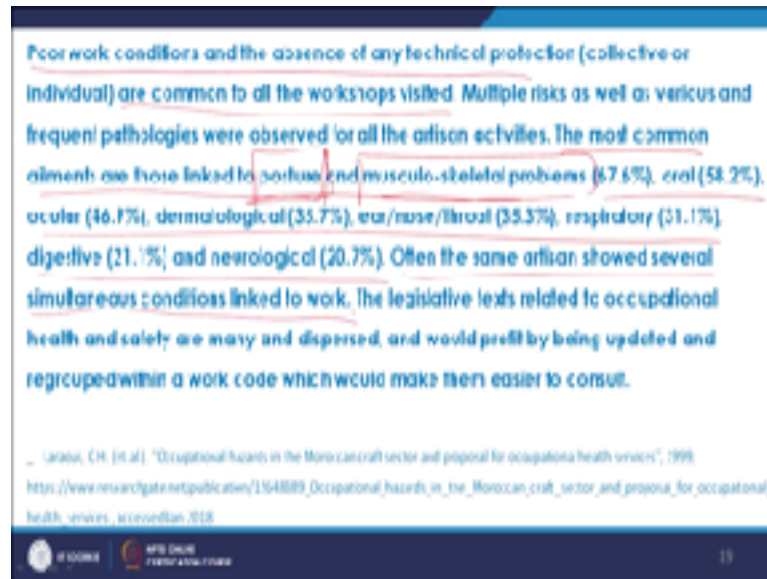
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The absence of occupational health services, the numerous occupational hazards and the high number of people working in the handicraft sector have sparked this study. Descriptive, cross - sectional epidemiological studies were carried out throughout 1996 for different artisan activities. Now this is in the context of Moroccan craft sector, but I found it significant and therefore I have put it here because the similar scenario exist also in the Indian craft sector.

So, the activities were iron work, jewellery making, rug making, tannery, zellige, pottery, and woodworking. The study included 449 artisans and consisted of an analysis of work conditions, a medico-social questionnaire, a clinical examination and among certain artisans, a biological checkup, a respiratory checkup, and a toxicological checkup it was done. And it was found that lot of them actually go through these occupational hazards and the policies have to be made to address these concerns.

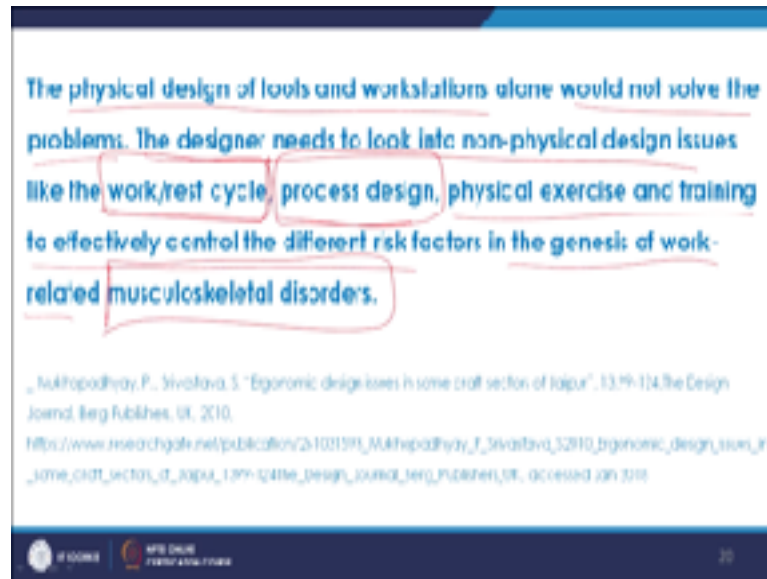
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Poor work conditions and the absence of any technical protection are common to all workshops visited. So, again there was absence of technical protection they were poor working conditions in which the craft persons were found. The most common ailments are those linked to posture and musculoskeletal problems and this of course we will see in the Indian scenario also and there are different kinds of ailments which have been highlighted and it is a huge alarming number. Often the same artisan showed several simultaneous conditions linked to work.

So, this also needs to be addressed while the policymakers are thinking about the livelihood and the empowerment of craftspeople because until and unless they are healthy and you know they put their soul in the work, the output is not going to be good.

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So, continuing with that, The physical design of tools and workstations alone would not solve the problems. Now taking a step ahead, the designer needs to look into nonphysical design issues as well, like the work rest cycle of the artisan craft person, the process which is involved in the designing, physical exercise and training to effectively control the different risk factors in the genesis of work related musculoskeletal disorders that we just discussed in the previous slide, and here because we are talking about the gaps and we have discussed few of the slide elaborately while we were also talking about the overview of the craft sector,

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Interventions	Institutions and Policies in place	Gaps and Problems	Innovations and New Actions (include ongoing activities)	Indicators	Key Assumptions
Entrepreneurship development training and capacity building	MSME Training and Entrepreneurship Development Scheme Ministry of textiles Integrated Skills Development Scheme	Lack of opportunities to scale up MSMEs Lack of entrepreneurial skills amongst micro-entrepreneurs Lack of marketing level and tax environment for entrepreneurial development Lack of exposure to markets, technology, design Lack of organisational and institutional strength	<ul style="list-style-type: none"> • Create guidelines for support group to enter Private Equity and venture capital, equity funding • Expand the role of development agencies to support producer groups, social enterprise private sector • Review Tax regime for small entrepreneurs • Training along value chain should include financial literacy, marketing, management • Fostering the skills development to be earned through VOA • Bring in private sector to incubate small enterprises • Debt and Equity support channel for producers from SIDBI and NABARD • Incentive business cluster in promoting business plan for social enterprises in clusters • Encourage GFA through Bankable Entrepreneurs 	<ul style="list-style-type: none"> • Number of small enterprises • Number of groups created (in skills development programmes) • Enterprise GVA 	<ul style="list-style-type: none"> • Pattern of production should not compromise the cultural specific nature of Indian products and practices

but just to put in perspective one issue which is related to entrepreneurship I have taken this one slide from the analysis of the policy gaps.

So, when we talk about the entrepreneurship development training and capacity building, there are already institutions and policies and place which have been introduced. So, MSME training and entrepreneurship development scheme is there. Ministry of textiles, Integrated Skills Development Scheme is there and there are many other schemes, but when these schemes or policies are formulated there are also lot of gaps and problems that come into picture.

So, there are lack of opportunities to scale up the self-help groups. There are lack of entrepreneurial skills, financial and marketing skills, management skills amongst the artisans and the craft persons, there is lack of enabling fiscal and tax environment for the entrepreneurial development, the exposure to markets is not there and there is also lack of organisational and institutional strength.

Now, having identified these gaps and problems, there is definitely an effort to work on these and try to come up with solutions. So, there is always some introduction of innovations and then there are some new role players who come into picture like we discussed about it in a previous lecture also. So, there is a possibility to create smaller

groups to attain private equity and enable working capital funding. Also the expansion of role of implementing agencies is possible, to revisit tax regime for small entrepreneurs, like we were talking about how GST got implemented and then there were problems that were seen by that introduction. Training along entire value chain should include financial literacy marketing management, this is very important.

So, there are lot of innovations that have been thought about and there are lot of actors that come into picture, who try to solve these problems after the gaps have been identified and then there are indicators with the help of which we can actually see how these innovations and new actors being introduced in the value chain help overcome these problems. And these indicators could be anything like number of small enterprises, number of groups trained via skills development programmes. So, all this is possible, but along with this entire framework also come the risks and assumptions.

So, when we are talking about the entrepreneurship development training and capacity building there is also a risk associated routine of production should not compromise the cultural significance of certain products and practices and we have been talking about it. There has to be a retainment of cultural significance and the originality attached to what the craft person and community have been practicing over generations, we just need to help them we little technical know-how marketing and yes value addition also, an incremental innovation not radically changing everything.

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Sector Issues	Institutions and Policies at present	Gaps and Problems	Interventions and New Action (includes ongoing efforts)	Indicators	Risks/Assumptions
Credit and Working Capital	Ministry of MSME Schemes MSME scheme Ministry of Textiles Schemes 1. AOTY - margin money support 2. CROPS - margin money support @ Rs 4000 per artisan	<ul style="list-style-type: none"> Depletion of working capital for domestic needs No much protection by credit services offered by scheduled banks Stress continues on loan Artisans cluster funding via private investment private equity Lack of financial literacy amongst artisans 	<ul style="list-style-type: none"> * Groups people under Third Development scheme available to extend credit MSMEs and CROPS should be empowered to give loans Artisan cluster funding via private investment private equity * PE as market failure for social exemption Review UST and CROPS artisans producers 	<ul style="list-style-type: none"> Number of artisans beneficiaries Number of social entrepreneurs Amount of handloom fabric received by school 	<ul style="list-style-type: none"> Credit limit should be used for production, not loaned for domestic usage Artisans have to cover margins = a lot of margin production will be decline if not covered Artisans have to cover margins
	1. DPU - assistance for micro entrepreneurs 4. HPS scheme 3. Artisan Training Scheme - credit guarantee scheme		<ul style="list-style-type: none"> Enable TGI on artisans developing across 10% for self-handloom Enabling legislation for handloom demand i.e. handloom for school uniforms Central Government Fund columns of MSME 	<ul style="list-style-type: none"> Artisans beneficiaries PE limit funding social enterprise 	<ul style="list-style-type: none"> Artisans high? Artisans will be used

Craft Sector Gap Analysis Table
Source: Yamini Mubayi, Policy Gaps Study on the Craft Sector in India 2016

There are some more slides but I think we are not going to discuss them in detail, but they all discuss about the gaps in the policies related to the craft sector and also how these gaps after identification have been you know solved or they have been efforts to solve them, or overcome them. Some more gap analysis.

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Sector Issues	Institutions and Policies at present	Gaps and Problems	Interventions and New Action (includes ongoing efforts)	Indicators	Risks/Assumptions
Artisan Welfare, Occupational Health and safety	Ministry of Textiles Schemes 1. Comprehensive Welfare Scheme AAFT, PWSB 1. CROPS NRLM - social security schemes Ministry of Labour and Employment - Insurance schemes, Pension schemes, OHS laws	<ul style="list-style-type: none"> Lack of information and knowledge about the changes among the potential beneficiaries Perseverance of schemes at the local education level Lack of comprehensive database on artisan craft, produce, groups Lack of recognition of artisans identity Lack of networks linkages No extension of Green Value Added (GVA) Lack of Occupational health and safety norms and support towards improving working conditions Lack of Environmental norms and infrastructure support 	<ul style="list-style-type: none"> Health and Labour norms - expand number of service providers Ministry will share standards Handmade Green - create database supplemented by NRLM Lower Artisan ID card Convergence of infrastructure services provision - approach not open in terms of connecting to groups, marketing, power supply, connectivity etc. implementing agencies - attempt to include NGOs activities relevant groups Early and voluntary and awareness campaigns * Craftsmen - benchmark for ethical practice Awards to master craftsmen and other decent innovative awards 	<ul style="list-style-type: none"> Artisans awareness - number of service providers Estimate type, by crafts center Estimate number of artisans added to the welfare security Crafts added to UNESCO's ICH list 	<ul style="list-style-type: none"> Estimated production should not end in the shifting

Now, I will just briefly also discuss about this philanthropic foundation and the report crafting a livelihood which has been developed by them.

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'Crafting a Livelihood' report released by Desra, a leading philanthropic foundation, states some interesting findings as below:

- The global market for handicrafts is USD 400 billion with India's share below 2%, representing a tremendous growth opportunity.
- The crafts sector is highly unorganized and informal with 42% artisans working out of their homes.
- Crafts is a small scale industry with 39% artisans incurring production expenditure of less than INR 12,000/USD 215 per year.

— HIDCOP News Network, "The Declining Legacy of India - Rural Artisans Report", 2015, <http://india.in/the-declining-legacy-of-india-rural-artisans-report/>, accessed Jan 2016

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27

And there are key findings that we see out of this report. So, the global market for handicrafts is US dollar 400 billion, with India's share below 2 percent, representing a tremendous growth opportunity. So, when we see such kind of data and analysis there is also an opportunity that comes into picture and once the opportunity is there, the policies could be aligned with that and you know the work could happen to achieve success in that identified priority sector. The craft sector is highly unorganised and informal with 42 percent artisans working out of their homes.

So, there are also challenges and issues that come into picture. Crafts is a small scale industry with 39 percent artisans incurring production expenditure of less than INR 12 thousand per year. So, the initial investment is quite less as we have been discussing, just to strengthen that and encourage more artisans and craftsperson's to continue working in the sector the policies could be formulated accordingly and they could be disseminated.

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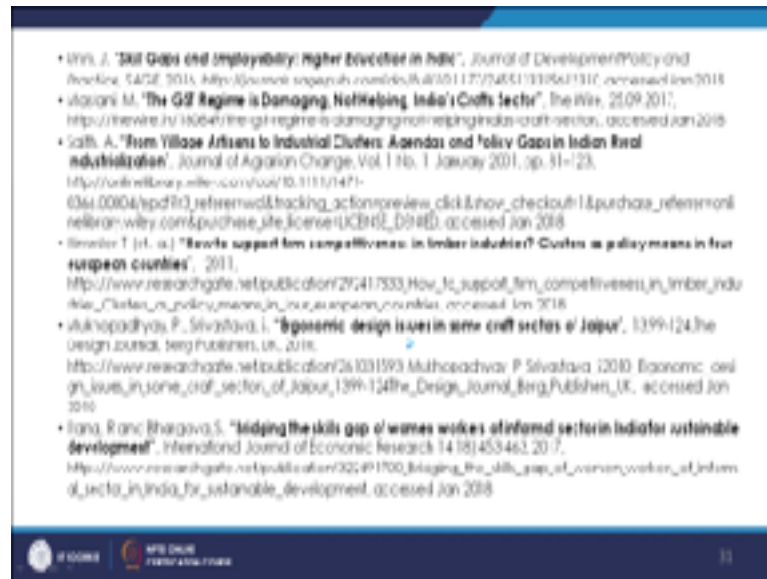


Now, 50 percent of household heads of craft producing families have no education with 90 percent of the women in these families being completely uneducated.

Now, since we know this kind of a challenge and a gap policies could really address to them and come up with some kind of an education system in the craft sector like we discuss the case of China in a previous lecture. Craft is a family activity as 76 percent of them attribute their profession to traditions and legacy. Now, having said all that and having seen all these findings and policies and gaps. The Indian government private sector and non-profits are each involved in the sector but their roles have evolved in silos with little specialisation and much duplication.

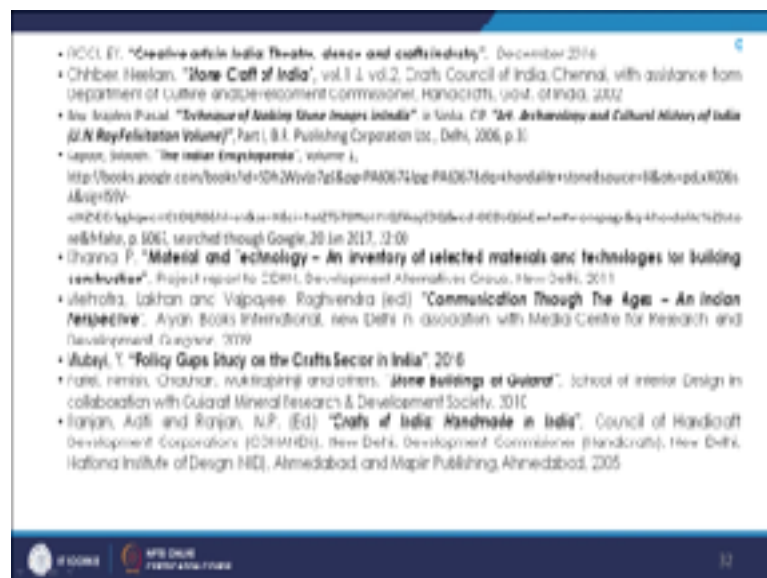
So, that is again a problem and there is a gap in the policy formulation to the implementation because there is no ecosystem and there are silos that we see and there are has to be working together and convergence of policies. So, in the next module we are just going to have a discourse and just have a look at the summary of all the lectures that we had in these 3-4 modules. Some references for us.

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These here that we see are specifically related to this lecture where we have talk about the gaps in the policies related to the craft sector.

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And then there are also the consolidated list of books and references that we have been anyway referring to.

Thank you.