

# **Study on Impact of Artisan Identity Card on Lives of Artisans in Bihar**

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**Foreword**

This paper is a result of research work done over a period of two month. Most of the time in research was spent interacting with artisans engaged in various traditional handicrafts and handloom activities. The results highlighted in the report are based on the field study conducted in the villages of Bihar and the fairs organized on the occasion of Bihar's centenary celebration. I would like to thank my research guide Mr. Amit Chandra, for giving me directions and guidelines throughout the period of the research paper. I would also like to thank CCS (Centre for Civil Society) for giving me an opportunity to write this research paper and the staff of Nidan, CCS's partner organization in Bihar which facilitated our field visit and made the mammoth task of interacting with artisans simple. I would like to give special thanks to Dr. Parth J. Shah for providing me with crucial inputs, suggestions.

All mistakes, however, will remain my responsibility.

New Delhi, June 2012

Rajul Jain

### **Executive Summary**

It has been recognized that handloom and handicrafts sectors provides employment to artisans and indirectly to input industries. It also acts as a preserver of various kinds of traditional arts which represent our cultural wealth and traditional wisdom. In order to protect and support this sector a number of efforts have been made. The foremost step taken was setting up of All India Handicrafts Board in 1952. Since then a number of schemes and institutions for promoting this sector have been initiated. The state government and central government both plan and implement policies and schemes. It is to evaluate the performance of these efforts that this paper looks at one such specific scheme of issuing artisan identity card. The said facility is not as such an independent scheme and is tagged with other schemes which facilitate credit access, health and life insurance and access to marketing opportunities. As such this scheme of issuing artisan identity card does not even have specific budget allocation and the expenditure on this count is often met under the Miscellaneous head. Having said that it must also be kept in mind that it is an important ingredient of the entire system as the policy makers intend to identify the artisan population through this tool and make it a basis for obtaining access to any scheme run by the Ministry of Textiles and the Department of Handicrafts. The aim of the paper thus is to gauge the level of awareness, accessibility to facilities, the reasons for the gaps in the system and suggestions to overcome the handicaps plaguing the system.

The study is based mainly on primary sources of information gathered by way of interviews. A sample of artisans was interviewed following a questionnaire method. The secondary data comes from government's policy documents, annual reports, scheme guidelines and information obtained under the Right to Information Act.

The paper identifies the lack of knowledge and awareness among artisans about the various schemes run by the government. Moreover, the artisans face distance from government offices, which are usually located far from the villages, as reasons for low accessibility to the facilities. It has also been observed that the number of artisans is far more than the current resource allocation can benefit.

The paper recommends implementation of various simple measures like engaging modes of advertising which can reach the local population. The paper also calls for improvement in quality and quantity of services. There is also a need to do social audits of the schemes.

## **1. Research design**

### **1.1 Introduction:**

A Research Design is the framework or plan for a study, which is used as a guide in collecting and analyzing the data collected. It is the blue print that is followed in completing the study. The basic objective of research cannot be attained without a proper research design. It specifies the methods and procedures for acquiring the information needed to conduct the research effectively. It is the overall operational pattern of the project that stipulates what information needs to be collected, from which sources and by what methods.

**1.2 Aims of the study:** the following are the broad objectives of the study.

- To interview a pool of 20 artisans who hold artisan identity card issued by the Ministry of Textiles by following a questionnaire method approach.
- To gauge the level of awareness regarding the Artisan Identity Card and the level of access to the facilities available under the same.
- To map the process of application, formalities to be fulfilled and the time requisite for obtaining the Artisan Identity Card.
- To gauge the impact of use of Artisan Identity Card on the lives of artisans.

### **1.3 Research methodology:**

Type of Data collected

There are two types of data used. They are primary and secondary data. Primary data is defined as data that is collected from original sources for a specific purpose. Secondary data is data collected from indirect sources.

A) Primary Sources - These include the survey or questionnaire method as well as the personal interview methods of data collection.

B) Secondary Sources - These include books, the internet, government department brochures, product brochures, websites, newspaper articles etc.

### **1.4 Sample and its features:**

Since the objective of the study is to gauge the impact of Artisan Identity Card on the lives of artisan, the pool of artisans selected had the following characteristics:

- Holder of artisan identity card for a substantially long period of time (upwards of 1 year).
- Engaged in artisan work traditionally or for substantially long period of time (upwards of 5years).

A random sample of 20 artisans was chosen from a bigger pool of artisans all of whom fulfill the above laid out conditions.

- The respondents are engaged in various kinds of handicraft work ranging from making of lac bangles, appliqué, handloom weaving, dry flower making, jute jewellery, siki work, terracotta, madhubani painting, woolen/ cotton carpet weaving, grass mat and mithila painting on various bases.
- The respondents interviewed represent a wide geographical stretch predominantly over Bihar and only a handful from other states. The respondents come from various districts like Mujjafarpur, Hajipur, Nepura, Chapra, Patna, Barauni and Bhagalpur in Bihar, Bhadoi in Uttar Pradesh and Tawang in Arunachal Pradesh.

### **1.5 Plan of analysis**

Tables were used for the analysis of the collected data. The data is also neatly presented with the help of statistical tools such as graphs and pie charts. Percentages and averages have also been used to represent data clearly and effectively.

### **1.6 Limitations of the study**

- Majority of the Respondents are from Bihar and thus the sample size represents a very small geographical area for the analysis of a Central Government run scheme.
- The study is based on the assumption that information provided by the respondents is true.
- The sample size is restricted to 20 whereas a total of 99,029 artisans hold Artisan ID card since the inception of the policy till 20<sup>th</sup> February' 12 in the state of Bihar alone. Thus, no conclusive results are drawn, only an effort to depict a pattern and raise and address concerns in the sector. *(as per letter dated 29/03/2012 of the Ministry of Textiles, O/o the Development Commissioner(Handicrafts), information obtained under RTI application- annexure 2)*

## **2. Purpose of introducing Artisan Identity Card and the structure of the Department of Handicrafts**

Artisan Identity cards have been issued for the last 2 decades at least and their sole purpose is to identify and recognize artisans. The policy makers envisage that the card would serve the purpose of defining the pool of eligible applicants for providing access to the various schemes run by the Department of Handicrafts. It is therefore similar to various other identity cards issued to the citizens, for example ration cards, which segregate the people into various categories like below poverty line etc and thereafter facilitate particular service of providing food grains to eligible people. It therefore is not very difficult to understand and underline the purpose of issuing artisan identity cards to artisans all across India. It may further be highlighted that the intent of the Ministry and the Department of Handicrafts is to provide absolute coverage to artisans and make the artisan identity card as the sole qualifying factor for access to various schemes. The artisan identity cards were earlier made manually but for the last 5-6 years the process has been changed to that of making this card electronically. A sample of the new and old cards is at *annexure 3*. For the purpose of implementing the issuance of artisan identity card the entire national artisan population has been divided into 6 regions as below:

<b>Region</b>	<b>States</b>
Northern region	Delhi, Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Haryana, Chandigarh(UT)
Central region	Uttar Pradesh, Uttarakhand
Eastern region	West Bengal, Bihar, Orrissa, Jharkhand, Chattisgarh
North Eastern region	Assam, Manipur, Tripura, Arunachal Pradesh, Mizoram, Naga, and, Sikkim, Meghalay
Western region	Maharashtra, Madhya Pradesh, Goa, Gujarat, Daman & Diu(UT).
Southern region	Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Pondicherry (UT), Andaman & Nicobar (UT), Lakshadweep(UT).

Further for this purpose a Facilitating Agency is appointed by the Department of Handicrafts on tender basis. The facilitating agency is responsible for printing and issuance of artisan identity cards among other things. The facilitating agency is saddled with the following main responsibilities:

- a) Identification and mobilisation of Artisans population of the state.
- b) To publicise and promote the scheme of “Identity Cards” among the artisans.
- c) Providing assistance to individual artisans in filling up of Application forms including their photographs and application forms.
- d) Collection of all the filled up application forms and segregation of the same as per jurisdiction of the field offices.
- e) Organizing camps in major craft concentrated areas for filling up the forms as per the requirement to meet the target. Organizing at least one camp in each state in every month.
- f) Delivery of forms to different field offices as per jurisdiction for verification by Additional Director concerned.
- g) Printing of ID cards as per specification.
- h) Distribution of printed Identity cards among the artisans in a time frame of four week of filling of Forms. Four week will not include time taken by the field offices for vetting.

(Source- invitation of tender- <http://handicrafts.nic.in/tenders/tender301111.pdf> )

Each facilitating agency is awarded the tender for a period of 9 months for a maximum of 3 states.

## **2.1 Application for artisan identity card**

The form for Photo Identity Card can be obtained from Headquarters Office/Marketing Centre/Service Centre/Regional Office. Forms may also be downloaded from official website of office of Development Commissioner (Handicrafts) (website- <http://handicraft.nic.in>) . The proforma for the issuance of ID card is a simple form requiring the artisans to provide details regarding educational qualification, craft practiced, annual income, details of registration of the unit and channels through which the products are sold, among other things. A copy of the proforma to be submitted for the ID card is at *annexure 4*.

## **2.2 Supporting documents**

This proforma is to be supported by photo copy of any document like Voter Identity card, Driving License, Ration Card, Passport, Unique Identity card and one photograph of the applicant. The applicant may be required to also submit an undertaking to the effect that the applicant does not already hold an artisan identity card.

### **2.3 Procedure**

The Department of Handicrafts operates at various levels. An artisan may fill up an application for printing of Identity Card and submit the same at the nearest Marketing Centre/Service Centre/Regional Office. After completion of the required formalities the applications are sent to the concerned Regional Offices from the concerned state marketing centre. These are further sent to the Headquarters at New Delhi. The photo identity cards are thereafter issued by the Head quarter's office at New Delhi. The process includes verification by sending of field officers to the working units of the artisans to authenticate that the artisans indeed carry the hand work claimed by them. Alternatively the artisans may be called upon at the various offices to showcase their work and fulfill the necessary verification requirement. It is only after the truth of the engagement in handicraft is verified that the application reaches the final stage and is issued at the earliest. As per the official estimated timeline, processed identity card can be procured by an artisan within 30 days after submission of completed Identity card application form. (Source- <http://handicrafts.nic.in/forms/faqid.htm>)

### **2.4 Cost**

Artisan Identity cards are issued free of cost.

### **2.5 Processed Identity card**

The processed Identity card carries simple information like name, father/spouse's name, address, and location, name of craft and date of issue.

### **2.6 Number of Artisans Identity cards made compared to number of artisans**

It is difficult to find statistics on the number of artisans in the country as it is a very vast domain which is very dynamic at the same time. . However, recent estimate shows that the number of artisans on national level is approximately 68.86 lakhs (as per census of handicrafts conducted in the 11<sup>th</sup> plan). The figure for national level stood at 47.61 lakhs under the survey held in 1995-96. Rough idea about the distribution of artisans among various states/regions can be drawn from some old figures collected under the 1995-96 survey which are as under:

<b>Region</b>	<b>States</b>	<b>No. of Artisans (1995-96) (in lakhs)</b>
Northern Region	Delhi, Punjab, Rajasthan, Himachal Pradesh, Jammu & Kashmir, Haryana, Chandigarh(UT)	12.64
Central Region	Uttar Pradesh, Uttarakhand	11.77
Eastern Region	West Bengal, Bihar, Orrissa, Jharkhand, Chattisgarh	8.37
North Eastern Region	Assam, Manipur, Tripura, Arunachal Pradesh, Mizoram, Naga, and, Sikkim, Meghalay	8.89
Western Region	Maharashtra, Madhya Pradesh, Goa, Gujarat, Daman & Diu (UT).	3.07
Southern Region	Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Pondicherry (UT), Andaman & Nicobar (UT), Lakshadweep(UT).	2.87

According to information obtained under Right to Information Act 99,029 artisan identity cards have been issued in the state of Bihar since the inception of the scheme till 20<sup>th</sup> Feb 2012 (*Annexure 2*). Bihar specific statistics regarding the total number of artisans in the state are unavailable; however looking at the above table we can draw some presumptions as to the number of artisans. If we assume that the related figure was well above 1 lakh (by roughly dividing 8.37 lakh artisans among the 5 eastern region states-as per the above table) in 1995-96 and factor in the percentage decadal growth rate of population at 28.34 (*source- <http://gov.bih.nic.in/Profile/CensusStats-01.htm>*), we observe that it is natural that successively more people must have joined various professions under the handicrafts sector, we can clearly observe that the number of artisan identity cards are far less than required.

## **2.7 Suggestions**

- 1) As already noted above, the process followed, from the filing of application till the issue of the identity card by the head quarters is long drawn. Also as opposed to the official timeline of 30 days, artisans' experiences reflect that the process may take several months to over a year. The time line varies but more often than not the artisans are made to wait for several days and make a number of visits to the concerned office for procuring their identity card. The process can be simplified by decentralizing the issuance of the artisan identity card. The same is currently done at the Head quarters at New Delhi only. It is only logical to infer that these applications are processed in lots, since they have to travel from one office to another, across states. The delay is thus inbuilt in how the system works. Such delays may also result in loss of valuable opportunities by the artisans. Therefore, it is suggested that the process of issuing identity cards should be decentralized.
  
- 2) It is also observed that a large number of people lack basic knowledge regarding not only the schemes but also about the artisan identity card itself. This lack of knowledge is largely on account of dearth of advertisement or promotional set ups by the state institution and artisans being far removed from the government offices that provide the facilities. Therefore, it is suggested that better methods of reaching out to the artisan community be adopted. Since this function is entrusted with the facilitating agency chosen by the government by way of tender, their performance needs to be strictly monitored and proper account of how the outsourced task is performed should be taken.  
It may further be added that the simple fact that the task of advertising is entrusted to the facilitating agency does not absolve the Department itself of all responsibility.
  
- 3) Deliberating again on the problems faced on account of lengthy process of card formation and the inconvenience thus caused to the artisans, we suggest that it can also be solved by recommending statutory maximum time frame for the same. Time frame in the simplest terms would be a specified number of days within which the officials are duty bound to process the applications for artisan's identity card. This time frame should be coupled with penal provisions. This can be done on the lines of the Right to Public Services Act which has been introduced in several states and the proposed Central legislation.  
Under the said legislation the officers are duty bound to perform their functions within a specific timeline, failing which they are subject to compensate the public in monetary terms. Alternatively the services of issuing artisan identity like that of issuing death and birth certificate, OBC, SC/ST and income certificate etc. should be included in the services guarantee legislations already notified/ enacted.
  
- 4) During our interactions with the artisan community it also came out that a lot of time is wasted in the verification process which requires a field officer to visit the artisan and test the truth of his claim of practicing a particular craft. It is quite

obvious that keeping monetary considerations as well as distances in mind these officers visit a particular village/area only when a considerable number of applications from a particular area are received. This causes inordinate delay in processing artisan cards.

In view of this problem it is suggested that since field officers are employed, they should be under an obligation to make monthly visits to even far flung areas.

It is further suggested that artisans should be encouraged to bring their products to the office of the department for verification rather than stressing field visits.

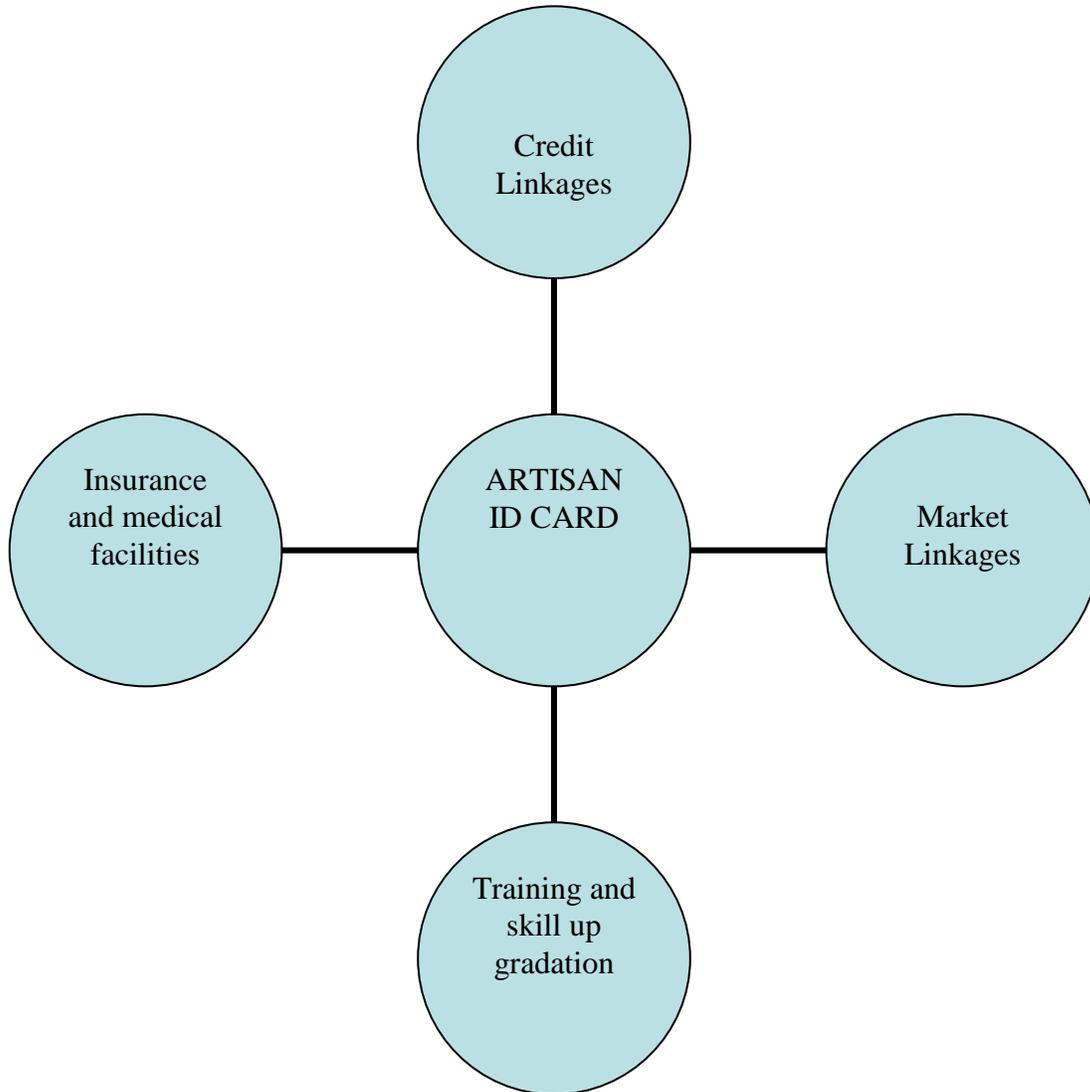
- 5) The officers should be duty bound to issue written communication regarding the reasons for non-issuance, delay etc.

## **2.8 Benefits under the Artisan Identity Card**

Under the Artisan Identity Card the artisans may avail of the following facilities:

- 1) Free stall at Gandhi Shilp Bazar
- 2) Insurance Coverage under Jan Shree Bima Yojna
- 3) Insurance coverage and medical facilities under Rajiv Gandhi Shilp Swasthya Bima Yojana
- 4) Credit facilities through banks under Artisan Credit card Scheme
- 5) Submission of entries for National Awards
- 6) Training under Guru Shysya Parampara under HRD Scheme of the Office of Development Commissioner (Handicrafts) (*Annexure 2*)

Therefore, the facilities provided can be categorized under 4 major heads.



### **3. Analysis and interpretation**

As mentioned above the four categories of facilities encompass the entire range of resource input by the state for the artisan community all over India. The basic test thus to check the level of accessibility and the percolation of benefits of state policy is on the yardstick of these four basic amenities.

#### **3.1 Part I Training**

##### **3.1.1 Introduction**

Training to artisans is provided under Guru Shysha Parampara under Human Resource Development Scheme of the office of Development Commissioner (handicrafts). The objectives of the scheme is to train the semi skilled artisans to upgrade their skills, to add

additional skills to artisans through master craftsman, who possess good skills for better value additions, quality of output, finishing and innovative techniques and use of improved tools and technology. This training is to enable improved production as well as productivity to adapt to the changing trends in the market by introducing new design and techniques.

The overall objective of training programmes in general is to upgrade existing skill and to add supplementary skill to artisans through existing institutions like vocational training centre, polytechnics, industrial training institutes etc. in the core art as well to gain benefit of exposure/ interaction with the other courses allied to the crafts. Further the schemes aims to strengthen the production base by imparting skills on use of appropriate techniques, processes and innovative designs to meet the market requirements. It is envisioned that training will provide continuous and sustainable development of artisans community, create fruitful employment and also make a strong base to supply produce to international market. The scheme provides for the following kinds of training:

- 1) Long term course varying from 4-9 months
- 2) Short term course varying from 1-3 months

Number of trainees is fixed to a maximum of 10 per batch.

The scheme further provides for a stipend of Rs.2000 per month per trainee.

The schemes also provides for training of artisans and NGOs, potential entrepreneur and SHG leaders in non-technical skills such as micro finance / entrepreneurship development / preparation of business plans / preparation of project reports / packaging / export procedures / Documentation etc.

(Source- Scheme policy document- <http://handicrafts.nic.in/hrd/hrd5.htm>)

**3.1.2** The government scheme focuses on skill up gradation. In this regard the respondents were asked questions regarding their initiation into the artisan work and the source of training held by them. It was observed that:

- i) 50% of the respondents have never been formally trained and their learning stems in informal methods like apprenticeship and/or learning by self because the artisan work is a traditional art of the family.

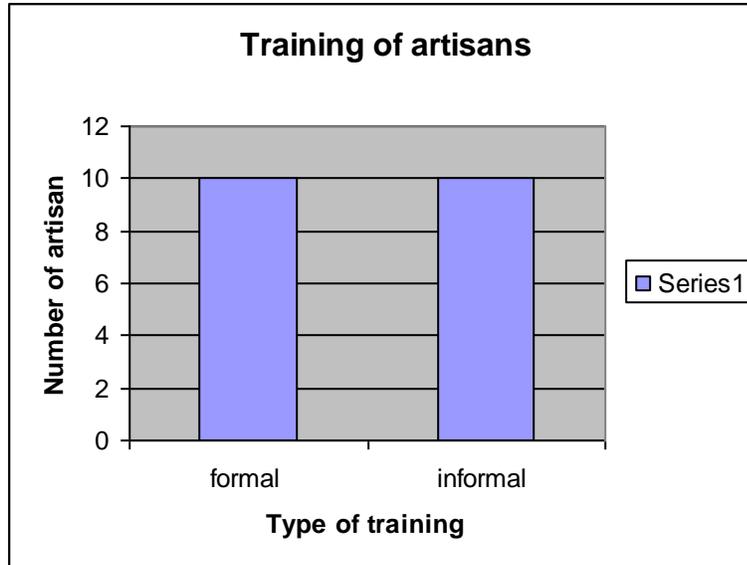


Figure 1

- ii) Those not receiving any formal training can be further categorized into two groups namely: apprenticeship and learning by self/family.
- iii) While 2 out of 10 respondents have learned artisan work by apprenticeship method 8 out of the 20 respondents have taken to the artisan work as family's traditional art and business.
- iv) Apprenticeship is an age old method of learning the tricks of the trade by working under another person. As was observed on our field visits children start working at tender ages, under already established artisans on a daily wage system for example in lac bangle making units. In a couple of years they pick up the skills, contacts and start their own units gradually expanding in number of helpers and capital investment.
- v) The category of traditional artisans constitutes a considerable 40% and this has some simple implications for our study. Though this is a clear indication of passing on of the artisan work from generation to generation and carries with it some benefits, like having a ready base for them in terms of requisite infrastructure. It may also act to the disadvantage of these artisans as they lack knowledge on innovative designs and processes. Since most of the respondents are living in villages and small towns, far removed from the markets and do not have access to sources of knowledge of market trends etc. they earn bare minimum on their products despite putting in long hours of labour.

- vi) A classic example of the point raised above is the study of the weavers' community of village Nepura, Bihar. On our visit to the village we interacted with a number of artisans and the following are some observations:
- a) Almost the entire village is engaged in handloom work and almost all are traditional artisans with generations carrying out the same craft work.
  - b) There are certain discernable patterns in the community. Some artisans are more prosperous than others. The village is quite far from the city area or major market centres and the fact that these artisans can't afford modern means of transport, adds to the difficulty of accessing the outside world. Thus it can be safely assumed that they have absolutely no idea of changing market trends in terms of designs, clothing materials in demands etc.
  - c) It was observed that some weavers work for mahajans/middlemen, some for NGOs, partly middlemen and partly for NGOs and a selected few for organisations with presence in international markets. While all of them produce similar cloth and put in similar number of labour hours, the ones dealing with mahajans and NGOs earn bare minimum rates per metre. Their produce is also mainly sheets of plain silk/cotton cloth. In sharp contrast was an artisan, we met, who supplies his produce to an organisation called JIYO with presence in international markets. The organisation maintains regular contact with the artisan and a designer is assigned to work with the artisan on colour combinations, patterns and designs to be used. The artisan during our conversation mentioned that the designer devotes huge amount of time, as much as 8 days, on detailing the products. The artisans consequently have higher level of skills and comparatively earn more than others.  
This clearly shows that there is a marked difference in quality of the product of these artisans directly reflecting in the difference in their earnings. The point highlighted here is not to suggest that the government department or the schemes should also so intricately involve themselves with the artisans. The same is not practical. However, the point is made to underline the importance of innovative techniques for making products which can be imparted through training only.
  - d) It was also observed that the artisans showed willingness to learn new methods of production and design patterns. They also showed awareness regarding importance of innovation in competing with rivals in the market.
- vii) Among the 50% of those who claim to be formally trained can be further divided into two categories by us namely, those trained under government institutions and the other group trained by NGOs running their intervention programmes.
- viii) Only 30% of all the respondents interviewed have admitted to receiving any kind of training at any point of time in their profession from a government

institution (emphasis being not only on the starting of the artisan work but also skill up gradation). This shows lack of penetration of government schemes.

- ix) While on the other hand 20% of all the respondents interviewed have received training provided under various NGOs' programs.

### **3.1.3 Explanations for the above results can be found in the following:**

- i) Usually the organisations and institutes set up by government are located in urban and semi-urban areas and thus are displaced from clusters of rural artisans. The long distances create accessibility issues. While on the other hand the NGOs follow a targeted intervention program approach and place themselves within such communities to tap the resources and promote their progress.
- ii) The far distances also have a gender aspect to it. A general observation would show that almost all households employ the female along with male members in the artisan work. While females may not be independently carrying out the art work they usually are a part and parcel of the process involved. Thus, it can be said that their participation forms an important part of the entire system and promoting their talent and honing their skills by taking them under the wing of training can enhance their income levels, women's social status and further the progress of the family as a whole. However, the far distances act to the disadvantage of female artisans who may face restrictions on mobility due to family's reluctance or because they are not well equipped to manage traveling and/or staying away from family.
- iii) Another factor contributing to the skewed result referred to in para viii and ix of observations above, with respect to access to training by artisans is loss of income. During the training the artisans are often required to stay in places away from home which puts a halt on their regular artisan work. Since most artisans operate on a small scale and live hand to mouth, stoppage of work even for a month or two can create distress situations for them. This maybe aggravated by the fact that the person receiving training maybe the sole earner in the family, absence of any or inadequate stipend mechanism makes training less attractive.
- iv) Respondents are also unaware of the appropriate forum/office of the government that provides access to these facilities.
- v) Further there are no adequate support systems or mechanisms to maintain contact with the artisans post training programmes and/or track their progress

or provide them with opportunities to market their produce. In such a situation even though government maybe spending huge amounts on training programs the same may not reap benefits for the artisans, even the ones who are receiving training. This may happen as even though artisan is well trained in innovative methods and processes he may face challenges on account of marketing, raw material procurement, credit etc.

#### **3.1.4 General observations:**

- i) The respondents who had participated in training hosted by government institutes were asked questions as to the usefulness of the same. It was observed that all such respondents except one rated the training as above satisfactory, which included rating it as excellent, good and very good.
- ii) Respondents show a marked willingness towards learning techniques and processes related to their artisan work to enhance their income and face competitive market trends.

#### **3.1.5 Suggestions:**

- i) The government schemes should make special intervention programs to conduct useful training sessions closer to smaller towns and villages. This may be done by identifying clusters of artisans engaged in various traditional art works. This can be done especially for art works typical to geographical areas. Thus the approach should be to reduce distances and improve accessibility.
- ii) If the programs can not be molded or the centres of training can't made more accessible, efforts may be made to make the programs more lucrative with a satisfactory stipend and post training employment/market accessibility opportunities.
- iii) Special emphasis needs to be laid on publicity of training programs. The advertising should be done not only through local newspaper and radio channels but through various others forums which have presence in the local areas. This may involve putting posters in office of the Block development officer, primary health centre, as these would be areas visited more frequently by people. This method of advertising would create more awareness about such programmes.
- iv) A system may be built to catalogue the details of various artisans and track their progress post training.
- v) There should be information centres set up at the offices of various Development Commissioners (handicraft) and their regional level, district level offices as also at the training centres. The role of these training centres would be to act as mediators for the artisans coming with problems and questions related to various aspects of their work. The role would be limited to

information dissemination. This would help in filling the information gaps in the system.

### **3.2 Part II**

#### **Access to market via participation in trade fairs**

**3.2.1** Another facility covered under the artisan identity card is that of providing opportunities to artisans of participating in state level and national level fairs organized all over the country. This is in fact a key aspect of the schemes under study.

The modes of selling produce can be categorized as:

- i) direct sale in the market areas
- ii) NGOs linkages
- iii) via middleman/mahajan
- iv) Only fairs

Based on the above categorization the respondents were asked questions related to modes of selling their products, returns from various modes and factors affecting choice of mode to sell products.

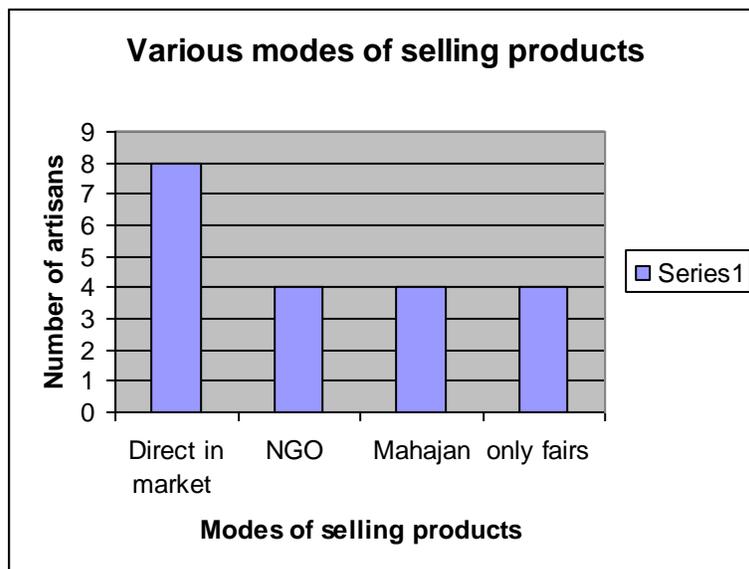


Figure 2

### 3.2.2 Findings of our survey:

- i) The results show that altogether 60% of the respondents have no access to markets and depends on various linkages like the NGOs, local Mahajans and the government organized fairs.
- ii) It is observed that the returns which the artisans receive on their wares through NGOs and local mahajans are the bare minimum wages for example, rates are per meter cloth woven and the rates can be as low as Rs.20/m for handloom cloth.
- iii) Looking at the system we observe that there are shades of exploitation and disadvantage through which these artisans are put to. Considerable amount of labour goes into preliminary processes and the final process to make the products. Moreover, it needs to be recognized that these artisans are apart from normal labourers in as much as they are applying their special skill and knowledge. Paying them wages like these reduces them to labourers like that of any other product and robs the value that should be given to their traditional artisan skills and knowledge. It is quite ironical that these same objects are sold at manifold higher prices in the open market by middlemen while the artisans receive a meager amount.
- iv) It is also worthy of attention that 20% of the respondents (mostly women) depend solely on fairs organized by the government. Thus fairs organized seem to be having a very visible impact on the lives of the artisan who depend on them for markets and earn considerable profits.
- v) It is observed that 14 out of 20 respondents have used their artisan identity card to attend fairs. Further a majority has made use of the opportunity to attend fairs outside the home state as well.

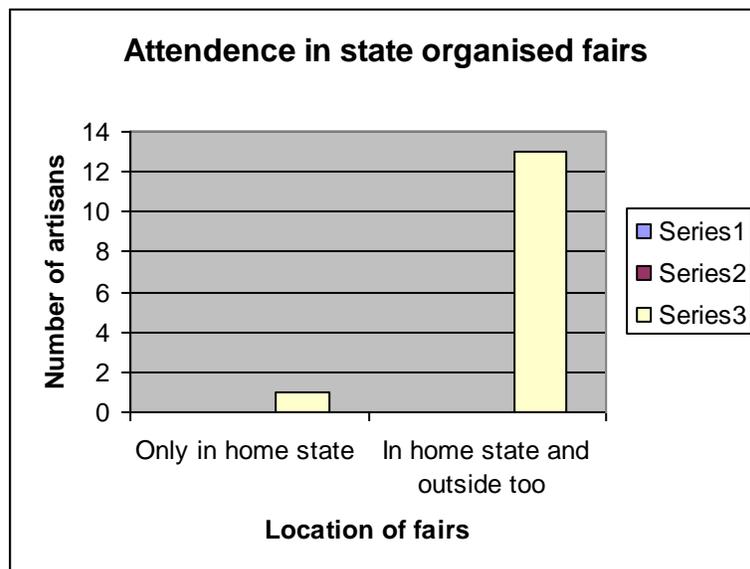


Figure 3

The above figure depicts distribution of the 14 respondents who have ever used their artisan card to attend fairs on a geographical basis. An unprecedented majority has shown mobility across states to make best of the opportunity to earn.

- vi) Further to throw light on the impact of attending these fairs on the earnings of the artisans we gauged the differences in their income level during these fairs and otherwise through business in normal course.
- vii) We observed that 6 (out of 14-those who have attended fairs) have admitted to earning in the bracket of Rs. 5000 and below in a fair which may range from 2 to 5 days. Moreover, about 22% of the respondents expressed that their sales go up to several thousands.
- viii) Therefore it is noted that fairs provide decent earning opportunities when comparing their income from regular work. The artisans are able to earn in a fair of minimum of 2-3 days, what they generally earn in a month.

However, it may be noted that differences in income levels among artisans during fairs arise due to difference in the value of the product being sold and stocking capacity of the artisan. The products of the artisans interviewed products range from silk sarees to low value jute jewelry and terracotta pots.

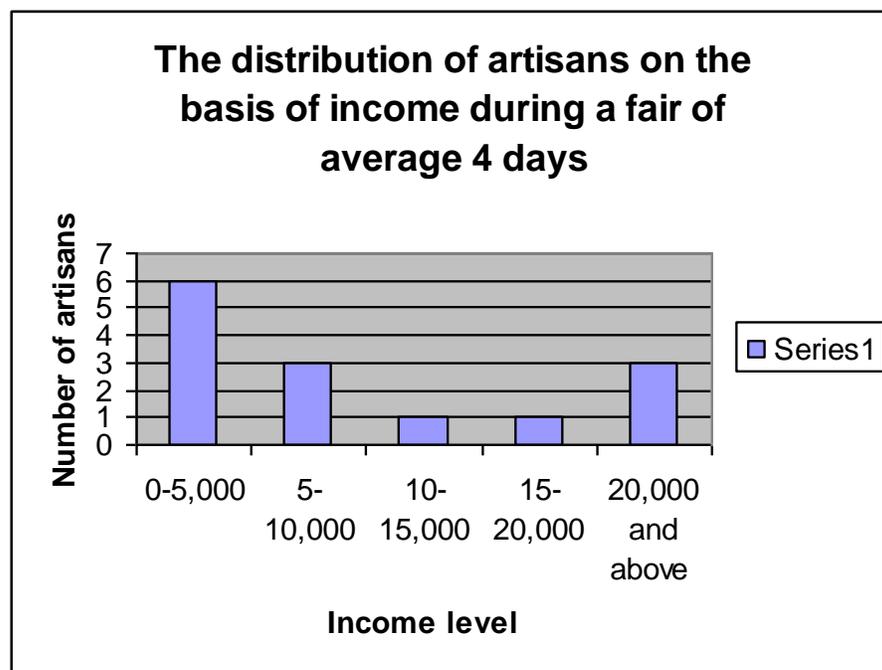


Figure 4

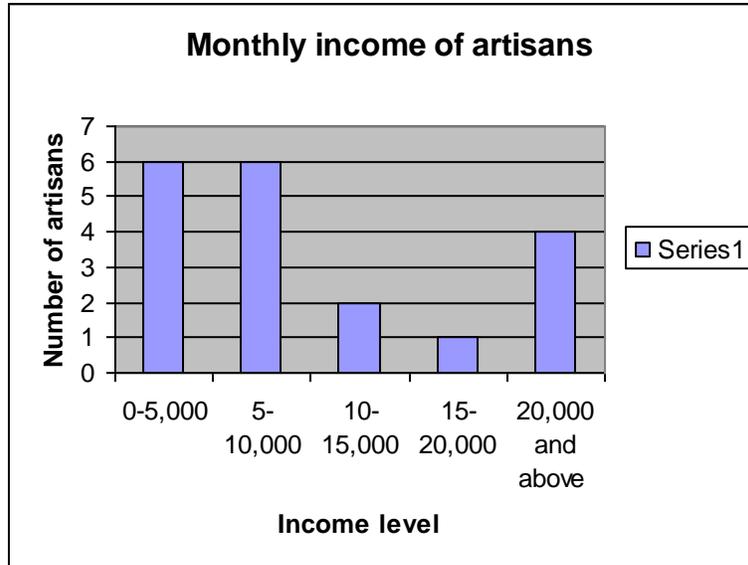


Figure 5

- ix) Comparing the above figures we observe the importance of the opportunity of participating in fairs on the income levels. Comparison of the two figures above show that while 6 artisans of the entire sample studied earned a monthly income ranging between 0 to Rs.5,000 the same number earns in the same bracket by attending a fair of an average duration of 5 days. Similarly other income brackets can be interpreted. This considerably pushes up their income.
- x) Such opportunities besides enhancing incomes also help in building contacts and learn about market trends.

However, this is just an analysis of income differential when opportunities are provided through fairs. Besides this it can not be emphasized enough how making spaces available for the artisans to sell their wares in the open market with out middle man can benefit them and substantially raise their economic standards.

**Case study**

**From rags to riches- the story of bangle seller**

Smt. Roshnara was an ordinary house wife till some years ago, who would have never thought of being an entrepreneur one day. Now she is an inspiration and an example for the women of her small town in Mujaffarpur, Bihar. Initially the need to financially support the family and the responsibility of raising her children was the sole reason for toiling in the tough work of lac bangle making but soon she progressed to setting up her own individual unit. She has been in this business for 15 years now and runs a shop selling bangles and other small beauty products for women. The mode of reaching the consumer and selling the products has changed drastically. This reflects in her monthly income. While earlier she would supply the produce to a middleman located in big markets, now she has set up a shop in the local area. The customers from surrounding areas approach her directly and also place orders for customized products. While earlier they received bare minimum amounts for their labour, now they are able to earn a sizeable amount as profit. A set of 24 bangles, worn as a custom by the bride in marriages in many religions are sold for prices as high as Rs. 2000 and above. The prices vary according to the design. Roshanara ji informed us that the sales are decent and word about her shop has spread far and wide.

The above case study shows that removing the middlemen from the supply chain can substantially enhance the earnings of the artisans. Therefore, fairs and shops are two main modes by which the artisans can be in direct contact with the consumers of their produce. Several factors contribute to the artisan's inability to access these more profitable modes of sale. These are summarized below.

i) Capital: Most of the respondents cited lack of investment for buying shops and accumulating stock as the reason for not being able to place themselves in market areas. Most artisans operate on a small scale and work with meager amounts of recyclable capital. In a number of cases the artisans work on the raw materials provided by the middlemen themselves. Lack of investment handicaps the artisans and takes away their ability to expand the scale of operation. Shortage of capital besides affecting the ability to build infrastructure or procure a place to operate from also affects their capacity to stock goods.

ii) Lack of knowledge about various opportunities to participate in fairs.

**3.2.3 Suggestions:**

- i) Proper advertisements/ campaigns should be organized to spread awareness of various programs and reach out to the largest mass of plausible beneficiaries.
- ii) The restrictions on the number of participants per crafts mela should be relaxed.
- iii) The budget for each fair/event should be increased. This would not only enable expanding the number of artisans who can participate in each event but would also ensure better advertising.
- iv) The number of fairs/melas should be increased. More and more national level events should be organized like Handlooms Expo and Trade fairs. This would ensure better exposure to the artisans.

### **3.3 Part III**

#### **Insurance**

##### **3.3.1 Introduction**

There are two main schemes under which insurance coverage is provided to the artisans. These are:

- 1) Rajiv Gandhi Shilpi Swasthya Bima Yojana
- 2) Jan Shree Bima Yojana

Rajiv Gandhi Shilpi Swasthya Bima Yojana aims at financially enabling the artisans' community to access to the best of healthcare facilities in the country. This scheme will cover the artisan's family of four comprising self and any three out of spouse, dependant parents and children. The scheme provides coverage to any artisans irrespective of gender in the age group of one day to 80 years. Under this scheme the artisans are required to contribute Rs. 150 or Rs.75 per annum while the Government of India funds Rs. 650 or Rs. 725 respectively. The scheme provides coverage for a period of 12 months after which the insurance policy should be renewed. Under the scheme the insurance company shall pay/reimburse expenses incurred by the artisans in course of medical treatment availed of in any hospital or nursing home within the country, subject to limits/sub-limits. Further under the cashless facility the insurance company shall through its authorized representatives (Third Party Administrator) provide a cashless facility in empanelled hospitals/nursing homes in various states all over the country. This would mean that a patient can avail of treatment in anyone of the panel hospitals without actually having to pay the bills. In case a patient has to go to a doctor or a clinic, not in the approved list, he can submit the prescription and the vouchers for the medicines to the insurance company or its authorized representative (TPA) who will ensure that full payment is made within 7 days after receipt of all the requisite documents and information. (Source- Policy document available at -<http://handicrafts.nic.in/welfare/rajivgandhi.htm> )

The scheme provides the following benefits:

- 1) In case of Personal Accident the artisan can receive upto Rs.1.00 lakh

- 2) In case of death sum assured is Rs.1.00 lakh
- 3) In case of total and irrecoverable loss of any one limb by physical separation the sum assured is Rs. 1,00,000/-
- 4) Further in case of total and irrecoverable loss of : any one limb without physical separation the sum assured is Rs. 1,00,000/
- 5) Further the artisans can seek support by medi-claim upto a maximum of Rs. 15000 per family.

Jan shree bima yojana provides for life insurance cover towards natural death for a sum of Rs.30, 000 per member. For accidental death or permanent total disability, the coverage shall be maximum Rs.75, 000/- per member and for permanent partial disability, the coverage shall be of Rs.37, 500/- per member. Further some added benefits in the form of, an associated scheme of LIC –“Siksha Sahyog Yojana”, under which not more than 2 dependent children of the beneficiary studying in the classes 9th to 12th are given Rs.300/- per quarter per child as educational allowance for a maximum period of 4 years or till they complete XII standard, whichever event occurs earlier.

### **3.3.2 Findings of our field survey:**

- i) 55% of the respondents do not have access to the insurance facility available to them under the above mentioned schemes.
- ii) Of the 45 % who have the insurance facility or the health card, a majority are those who have come to know about it because of NGO functioning or those who belong to comparatively educated and prosperous class. It was observed during field visit in the village of Nepura, Silao (a village of weavers) that all the respondents are holders of health cards for at least 3 years which are regularly (on yearly basis) being renewed by the government officials. However, it should be noted that the entire process started due to the involvement of NGOs in the areas. These NGOs had set up their offices for educating artisans about various government facilities and the artisan identity card itself among various other activities. The NGO facilitated the application process for the same.

### **3.3.3 Reasons:**

- i) One of the major reasons for such skewed results is lack of knowledge. As can be seen from the figure below, only 30% of the respondents are even aware that such insurance facility can be availed of against their artisan identity card. That is to say that the rest 70% had no idea that insurance facility could even be availed of with the help of artisan card.
- ii) 2 respondents cited procedural requirements as a hurdle for them in availing such facilities. Moreover, they claim that since they are so far removed from the government machinery, due to remoteness of their villages, the papers even if they submit the same do not reach the requisite office for processing. Thus, there

minimum money deposit also goes to waste. This leads to hesitation in spending money and time in trying to avail most schemes.

### **3.3.4 Suggestions**

- i) The department should engage in better advertising and ensure creation of awareness among artisans about the various schemes.
- ii) More efforts also need to be put in to reduce the disabilities created by distances between the villages and government offices.
- iii) Special officers may be appointed to do field visit and ensure improvement in procedures, document collections etc.

## **3.4 Part IV**

### **Credit schemes**

#### **3.4.1 Introduction**

The dispersed and decentralized handloom and handicrafts sectors embody the traditional wisdom, cultural wealth, and secular ethos of India. It is not just a source of livelihood for 130 lakh weavers and artisans, but also an environment friendly, energy saving form of art that has secured India's presence in millions of homes across the globe; a presence that has been crafted by dexterous hands, many of whom are among the most marginalized sections of society.

Keeping in view the difficulties faced by the artisans in meeting the financial requirements of investment and working capital, Credit Guarantee Scheme has been formulated. Since the formal financing sector has been finding it difficult to support artisans in the absence of fixed assets, to offer as collateral security for loans, a scheme was launched. The Scheme provides Guarantee Fee and annual service charges (GF & ASF) on behalf of the borrower which is charged by M/s Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in lieu of guarantee extended against the loan sanctioned to them by Member Lending Institutions (MLI). A sum of Rs. 2.80 crore has been placed with CGTMSE towards GF & ASF for this purpose. With the mechanism in place, it has become possible to bring handicraft artisans into formal finance sector through Artisan Credit Card (ACC). Some banks have come forward to issue ACCs and therefore credit to handicraft artisans. (*Sourec-Mid Term appraisal for Eleventh Five Year Plan 2007-12, Chapter 10, Planning Commission*)

A brief analysis by *All India Artisans and Craft workers Welfare Association*, of the various banks providing Artisan Credit Card is at *annexure 5*.

#### **3.4.2 Findings of our field survey:**

- i) At the time of conducting interviews only 8 out of 20 respondents were under loan obligation. Of these 8 respondents, 5 were availing loan facility from a bank while the rest 3 had borrowed sums for working capital from informal sources. Moreover, all the 5 loans were obtained with the help of artisan card. The above result from our interviews may seem rosy on the face of it as they highlight reasonable accessibility to bank loans by the artisans (25%). However, it may further be added that all the 5 respondents who have answered positive to having obtained a bank loan were helped out by the NGO functional there. The paper work and all the other formalities were mainly carried out by the workers of the NGO. It may be a safe observation to say that if the NGO had not been there to make people aware and assist in the process the result would have been nil.
- ii) Credit is the prime input for sustained growth of small scale sector and its availability is thus a matter of great importance. It goes without saying that availability of credit determines the scope of the operations of a business. The respondents were asked questions regarding the source of their start up capital. Only 1 respondent had obtained a loan from bank, 7 managed money to start up their business from informal sources namely, family and friends. The results are illustrated graphically below.

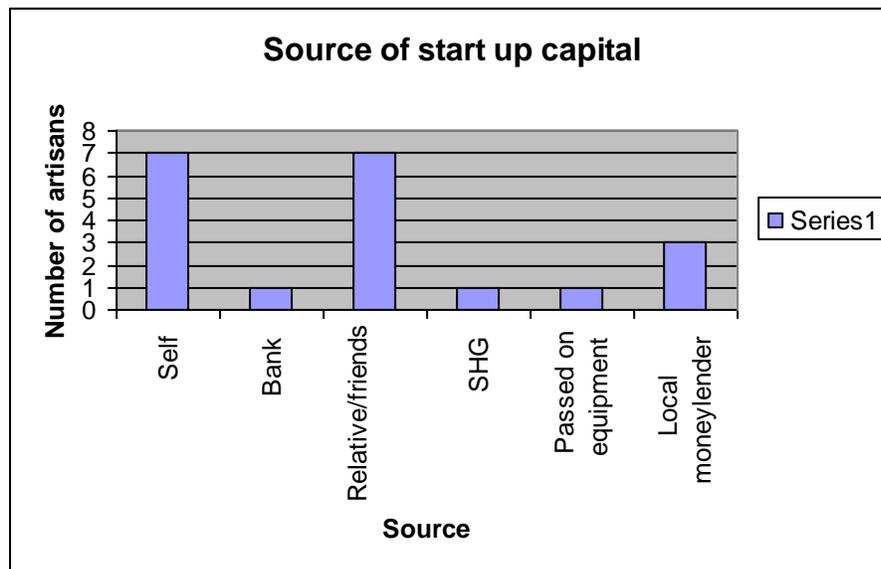


Figure 6

\* SHG- self help group

\*\* 1 of the respondents is employed in a non governmental organisation

- iii) We asked specific questions regarding the amount of start up capital. This was asked in order to access the credit needs of the artisans and to compare it with policy measures. It is observed that the start up capital requirement varies between less than Rs.3000 to Rs.20000. This differential occurs in view of the goods produced and processes involved.

- iv) Thus we can conclude from the above observations that accessibility of artisans to loan facilities from the formal sector is negligible. However, if the same were easily available they would very conveniently meet the credit needs of the artisans.

### **3.4.3 Suggestions**

- i) It is observed that the greatest obstacle in the artisans' way to avail of this facility is the lack of awareness about the relevant scheme and understanding of the paper work involved and the appropriate officers to be approached. It is therefore suggested that the Department should undertake more efforts on this front and engage field officers to interact and answer the queries of the artisans.

## **4. Some general observations:**

- 1) 18 respondents have self owned shelter/housing facility while only 2 were found to be staying in rented accommodations.
- 2) Further specific question regarding the type of house categorized as: pucca, kacha, semi-pucca was asked. The result is shown in the bar chart below.

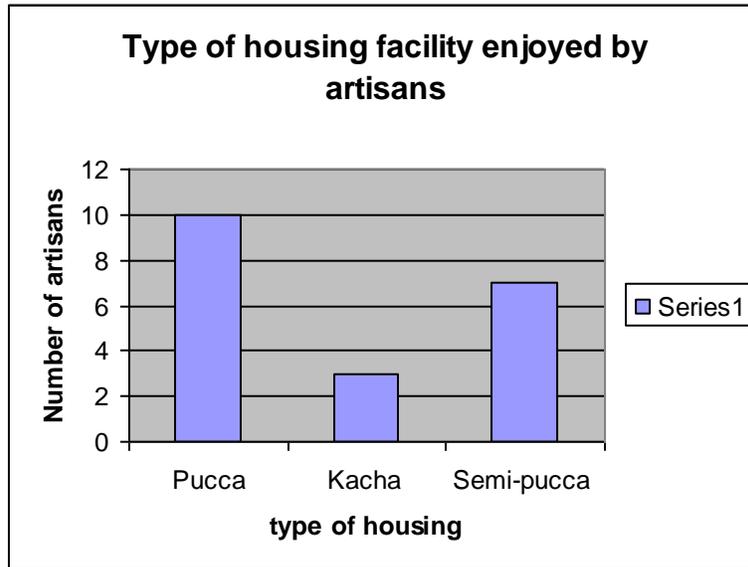


Figure 7

- 3) Of the interviewed respondents 75% have used their artisan identity card for some or the other use. While interviewing some respondents described how even though they have not availed of the government facilities the Artisan Identity card comes in handy for them while transporting raw material to escape harassment from police officers. To gauge the level of knowledge regarding the use of artisan card specific questions were asked, the following are the results.

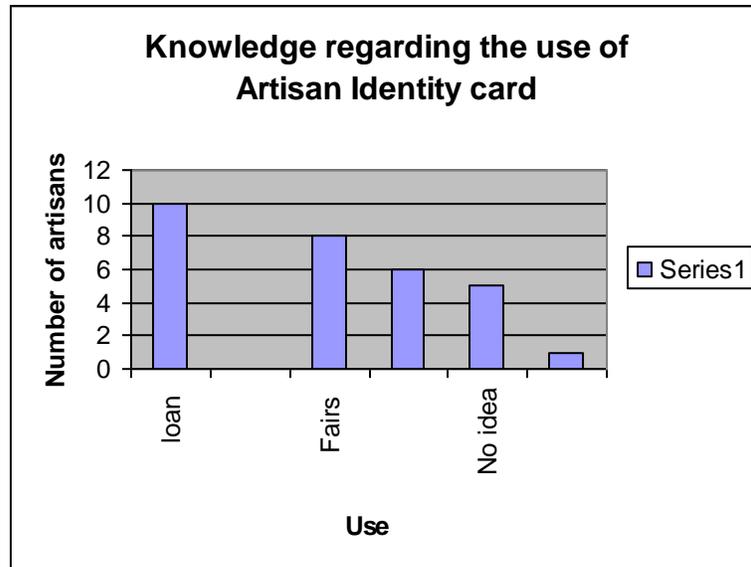


Figure 8

Further while 5 of the 20 respondents even though are holders of the card had no idea of the use of the same issued to them. The most famous government facility appears to be that of loan facility as 50% of the respondents had knowledge of the same. 40% respondents had knowledge that they can participate in fairs using their identity card while a further lower i.e only 30% of those interviewed knew that insurance could be availed of on the basis of their cards.

- 4) Only 7 of the 20 respondents could accumulate any worthy movable/immovable asset in the year previous to questioning.
- 5) The people indiscriminately choose the services of private medical practitioners over the government hospitals and clinics. 75% respondents answered in favour of getting treatment at private hospitals.
- 6) While no substantial benefits of the artisan card, besides participation in fairs, has been observed still the artisan identity card gives the artisans a sense of belongingness and niche in the society. A significant number (55% respondents) recommend others to get the artisan cards too.
- 7) It seems that the artisanship is on a decline in India. In our questionnaire we asked the respondents if they would encourage their children to carry on the art and skill. 50 % respondents replied in the negative. This should be a cause of worry for us as artisans not only represent our cultural heritage but also support the livelihood of a substantial segment of the population.
- 8) In our discussions we observed that availability of markets and credit are the two problems that plague the artisan community and seek urgent attention and remedial measures.

- 9) We met an artisan in a fair organized by state government in Patna, Bihar. The lady belonged to a poor family and was in need to financially support her family. A NGO came to her rescue and taught her the art of making various products from bamboo. She has been employed by the said NGO on a monthly salary of about Rs. 2000 (as told to us). There has been an artisan identity card issued in favour of the lady. However, the same has been used by the NGO for their monetary benefit. The facility of participating in fairs is for the benefit of artisans and not any organisation but the NGO was availing the facility of a free stall at the fair under the artisan's name and making money from sale of various handicrafts products. The lady under whose name the stall has been obtained is only paid meager amounts for her labour. She even told us that the artisan identity card is kept by the NGO itself. As we understand this is a malpractice and amounts to exploitation of artisans who, if associate with NGOs, do so in the hope of getting support from them. However, as observed in this case the NGO is making money while compensating the artisans with bare minimum amount.
- 10) We also observed that almost all households engage children as sources of cheap labour. In some case they may engage their own children so that they don't waste their time in playing. In others they hire children from neighborhood as daily wage workers. Thus the problem of child labour is very chronic and has adverse consequences on health, education and cumulatively on over all quality of life.
- 11) Since this study focuses on statistics and situation relevant to Bihar, the below approximate figures of beneficiaries under various schemes paint a grim picture regarding the penetration of government facilities and also support the various propositions, regarding lack of awareness and accessibility, given in the paper above.

<b>Name of the scheme</b>	<b>Year- 2009-10</b>	<b>Year 2010-11</b>
Baba Saheb Ambedkar Hastshilp Yojana (AHVY)	2258	4215
Handicraft Artisans Comprehensive Welfare Scheme (RGSSBY)	14800	Not available
Janashree Bima Yojana	156	2732
Design and Technology upgradation	560	440
Marketing support and services	1015	1890
Human resource development scheme	20	410

However, it may be mentioned that the above figures have been collected from internal unverified sources and are at best an approximate estimation.