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**STANDING COMMITTEE ON LABOUR
(2008-09)**

(FOURTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEVELOPMENT SCHEMES FOR HANDICRAFT SECTOR

THIRTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

October 2008/Asvina, 1930 (Saka)

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(2008-09)**

(FOURTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEVELOPMENT SCHEMES FOR HANIDCRAFT SECTOR

Presented to Lok Sabha on 24.10.2008

Laid in Rajya Sabha on 24.10.2008



**LOK SABHA SECRETARIAT
NEW DELHI**

October 2008/Asvina, 1930 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2008-2009)**

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13. Shri Devidas Pingle
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15. Shri Mohan Rawale
16. Shri Dhan Singh Rawat
17. Shri Kamla Prasad Rawat
18. Smt. C. S. Sujatha
19. Shri Paras Nath Yadav
20. Vacant
21. Vacant

YA SABHA

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23. Shri Rudra Narayan Pany
24. Shri Narayan Singh Kesari
25. Shri K. Chandran Pillai
26. Shri Gandhi Azad
27. Smt. Renubala Pradhan
28. Shri Arjun Kumar Sengupta
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30. Vacant
31. Vacant

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3. Shri R.K. Bajaj - Director
4. Shri N.K. Pandey - Deputy Secretary
5. Shri Suresh Kumar - Senior Executive Assistant

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2007-2008)**

Shri Suravaram Sudhakar Reddy-CHAIRMAN

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5. Shri Thawar Chand Gehlot
6. Shri Munawar Hasan
7. Smt. Sushila Kerketta
8. Shri Mohammad Tahir Khan
9. Shri Virendra Kumar
10. Shri Rajesh Kumar Manjhi
11. Shri Basangouda R. Patil
12. Shri Devidas Pingle
13. Shri Chandra Dev Prasad Rajbhar
14. Shri Mohan Rawale
15. Shri Dhan Singh Rawat
16. Shri Kamla Prasad Rawat
17. Smt. C. S. Sujatha
18. Shri Parasnath Yadav
- *19. Shri Ramdas Athawale
20. Vacant
21. Vacant

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22. Chowdhary Mohammad Aslam
23. Shri Rudra Narayan Pany
24. Shri Narayan Singh Kesari
25. Shri K. Chandran Pillai
26. Shri Gandhi Azad
- **27. Shri Arjun Kumar Sengupta
- ****28. Smt. Renubala Pradhan
- ***29. Vacant
30. Vacant
31. Vacant

* Changed the nomination from Committee on Railways to Committee on Labour w.e.f. 21.08.2007.

** Nominated w.e.f. 14.09.2007.

- *** Vacancy caused due to retirement of Ms. Pramila Bohidar and Shri Dilip Ray from Rajya Sabha w.e.f. 02.04.2008.
- **** Nominated w.e.f. 21.05.2008

INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2008-09 having been authorized by the Committee to submit the Report on their behalf, present this Thirty-Third Report on the subject **“Development Schemes for Handicraft Sector”**.

2. The Committee had selected **“Development Schemes for Handicraft Sector”** as one of the subjects for detailed examination during the year 2007-08. The subject was again selected during the year 2008-09. The Committee took oral evidence of the representatives of the Ministry of Textiles on 4th August, 2008 and 18th September, 2008. The Committee also undertook an on-the-spot visit to Srinagar in June, 2008 to have the first hand information regarding the problems/issues being faced by the handicraft artisans.

3. The Committee wish to express their thanks to the representatives of the Ministry of Textiles for placing before them their views and also for providing detailed written notes on the subject as well as furnishing the information as desired by the Committee in connection with the examination of the subject.

4. The Committee would also like to place on record their deep sense of appreciation for the valuable assistance rendered to them from time to time by the officials of the Lok Sabha Secretariat attached to the Committee.

5. The Committee considered and adopted the draft Report at their sitting held on 21st October, 2008.

6. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

New Delhi;
October, , 2008
Asvina, 1930 (Saka)

SURAVARAM SUDHAKAR REDDY,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR

REPORT

A. Financial and Physical Performance

The Handicrafts sector plays a significant and important role in the country's economy. It provides employment to a vast segment of craftpersons in rural and semi urban areas and generates substantial foreign exchange for the country, while preserving its cultural heritage. Handicrafts have great potential, as they hold the key for sustaining not only the existing set of millions of artisans across the country, but also for the increasingly large number of new entrants in the crafts activity. Handicrafts contribute substantially to employment generation and exports. The Handicraft sector has, however, suffered due to its low capital and poor exposure to new technologies, absence of market intelligence and a poor institutional framework. The Committee's examination has revealed several disquieting features such as obsolete technologies, unorganized production system, etc. in sector. These are dealt with succeeding paragraphs.

2. The total Budgetary Grants and final expenditure in regard to various schemes implemented by the Government in Handicraft sector during Xth Five Year Plan (2002-2007) are as under:-

PLAN												(Rs. in Lakhs)
Name of the Scheme	Tenth	Final	Expn.	Final	Expn.	Final	Expn.	Final	Expn.	Final	Expn.	Total Expn.
	Plan	Grant		Grant		Grant		Grant		Grant		during
	Outlay	2002-03	2002-03	2003-04	2003-04	2004-05	2004-05	2005-06	2005-06	2006-07	2006-07	10th Plan
1	2	3	4	5	6	7	8	9	10	11	12	13
Major Head "2851"												
00104 Handicrafts Industries												
02 Training & Extension	8202.00	1801.00	1402.13	62.50	44.83	50.00	49.25	108.73	89.17	61.80	41.21	1626.59
10 Design & Tech.Upgradation	9850.00	2560.00	1679.79	875.00	725.72	1663.90	1572.85	1659.00	1523.41	985.00	990.15	6491.92
12 Export Promotion	4300.00	720.00	298.31	987.00	943.49	1435.00	948.69	1479.90	1461.46	1175.00	1151.13	4803.08
13 Welfare & Other Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69.90	15.00	125.00	123.73	138.73
24 Baba Sahib Ambedkar Hastshilp Yojana	8280.00	900.00	743.65	1650.00	1272.34	2305.80	1602.17	3004.90	2935.42	2918.70	2806.06	9359.64
25 Marketing Support & Services	7185.00	1485.00	1049.89	1460.00	801.29	1844.90	1146.22	1940.58	1918.89	1987.22	1888.18	6804.47
26 Research & Development	1050.00	215.00	126.00	210.00	156.68	200.00	163.20	303.73	260.48	105.50	92.73	799.09

1	2	3	4	5	6	7	8	9	10	11	12	13
27 Integrated Development Package for J&K	0.00	100.00	76.58	1485.00	969.09	400.00	361.08	500.00	485.08	273.10	271.42	2163.25
28 Bima Yojana Scheme for Artisans	0.00	17.00	0.00	60.00	60.00	62.50	62.50	100.00	100.00	400.00	400.00	622.5
29 Special Handicrafts Training Project	0.00	10.00	9.59	100.00	75.96	339.90	219.59	378.90	305.42	418.32	383.25	993.81
30 Credit Guarantee Scheme	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	6.43	6.43
03 UNDP - CCF - I	633.00	332.00	328.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	328.00
Total "2851" Revenue	39500.00	8140.00	5713.94	6889.50	5049.40	8302.00	6125.55	9545.64	9094.33	8459.64	8154.29	34137.51
Major Head "4851" CAPITAL												
Capital "4851"	3000.00	430.00	35.17	926.56	612.06	655.00	480.39	628.00	520.36	1750.00	1750.42	3398.40
Total CAPITAL	3000.00	430.00	35.17	926.56	612.06	655.00	480.39	628.00	520.36	1750.00	1750.42	3398.40
Grand Total	42500.00	8570.00	5749.11	7816.06	5661.46	8957.00	6605.94	10173.64	9614.69	10209.64	9904.71	37535.91

3. The above table shows that there has been underutilization of funds in each of the annual plans of the Xth Five Year Plan. Besides, the targets fixed under the schemes were also not achieved fully.

4. In a written note submitted to the Committee, the Ministry of Textiles stated that non-receipt of viable proposals from implementing agencies, non-settlement of pending utilization certificates, less proposals in survey and studies, non completion of SIDC projects, less demand from implementing agencies etc., have been the main reasons due to which the allocated funds could not be utilized fully.

5. When asked the reasons for not taking pre-emptive measures particularly when the aforesaid reasons were known to Government during the first annual plan of the Xth Five Year Plan, i.e. 2002-03, The Ministry of Textiles in a written note, stated as under:-

"It is true that in the 1st year of 10th Plan, the budget utilization was not up to the mark. However, immediately on noticing this trend, a series of measures were taken to ensure optimum utilization of the allocated budget. Some of these measures include:

- Introducing Regional Level Screening Committees for scrutiny of proposals received from various implementing agencies under different schemes.
- Adopting outcome budgeting and zero based budgeting exercises.

- Discontinuing schemes like share capital assistance.
- Upon a review, the plan schemes were rationalized and 11 generic schemes were introduced by way of modifications, dropping and merger of some components/schemes.
- Wider awareness and publicity on schemes.
- Stringent monitoring, both at Regional Office and Head Office level.
- Inviting proposals through News Paper Advertisement on pan India basis.

As a result of these measures the budget utilization has progressively improved from 2003-04 onwards as indicated in the table below:-

Year	Allocation (Rs. In lakhs)	Expenditure(Rs. In lakhs)	% age utilization
2002-03	8570.00	5749.11	67.08
2003-04	7816.06	5661.46	72.43
2004-05	8957.00	6605.94	73.75
2005-06	10173.64	9614.69	94.50
2006-07	10209.64	9904.71	97.01

As can be seen in the table above, percentage utilizations from 2005-06 onwards has been close to 95% and above, which itself is an indication of attainment of targets from this year onwards”.

6. The Committee also pointed out that the targets were unrealistic as they were repeatedly not achieved inspite of the fact that these were on lower side as compared to the total strength of the artisans in the country. In a written note, the Ministry of Textiles submitted that though targets fixed have been realistic and reasons for failures in the achievement of these in the earlier part of X Plan have been examined and taken into consideration while drafting XI Plan policies.

7. In response to the query of the Committee about the mechanism to ensure that the allocated funds are fully utilized and set targets are achieved during the current XI Five Year Plan, the Ministry of Textiles states:

“As regards ensuring full utilization of the allocated budget during the 11th Plan, strict monitoring would be maintained at all levels. Physical targets under each scheme have already been proposed in the respective EFC memo/CCEA note of the schemes. Furthermore, physical targets with reference to the approved annual outlay are prescribed and issued at the beginning of each financial year. During the 1st year of the 11th Plan i.e. 2007-08, against the allocation of Rs 165.88 Crs. (RE), the actual expenditure had been Rs..162.85 Crs. representing 98.17 % utilization of the budget. Thus, Government has ensured that allocated funds are optimally utilized”.

8. The Committee take note of the fact that formulation of various schemes in handicraft sector and corresponding budgetary allocations are just not adequate to tap full potential of the artisans in the country. Based on the census of artisans conducted in the year 1995-96, the schemes framed cover only miniscule of artisans and the relative allocation under the schemes is also not fully utilized. The expenditure under the schemes which cover common artisans like Training and Extension, Design and Technology Upgradation, Marketing Support and Services and Research and Development has been far from satisfactory during the entire Tenth Plan. After noticing the trend of less budgetary utilization, a series of measures were stated to be taken by the Government including rationalization of planning schemes and introduction of 11 generic schemes. Despite all these measures, even from the lesser allocation of Rs.425 crore for the handicraft sector during the Tenth Plan Period, approximately Rs.50 crore could not be spent due to lack of proper and adequate planning of the schemes. Identical reasons like non- receipt of viable proposals from implementing agencies, non settlement of pending utilization certificates, non completion of SIDC projects, less demand from implementing agencies etc. have been given for non fulfillment of targets and less utilization of budgetary allocations repeatedly.

The allocation for the 11th Plan period is Rs.1257 crore practically trebling it from the one allocated during the Tenth Plan Period. As the Government has been unable to undertake any census of artisans after the last census done in 1995-96, schemes for development and welfare of handicraft sector and artisans will have to be formulated on the basis of the figures of last census. Taking cue from the past experience the Government should ensure that reasons cited for non fulfillment of targets resulting in less budgetary utilization are pre-empted before the formulation of schemes for artisans and handicraft sector during the current Plan Period. The Committee also recommend that enhanced targets alongwith the matching budgetary allocations under each of the scheme having impact on wider segment of artisans should be fixed. The Committee also expect that wide publicity of the schemes would be given among the targeted groups and the monitoring of the schemes be done at regular intervals to ensure that the targets fixed for the schemes are achieved in a time bound manner and funds allocated are gainfully utilized.

B. Census of Artisans

9. The Committee observed from the brief written note furnished by the Ministry that the last census to ascertain actual number of Handicraft Artisans in the country, was conducted in the year 1995-96. This indicated a total employment of 47.61 lakh artisans in the sector. The Ministry, at the end of the year 2006-07, has projected an estimate of 67 lakh artisans in the sector. This projection is based on presumption that there is an annual growth of artisans at the rate of 3.5% over the number of artisans found in last survey.

10. The Committee when inquired, how the development schemes launched for the Handicrafts sector were being implemented without having accurate data of artisans/ workers in the country, the Ministry of Textiles replied in a written note as under:

“The developmental schemes for the Handicrafts sector with the approved budgetary annual outlays covers, only a small percentage of the total artisanal population in the country. As an example, uptill 10th Plan under the Ambedkar Hastshilp Vikas Yojana, only 1.48 lakh artisans, apart from approximately 1.17 lakh artisans under Marketing and Support Promotion Scheme/Export Promotion Scheme, 2.93 lakh under Bima Yojana, 0.50 lakh under Design Scheme and 1.54 lakh artisan under the ID Card Scheme could be covered. However, there had been coverage of 8.82 lakh artisans under Rajiv Gandhi Shilpi Swasthya Bima Yojana Scheme in 2007-08. Thus, the over all coverage of artisans is quite small vis-à-vis the actual population of artisans. Therefore, implementation aspects of the schemes in the handicraft sector does not have a direct bearing on the accuracy of data on artisans population. Nevertheless, the need for accurate and updated data on artisanal population and other important socio economic parameters will certainly help policy and planning process. Hence, the outputs of the ongoing census operations will help in identifying areas needing further interventions in the handicraft sector”.

11. When asked about the reasons for depending on presumption and not conducting a fresh census to know the realistic figures, the Ministry submitted in a written note, as under:-

“It is submitted that the Sub Group on handicrafts for 10th Plan in its report had indicated projections on growth of employment in the sector @ 3% per year. It is further mentioned that last census in the Handicrafts Sector was conducted in the year 1995-96. Normally Census operations of such large magnitude are undertaken at an interval of ten years. Due to this reason, till about the conclusion of the 10th Plan period, conducting of fresh census was not considered. However, during the terminal year of the

10th Plan (2006-07), it was thought prudent to undertake fresh census as the data available from the 1995-96 census was not considered to be current and realistic. In view of the above, it has now been decided to undertake a comprehensive census of the handicrafts sector during the 11th Five Year Plan with the strategy of covering 20% of the total districts in the country every year. Since a sample size representing the entire country has been chosen, at the end of each year, based on enumeration done in the first 20% sample, projections for all India would be available, thus facilitating the Government in resorting to need based fine tuning of the policy initiatives on one hand and census methodology on the other. Census operations have already initiated in 2007-08”.

12. On being further enquired as to how the projections of 20% districts chosen as a sample will decide the actual number of artisans in remaining districts more so when there was huge variation in the actual strength of artisans in different districts, the Ministry of Textiles replied in a written note as under:-

“Having felt the need for a census in the sector, two possible options were explored. Either we undertake a 100% census in one year which is based on 1995-96 data and then cover it for 10-12 years. This process may not have yielded relevant outputs because of fast changes that have taken place in the sector over time. Therefore, it was considered advisable to conduct census taking a large sample size. Thus, it was decided to have a sample size of 20% district of the country every year for the purpose of census operations in the Handicrafts Sector. Since, we have a primary data base of 1995-96 and based on the outcome of the census of 20% districts each year, estimates for 100% area can be arrived at. During the subsequent years of the 11th Plan, every year, we will get data on 20% more districts, which will be then extrapolated with the census data generated in the preceding year, to arrive at an updated country wise data every year”.

13. The Committee find that the last census to ascertain actual number of handicrafts artisans was conducted in the year 1995-96 and thereafter no fresh survey has been carried out even after a gap of more than a decade. Now, in the 11th Plan the Office of the DC (Handicrafts) has decided to conduct a fresh survey in which 20% districts will be covered every year. Based on the outcome of the census of 20% districts each year, estimated/projected population of artisans will be determined. In this way, it is proposed to get the actual data of artisans by the end of the Eleventh Five Year Plan. This process of census is cumbersome and skewed as it will not bring out the exact figures of artisans in the country because by the time census of last phase takes place, the figure in areas wherein the census was carried out in the first phase might have changed drastically. The present decision of the Government has perhaps not considered the very fact that the number of artisans in the country may not be more than a crore and the pockets of their concentration are also easily identifiable. Hence, to prolong the census of artisans during the entire 11th plan period defies all logic. The implementation of Developmental and Welfare Schemes based on assumption of figures of artisans will not be of any consequence as the quantum of money and machinery cannot be determined in the absence of correct data resulting in non fulfillment of the target fixed under the Schemes. The Committee, therefore recommend that it will be in the fitness of things if a one time survey is carried out to cover the entire

strength of artisans all over the country and the current process of covering 20% of the districts every year should be continued thereafter to keep the data updated. Since the artisans are scattered across the country including in far flung and hilly areas. The existing set up in the Ministry of Textiles may not have adequate infrastructure and expertise, the services of other specialized agencies, like National Sample Survey Organization (NSS) may be requisitioned for conducting a realistic scientific census operations. This will not only help in expediting the work of census, but a region wise data base will also be prepared for implementation of the schemes effectively in future.

C. Coverage under the Schemes

14. The Committee noticed that the developmental schemes for the Handicrafts sector covers only a small percentage of the total artisanal population in the country. Uptill 10th Plan, only 1.48 lakh artisans under the Ambedkar Hastshilp Vikas Yojana, approximately 1.17 lakh artisans under Marketing and Support Promotion Scheme/Export Promotion Scheme, 2.93 lakh under Bima Yojana, 0.50 lakh under Design and Development Scheme, 1.54 lakh artisan under the ID Card Scheme and 8.82 lakh artisans under Rajiv Gandhi Shilpi Swasthya Bima Yojana Scheme could be covered in 2007-08.

15. In written reply to a question regarding implementation of the schemes of Handicraft sector without having accurate data of artisans in the Country, the Ministry of Textiles admitted that the over all coverage of artisans is quite small vis-à-vis the actual population of artisans. Therefore, implementation aspects of the schemes in the handicraft sector does not have a direct bearing on the accuracy of data on artisans population.

16. When asked to justify the utility of launching developmental and welfare schemes when the coverage was only a small percentage of the total artisans, the Ministry stated as under:-

“It is submitted that utility of the Developmental and Welfare Schemes flow from its features and from the efficacy of the service delivery mechanism. The features of various developmental schemes have been designed based on inputs generated through periodic evaluation studies and the needs assessed based on experience gained over the previous years. Efficient implementation and monitoring mechanism adopted for the schemes takes care of optimizing the service delivery to the target beneficiaries. However, physical coverage in terms of number of artisans covered under these schemes is directly proportional to the budgetary outlays approved by Ministry of Finance and Planning Commission and hence the small percentage of total artisan covered directly relate to and is attributable to the outlays approved under these schemes. As an example, under the AHVY Scheme, initially a small cluster of 200-300 artisans is taken as a model for integrated development and thereafter this model is replicated at larger scale in other parts of the country. Under this scheme, upto 10th. Plan 2.25 lakh artisans had been covered and for the 11th. Plan it is proposed to cover 4 lakh artisans” .

17. On being asked about the efforts being made by the Government to extend the benefits of these schemes to maximum number of artisans in the country, the Ministry of Textiles replied in a written note as under:-

“The efforts made by the Government to extend the benefits of the schemes to maximum number of artisans include seeking successively higher allocation under plan outlays. since the physical coverage of artisans is directly dependant on the approved outlays, it had been the constant endeavor of the Government to seek enhanced outlays for the handicraft sector so as to cover maximum member of artisans in the country. In this regard, following table would indicate the Plan outlays for the handicraft sector in the successive Plan periods:-

Plan	Outlay (Rs. in crores)
7th	60.00
8th	223.00
9th	315.00
10th	425.00
11th	1257.00

From the above, it is evident that the 11th Plan outlays indicate the Government’s concern for covering maximum number of artisans in the country while at the same time delivering better utility of the Developmental and Welfare Schemes and hence higher benefits to larger number of artisans. It is to further state that Welfare of the handicrafts artisans had received a focused attention of the Govt. as is evidenced by the fact that 30.86% of XI Plan outlay is earmarked for the Welfare scheme. 8.00 lakh artisans would be covered under the health scheme every year apart from 1.00 lakh artisans every year under Janashree Bima Yojana.”

18. The Committee note that there have been numerous Schemes for the welfare of artisans. Even though the Government has harped on increasing budget allocations year after year, the Committee are not satisfied as most of these schemes have not been able to come up to the expectations of artisans as the benefits of these schemes have not reached to the majority of them. The Committee are unable to understand the reasons for fixing the targets on lower side under the Schemes. During the entire Tenth Five Year Plan, only 1.48 lakh artisans under the Ambedkar Hastshilp Vikas Yojana, 1.17 lakh artisans under Marketing and Support Promotion Scheme/Export Promotion Scheme, 2.93 lakh under Bima Yojana, 0.50 lakh under Design Scheme and 1.54 lakh artisans under the ID card Scheme could be covered. The reason given by the Ministry that the coverage under these schemes is directly proportional to the budgetary outlays approved by the Ministry of Finance and Planning Commission and hence the small percentage of total artisans covered is attributable to the outlays approved under these Schemes, contradicts with their version as there have been under utilization of funds during each plan year of the last Five Year Plan. The Committee are of the strong view that adequate spadework should be done ensuring that benefits of the developmental and welfare schemes reach the maximum number of beneficiaries. Considering the enhanced allocations during 11th Plan, the Committee recommend that all out efforts should be made to cover the entire strength of artisans within the current

Five Year Plan, particularly under the Welfare Schemes. For the purpose, the targets under each of the schemes should be revised accordingly and if need be the Ministry of Finance and Planning Commission should be urged to enhance the budgetary allocations to meet the increased targets.

D. Organising the Handicraft Artisans

19. Handicraft Sector is a highly decentralized and dispersed sector. Handicraft artisans can be found in most parts of the country. A total number of 45.83 lakh artisans are working as household units in the sector out of the total strength of 47.61 lakh artisans as per the census conducted in 1995-96. This indicates that a majority of the handicraft artisans operate as household units and also emphasizes that Handicrafts are practiced more as a vocation than as a purely commercial activity. In fact, there is a considerable lack of entrepreneurship and profit motive in the Sector.

20. When asked to state the total number of Cooperative Societies/ Clusters working in the country as on date along with the number of workers associated with them, the Ministry of Textiles submitted in a written note as under:

“So far as number of Cooperative Societies working in the country is concerned, no such study/data has been conducted/maintained and thus this figure is not available. So far as number of handicraft clusters is concerned, an assessment has been made by UNIDO and Planning Commission. As indicated in the report of Inter Ministry Task Force on Technological Investment and Marketing Support for Household and Artisanal Manufacturing, there are 601 districts, out of which 449 districts had been identified as craft concentration clusters. The remaining 152 districts have no craft concentration as far as handicrafts sector is concerned. However the UNIDO report has indicated that there are 475 craft concentration districts in the country. Based on these reports, initially 283 craft concentration districts had been identified for need based interventions under the Ambedkar Hastshilp Vikas Yojana. The remaining districts are proposed to be covered during the 11th. Plan period. Accordingly, since inception and till 2007-08, a total of 848 clusters/projects have been sanctioned in the 283 districts of the country. Around 1,95,000 artisans are directly associated with these clusters”.

21. Regarding the procedure laid down by the Government to form a Cooperative Society/ Cluster to organize the Handicraft workers, the Ministry replied as under:

“So far as procedure for forming a cooperative society is concerned, it is stated that this is governed by the Cooperative Societies Act. As regards procedure for forming a cluster is concerned, it is stated that the Government do not prescribe any procedure for formation of a cluster of handicrafts workers because existence of a cluster is a natural phenomena. The procedure followed for organizing the handicraft workers in the identified craft clusters includes mobilizing the artisans into forming Self Help Groups (SHGs) and later forming them into a community enterprise such as Cooperative Society/Federated body, with the artisans as a stakeholder”.

22. When asked whether the Government provides any financial assistance and technical expertise to Cooperative Societies/ Clusters and monitor their activities in regard to production of goods and efficiency of the workers, the Ministry informed through a written note as under:

“The Government provides financial assistance for technical expertise in the identified craft clusters in order to improve the quality and productivity of the handicraft artisans in these clusters. For examples, under AHVY scheme approved for implementation in the 11th Plan, there is an enabling provision for engagement of guiding and monitoring agencies i.e. experts/ consultants /institutions, etc., for providing need based assistance.

So far as monitoring the activities and interventions sanctioned for the cluster, the same is done through the field formations of the Office of the D.C(Handicrafts), through periodic inspections. Based on performance and achievement with regard to the sanctioned activities, the field formations recommend either release of the subsequent installment of grants, curtail the grants payable or recovery of the grants released etc”.

23. In reply to a question as to whether the Government has any record for the number of artisans who are working by forming cooperative societies/clusters, the Ministry of Textiles stated that data on artisans working by forming cooperative societies/clusters was not captured in the last census conducted in the year 1995-96 and hence it is not available.

24. When asked the reasons for not including the artisans working in cooperative societies/clusters in the census, separately, the Ministry of Textiles stated as under:-

“It is true that data on Cooperative Societies/Clusters was not captured during the 1995-96 census. It is also submitted that at that point of time the focus of the schemes had been more on individual artisans and the cluster approach had not been adopted. However, this aspect will be included as part of the on-going census operations in the handicrafts sectors”.

25. On being inquired about the efforts being made by the Government to organize maximum number of handicraft workers for bringing them under the cooperative fold, the Ministry stated that one of the components under Ambedkar Hastshilp Vikas Yojana enables mobilizing the artisans into forming self help groups, and later orienting them into a cooperative fold including formation of a federated body.

26. In this regard, the Ministry further submitted that the Government efforts include launching the Dr. Baba Saheb Ambedkar Hastashilp Vikas Yojana (BAHVY) in 2001-02. Under the Scheme, the main thrust is on projectised, need based approach for integrated development of potential handicrafts clusters with participation of the craft persons at all stages of implementation of the scheme with the ultimate objective of their empowerment and hence sustainability.

27. The number of Cooperative Societies/Clusters formed as a result of Government efforts, during the last three years alongwith their actual strength are detailed as below:-

Sl. No.	Year	No. of clusters	No. of artisans
1	2005-06	137	45234
2	2006-07	83	22740
3	2007-08	147	39000

28. The Committee note that the handicraft sector is a highly decentralized and dispersed sector. As per the census conducted in the year 1995-96, a total number of 45.83 lakh artisans are working as household units out of the total strength of 47.61 lakh artisans. The strength of artisans in the country at present is estimated to be 67 lakh. The Government did not sought a separate data of artisans working by forming Cooperative Societies/Clusters in the last census and hence their data is not available. This reflects the non seriousness of the Government regarding organizing the handicraft artisans. Although, efforts are being made by the Government to organize the artisans, yet these efforts are limited and half hearted considering the total strength of artisans in the country. During the last three years 267 clusters have been formed as a result of Government efforts covering only, 1,06,974 artisans which is a small portion of the Government data of 65 lakh artisans in the country. The Committee feel that the Government assistance can be better channelised and utilized through Cooperative fold vis-à-vis targeting the individual artisan. For the purpose, handicrafts sector needs to be organized by bringing maximum number of artisans under the Cooperative fold. The Committee, therefore, strongly recommend that a well planned strategy be chalked out to form Cooperative Societies/Clusters all over the country in a time bound manner so as to bring the benefits of various welfare schemes to the artisans in a cohesive and assured way. It will be

more appropriate if the work on the formation of Cooperatives is taken up simultaneously with the census operations by launching proper awareness programmes among the artisans regarding benefits of joining the Cooperatives.

E. NGOs- Utilization Certificates

29. In response to an observation of the Committee regarding supportive role being played by NGOs in implementation of Government schemes in the Handicraft sector, the Ministry of Textiles submitted as under:-

“Since the handicrafts sector is unorganized and is widely dispersed in the whole country and predominantly in the rural areas, the NGOs with their presence at the grass root level in the entire country and particularly in far flung areas of the country, play an important role in implementing various schemes of the handicrafts sector as one of the partners. Financial assistance is provided to the NGOs for promotion and development of Handicrafts sector. The projects are to be completed by every NGO as per the parameters/guidelines of different schemes”.

30. Regarding the system for monitoring the activities of the NGOs while implementing the schemes through them, the Ministry responded as under:-

“For most of the sanctioned activities only 50% of the sanctioned amount is released as first installment. During the implementation stage of each activity, the field formations of the Office of DC (Handicrafts) undertake physical inspection of the activity. The inspection reports in each of such cases has been made an essential pre-condition to consider release of further installments/balance amounts of grant. These inspection reports are also taken into account to restrict/curtail, withhold the amounts payable or recover the amounts released to any of the implementing agencies”.

31. When asked whether the Government provides any financial assistance to such NGOs and any targets are fixed for them, the following was submitted by the Ministry in a written note:

“Yes sir, financial assistance is provided to the NGOs for promotion and development of Handicrafts sector. The projects are to be completed by every NGO as per the parameters/guidelines of different schemes”.

32. The Committee was informed that as many as 835 utilization certificates are pending with different NGOs, as on date. The State-wise details are as under:-

Sl.No.	State	No. of UC Pending
1.	New Delhi	97
2.	Bihar	20
3.	Orissa	92
4.	Madhya Pradesh	19
5.	Pondicherry	04
6.	Rajasthan	20
7.	J&K	27
8.	West Bengal	48
9.	Uttar Pradesh	178
10.	Maharashtra	02
11.	Gujarat	27
12.	Haryana	08
13.	Sikkim	01
14.	Karnataka	13
15.	Andhra Pradesh	02
16.	Manipur, Imphal	38
17.	Himachal Pradesh	14
18.	Nagaland	19
19.	Tamil Nadu	26
20.	Punjab	04

21.	Kerala	20
22.	Mizoram	03
23.	Chattishgarh	07
24.	Tripura	15
25.	Uttranchal	17
26.	Meghalaya	05
27.	Jharkhand	15
28.	Arunachal Pradesh	16
29.	Assam (Siliguri, Dimapur)	78
	TOTAL	835

33. When inquired about the action taken by the Government against the defaulting NGOs, the Ministry of Textiles furnished the following laid down procedure that is in place, through a written note:-

“In the case of defaulting NGOs, recoveries of the released amount, alongwith prescribed penal interest are demanded. In the event of non-compliance, recoveries are affected through the State machinery through arrears of land revenue”.

34. As regards the action taken by the Government against the defaulting NGOs, DC(Handicrafts) stated during the evidence as under:-

“With regard to Utilisation Certificate, definitely very old Utilisation Certificates are pending and this matter should be taken up. Right now, the Finance Ministry circular says that if old Utilisation Certificates are pending, no budget should be given. We do not process the file of the NGOs if their Utilisation Certificates are pending. Regarding how long these are pending, they are pending for a long time now and some UCs which are pending pertain to 1979. Then there was an old market research scheme which was launched where we used to give margin money to market. There was Kunal Commission on this aspect and recovery process has been initiated. We are going to blacklist all these NGOs and we will step up our efforts to get these UCs and then we will inform the Committee about the details of these NGOs”.

35. The Committee note that the role of NGOs in the implementation of developmental schemes for handicraft sector is very vital. According to the Government, their involvement is essential due to the fact that they have their presence through out the whole country at the grassroot level and are well familiarized about the issues relating to the artisans in the entire country and particularly in far flung areas. For implementing the welfare and developmental schemes aimed at welfare of artisans, these NGOs are provided financial assistance and are required to submit utilization certificates after spending it for the purposes it was released to them. The Committee are dismayed to note the lack of proper monitoring mechanism on the functioning of these NGOs to ensure that the amount released to NGOs are spent purposefully. Besides, situation regarding receipt of utilization certificate from NGOs is far from satisfactory. The NGOs are one of the eligible agencies entrusted with the responsibilities of implementing the various Schemes in the handicraft sector. Therefore, not only the verification of the amount spent by them are essential but the achievement of physical target set out for each of the NGO by the Government will ensure their accountability in fulfilling their obligation towards handicraft sector. Non submission of utilization certificate by NGOs are indicative of the fact that the fund released to them have either being not utilized properly or could have mis-utilised. Despite the pendency of about 835 utilisation certificates for submission by different NGOs since long time, no NGO has

been taken to task or blacklisted for their act of omission. This is a very serious lapse on the part of the Government as it involves the public money about which no accountability is being ensured. The non-receipt of utilization certificates on time restricts the timely release of further funds and hampers the growth of the sector. The Committee, therefore, strongly recommend that a thorough scrutiny of the proposals of NGOs should be done before involving them as implementing agencies. Their past performance, infrastructure, technical expertise and financial position should also be taken into consideration before entrusting any offer to them. The Committee further recommend that the submission of the utilization certificate alongwith the evaluation of the target achieved should be responsibilities of field formations of Office of DC (Handicrafts). They should also be held responsible alongwith the defaulting NGOs against whom punitive action be initiated including blacklisting them.

F. Travel Assistance

36. The Committee noticed that the Handicrafts artisans are being provided travel assistance for themselves and also for transportation of their wares for enabling them to participate in the market related programmes organized in different parts of the country. As of now, the assistance is provided to the artisans for traveling a distance of more than 500 kilometers. In the opinion of the Committee, this distance is too much.

37. When asked whether the Government has any plans to reduce the eligibility limit of distance from 500 kms. to 200 kms. or less, the Ministry replied in a written note as under:-

“There was no provision concerning Travel Assistance in the 10th Plan Scheme. This new provision has been introduced in the 11th Plan Scheme based on accepting the recommendations contained in the Terminal Evaluation Study Report o the 10th Plan Marketing Scheme conducted by M/s NISTAD. Based on their recommendation, a provision for payment of travel assistance to artisans who come from more than 500 kms. Had been made in the EFC/CCEA note. As regards reducing the distance from 500 to 200 kms., it is submitted that the same would be considered for seeking approval of the competent authority on the basis of recommendations of the Hon’ble Committee”.

38. In this regard, the DC (Handicraft) further clarified during the course of evidence as under:

“ A very positive suggestion has been made with regard to the 200 km. Thing. We will definitely take the positive steps, specially for Jammu Kashmir, which is a very genuine thing.”

39. The Committee observe that the Government has introduced a new provision in the 11th Plan paving the way for providing travel assistance to the artisans who participate in the marketing events organized by the Office of the DC (Handicrafts) from time to time and are coming from the distance of more than 500 kms. Although this is a welcome step as it will encourage the artisans of distant areas to take part in the marketing events, yet the proposal is bereft of ground realities and will perhaps act as dampener to the local artisans where the Expo is being organized. The distance limit of more than 500 kms is impracticable. Keeping in view the poor financial position of the artisans and escalating transport expenses due to continuous hike in fuel prices, the distance of even 100 kms. is beyond the reach of artisans to travel at their own cost. The Committee, therefore, recommend that the limit of distance considered for providing travel assistance to the artisans should be reduced to at least 100 kms so that it does not prove an obstacle for the needy artisans to exhibit their skills. Similarly, some arrangements like plying special buses can be arranged for the artisans residing/working within the radius of 100 kms. of exhibition venue. These steps will help in maximizing the participation of artisans benefiting them.

G. Trade Mark For Handicraft

40. The Committee noticed that, for protection of Intellectual Property Rights of the handicrafts artisans, registration of 21 crafts under Geographic Indication Area Act (GIA) had been undertaken. This step will go a long way in improving the quality of such crafts as these would be protected from unscrupulous duplication. There is also a vital need for Research and Development efforts in the sector to enhance the product quality and upgrade the skills of artisans.

41. The Committee asked whether the Government has developed a trade mark for quality handicrafts items, like silk mark and handloom mark, to enable handicraft products to develop a niche with a distinct identity, the response of the Ministry was negative in this regard.

42. When inquired as to how the Government will ensure protection of the registered 21 items from unscrupulous duplication particularly when the Government has not adopted any particular mark of identification of Handicraft items.

“To regulate the use of Geographical Indication in the territory to which it relates, an inspection body drawn from different organizations is proposed to be set up as a follow up action for protection of registered 21 crafts from unscrupulous duplication. In this regard awareness workshops are being planned in cluster areas of the crafts registered by involving all stakeholders including the concerned Regional Office and local field offices”.

43. When asked the reasons for not developing such a trade mark for handicraft products, the Ministry replied in a written note as under:

“Handicraft represents a very wide range of products made out a diverse range of raw materials and combination there of and employing a variety of processes, tools and technologies. Thus, it is not assessed to be desirable to develop a generic trademark for the handicrafts”.

44. The Committee observe that our country produces varieties of Handicrafts items marked by area specific characteristics. The artisans of different regions give special dimensions prominently featuring their local artistic creations in the making of different crafts. However, in the absence of an appropriate identification mark it becomes difficult for a buyer to distinguish it from rest of the handicrafts made by machines and/or imported from abroad depriving the artisans of the rightful and legitimate dues worth their products. The Indian traditional crafts do have the recognition all over the world since long. Our handicraft products are being exported to all the major countries in the world. Yet, our share of exports of handicrafts in the world's is only 1.6% which is very low. Considering the total artisanal population and vast range of products manufactured in the country, there is a tremendous scope for increasing our handicrafts exports ensuring that the benefits also percolates down to the artisans. On the one hand, the artisans are unaware about the worth of their product due to their lack of proper exposure to the markets while on the other hand they are being exploited by the agents and middlemen for want of identification mark having the price value of the product in it. Even though the Government maintains that Handicraft represents a very wide range of products made out of a diverse range of raw materials and combination thereof and employing a variety of processes, tools and technologies, it has not taken initiative to develop a generic trademark for the handicrafts. The

quality of the raw material of different handicraft items can be quantified, the products can be labeled after these meet the laid down criteria for the eligibility of the Handicraft mark. The Committee are of the opinion that there is need for proper identification of the handicrafts products to give a thrust to the exports and for ensuring that the artisans get a good value of their produces. They, therefore, strongly recommend that expeditious steps should be taken by the Government to develop a trademark namely 'Handicraft Mark' for handicraft items and, if possible, also displaying its price in it. Such a trademark would definitely enable handicraft products to develop a niche with a distinct identity both in domestic and international markets.

H. Training and Financial assistance to Artisans

45. The Committee observed that the Human Resource Development Scheme has been formulated to provide qualified and trained workforce for establishing a strong production base coupled with improvement in quality and use of appropriate techniques, processes and innovative design to meet present day market requirement. The details of various training programmes being undertaken under the Scheme are as under:

- (i) Training through established institutions.
- (ii) Training in Innovative Designs for the persons involved in Pattern making/Talim writing/Plaster/Rubber Moulds/Block making etc.
- (iii) Training Of Artisans/SHG Leaders/NGOs in Capacity Building.
- (iv) Conducting Seminars/Workshops.
- (v) Training through Guru Shishya Parampara.
- (vi) Official/staff training.

46. The number of training programmes conducted under this Scheme during the last three years in different parts of the country, year-wise have been 616 in which 7945 persons participated The year wise details are as under:

Name of component.	Years	No of events	No. of participant
1. Special Handicraft Training Project.	2005-06	195	2660
	2006-07	76	760
2) Training through Established Institution	2007-08	7	600
Training in Innovative Designs for the persons involved in pattern making/Talim writing/Plaster moulds/Block making etc	2005-06	Nil	Nil
	2006-07	Nil	Nil
	2007-08	87	870
Training of artisans/SHG Leaders/NGO in capacity building	2005-06	Nil	Nil
	2006-07	Nil	Nil
	2007-08	21	420
Training Through Guru Shishya parampara	2005-06	143	1765
	2006-07	87	870
	2007-08	NIL	NIL

47. The Committee was further informed that the following seminars/workshops were organized to impart training to the artisans under the Human Resource Development scheme during the last three years, year-wise:-

2005-06	:	11 events with 1100 participants.
2006-07	:	3 events with 300 participants.
2007-08	:	18 events with 2460 participants.

48. When asked the reasons for not conducting the training programmes every year and Why the number of participants has been so minimum more so when necessary steps were taken to publicize the programmes and also to create awareness through distribution of hand bills etc., the Ministry replied through a written note as under:

“The reasons for reduced number of training programme in 2006-07 as compared to 2005-06 is that during the middle of 2006-07, the department was reviewing the efficacy of the training scheme in the context of conceptualizing suitable interventions for ensuing 11th Plan, wherein it was opined to phase out the SHTP Component of the training scheme. For this reasons lesser number of programmes were sanctioned in 2006-07 and eventually this component was not included in the HRD scheme for 11th Plan . However training programmes have been regularly conducted every year”.

49. On being asked Whether the Government proposes to continue with the seminars/ workshops in all the parts of the country at regular intervals, the following was submitted through a written note:

“Yes sir, workshops and seminars will be organized on a need based manner. Special emphasis would be laid on dissemination of the 11th Plan Schemes among different state holders and to ensure better reach of services to the handicrafts artisans across the country. A calendar of such workshops/seminars is being finalised in consultation with the regional offices. Besides, in consultation with the two Export Promotion Councils, exclusive workshop/seminars would be organized with focus on Brand Image Promotion, Brainstorming for problem solving aimed at further enhancing the export of handicrafts and carpets from the country”.

50. The Ministry also informed that there is no fixed periodicity for conducting these seminars/workshops as these are being organized on a need based manner.

51. The Committee inquired whether sufficient advertisements/ publicity programmes are launched by the Government before conducting the training programmes, the Ministry informed through a written note as under:

“At the time of enrollment of trainees for the training programme, the implementing agency take necessary steps to publicize the programme and also create awareness through distribution of hand bills etc. In addition to the above, at the time of launch of HRD Scheme, a half page advertisement was published at the headquarter level, in important national and regional/local dailies”.

52. When asked whether the services of NGOs are also being availed by the Government to impart training to the artisans, the Ministry informed that NGOs are one among the eligible implementing agencies for the HRD Scheme.

53. When asked whether the Government plans to increase the number of training programmes in the coming years keeping in view the total strength of the artisans, i.e. 67 lakhs, the ministry replied through a written note as under:

“In order to cover large number of artisans in the training programmes on a sustainable basis, during 11th plan, a new initiative “Training through established Institutions” has been launched. This scheme is being implemented through existing Technical Institutions such it is, Polytechnics, etc. This system would impart skill based training to artisans on continuous basis through out the year and continuously over a period of 5 years. During 11th Plan, 120 such programmes have been targeted for implementation. Other existing schemes such as Guru Shishya Parampara, Capacity building, etc. will continue. During 10th Plan, it was targeted to train 10,000 artisans and during 11th Plan, it is targeted to train 23,200 artisans by implementing above schemes”.

54. Considering the importance of traditional crafts of our country, the Committee asked whether any financial assistance is being provided by the Government under the Design and Technical upgradation scheme to the craft persons who are continuing with the production of these crafts, The Ministry responded through a written note as under:

“Under the Design and Technological Upgradation scheme, no assistance is directly provided to handicrafts artisans. However, as a recognition measure, National Award (@ Rs.1.00 lakh per awardee) and Shilp Guru Awards are given to outstanding craftspersons. Besides, each Shilp Guru is further given an assistance of Rs.6.00 lakhs for producing 05 master creations in the craft in which he/ she has been given the Shilp Guru award”.

55. The Committee observe the emphasis of the Government on the Human Resource Development of artisans is extremely lop-sided keeping in view the number of artisans in the country vis-à-vis training activities undertaken. During the year 2005-06 1,100 participants in 11 events, 300 participants in 3 events in the year 2006-07 and 2,460 participants in 18 events in the year 2007-08 were imparted training. Under Special Handicraft Training Project, training imparted to artisans declined every succeeding year as 2,660 participants were trained during the year 2005-06, 760 during the year 2006-07 and 600 during the year 2007-08. But the position under the schemes Training in Innovative Designs and Training of artisans/SHG leaders/NGO in capacity building is extremely poor as for the years 2005-06, 2006-07 not a single person was trained under both the schemes. Similarly, during the year 2007-08 not a single person was trained under the scheme Training through Guru Shishya Parampara. There has also been no fixed periodicity of these trainings as they were stated to be organized on a need based manner. In future also, workshops and seminars are proposed to be organized only in such a fashion. The manner in which need for such workshops/seminars is decided and what is the criteria for such a decision has not been explained. Training to artisans are given primarily to upgrade their skills and make them aware about the conditions prevailing in the sector and how to cope up with the fast growing and ever

changing market requirements. Hence, an adhoc approach on this important aspect of artisans activity will not make our artisans competitive and sustainable. Besides, our artisans also face resource crunch in carrying out their vocation. Under no scheme of the Government financial assistance, subsidy or loan is provided to artisans to enhance their professional skills. The Committee, therefore, strongly recommend that training of artisans is of utmost importance for their sustainable growth and to achieve this, though in a phased manner, a proper and well thought out strategy be devised to continue it on a regular basis. The publicity of such programmes be adequately given amongst the artisans for achieving maximum coverage and to make them aware about the benefits of these trainings. The proposal for soft loan to artisans under Design and Technological Upgradation Scheme be also mooted with the provision of buy back arrangements of finished products against such loan.

I. Handicrafts Artisans Comprehensive Welfare Schemes

(i). Rajiv Gandhi Shilpi Swasthya Bima Yojana

Objective

56. 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 covers not only the artisans but his wife and two children also.

Eligibility To Get The Coverage

57. All craft persons whether male or female, between the age group of one day to 80 years will be eligible to be covered under the Rajiv Gandhi Shilpi Swasthya Bima Yojana.

Funding Pattern

Contribution by the Government of India	Rs. 650/- or Rs. 725/-
Contribution by the Handicraft artisan	Rs. 150/- in case of General Category Artisans and Rs. 75/- from artisans belonging to North Eastern Region and SC/ST communities/Below Poverty Line (BPL) families.
Total Premium	Rs. 800/-
Service tax on total premium i.e. on Rs. 800/-	At applicable rates which at present is 12.36%

58. The artisan's contribution shall be kept at 20% of the accepted bid, rounded off to nearest Rs. 50/- in case general artisans. The annual premium in respect of artisans belonging to SC,ST,BPL families and NER, will be @ 50% of the premium payable by general category artisans.

Release of funds:-

- (i) The Central Government's share of premium will be released to the insurance company directly for coverage of artisans under the scheme in installments.
- (ii) Service Tax at applicable rates, which at present is 12.36% over the annual insurance premium will be borne by the Government of India.
- (ii) In the event the claims ratio including all related costs is below 70%, with the view to incentives the scheme, the surplus shall be rolled over to the next policy period.

Target Group:-

59. The scheme will cover the artisan's family of four, comprising self, and any other three members of the family from amongst the dependent parents, spouse and children. The scheme is to cover people between age group of 1 day to 80 years.

Benefits:-**A. Personal Accident/ death benefits**

Particulars	Sum Assured
Death due to Accident	Rs. 1 lakh
Total and irrecoverable loss of any one limb by physical separation	Rs. 1 lakh
Total and irrecoverable loss of any one limb without physical separation	Rs. 1 lakh

B. Medi-claim:-

Particulars	Amount (in Rs.)
Annual Limit Per Family (1+3)	15,000.00
Sub Limits Per Family	
All pre-existing Diseases+New Diseases	15,000.00
Maternity Benefits (per child for the first two)	2,500.00
Dental treatment	250.00
Eye treatment	75.00
Spectacles	250.00
Domiciliary Hospitalization	4,000.00
Ayurvedic/Unani/Homeopathic/Siddha	4,000.00
Pre-Hospitalization & Post Hospitalization	15,000.00
Baby coverage	500.00
OPD	7,500.00
Limit per illness	7,500.000

60. Regarding the coverage and targets fixed under the scheme for the year 20008-09, the Ministry of Textiles replied through a written note as under:-

“A total number of 9,33,919 artisans have so far been covered under this scheme. For Rest of India: 6,48,500 handicraft artisan families and for NER: 3,61,800 handicraft artisan families. So far 1.32 lakhs artisans families have been enrolled”.

61. When asked about the reasons for restricting the coverage to only three members of the family of artisan (other than the artisan) from amongst the spouse, dependent parents and children under the scheme, the Ministry replies as under:-

“The Rajiv Gandhi Shilpi Swasthya Bima Yojana had been modeled on the lines of a similar Health Insurance schemes being implemented by the other organization namely Office of Development Commissioner (Handlooms). There too, the coverage provided is for 1+3 concept is also consistent with the Government’s declared policy of encouraging small family.”

62. The Committee observe that the Rajiv Gandhi Shilpi Swasthya Bima Yojana was launched by the Government in March, 2007 with the objective to financially enable the artisans community to have access to the health care facilities at an annual premium of Rs.150 for artisan of the general category and Rs.75/- for artisans belonging to SC/ST/BPL/NER. The Scheme is being implemented through Life Insurance Corporation of India (LIC). The annual coverage per family is four persons comprising self and any other three members of the family from amongst the dependent parents, spouse and children. The annual coverage per family is Rs.15,000 under the Scheme. The Committee are of the opinion that the cap of Rs.15,000 per family under the Scheme is, however, too meagre taking in account the present day medical expenses. There have been classification of various ailments and the monetary ceiling for their treatment. However, the classification of ailment and provision of money is far from satisfactory. Provision for 75/- for eye treatment, Rs.250/- for dental treatment and Rs.500/-for baby coverage are few illustrations highlighting the casual approach in deciding these issues. Although, the Committee understand the limited scope of maneuverability due to financial constraints, yet earmarking of the paltry sum is an exercise in futility keeping in view the procedure involved in getting reimbursement and the cost of treatment. The Committee feel that the artisans belong to the disadvantaged strata of the society and most of them are very poor. Due to their improper, unhygienic working conditions and poor life style, they are more prone to

occupational diseases including critical illness not to say of normal diseases. The Health Scheme, currently in operation, ignores a very vital aspect of the health care as it does not include treatment for critical illnesses. The Committee, therefore, strongly recommend that keeping in view the ever increasing medical expenses, the ceiling under the scheme should be raised to atleast Rs.1,50,000 per annum per family. The Committee further recommend that the critical illnesses like cancer, heart problems, brain surgery etc. should also be brought within the ambit of the Scheme with appropriate financial ceiling.

63. The Committee observe that under Rajiv Gandhi Shilpi Swasthya Bima Yojana, efforts have been made to enable the artisans community to have access to the health care facilities. However, not only the identification of ailments and the amount earmarked for their treatment speak volumes about the shortsightedness of the Government on such an important issue, but the limit of four persons of a family for benefits under the Scheme has raised questions about the thinking of the Government in so far as concept of the family in our society is concerned. Under the Scheme, four persons of a family comprising self and any other three members of the family from amongst the dependent parents, spouse and children are covered. The choice between the parents and children, at times may be very difficult to make. The Committee are unable to understand the logic behind this concept as it may obliquely alter the edifice of the family bondage. The Committee, therefore, strongly recommend that the ceiling of four persons

of a family for benefits under the Scheme be done away with henceforth. The concept of a family should invariably include dependent parents and thus taking into account the two children, self and spouse, the ceiling should atleast be extended to six persons for the purpose of insurance coverage under the Scheme.

(ii). Bima Yojana for Handicrafts Artisans**The salient features of this scheme:-**

- The objective of this component is to provide life insurance protection to Handicrafts Artisans in case of natural/accidental death or total/partial disability due to accident.
- The scheme is being implemented through the Life Insurance Corporation of India.
- The scheme covers artisans irrespective of gender, between the age group of 18-60 years.
- The annual premium under this component is Rs. 200/-, of which Rs. 40/- is to be contributed by the artisan, Rs. 60/- by the Government of India, and Rs. 100/- by LIC.
- The insurance cover for natural death is Rs. 30,000/-; for death due to accident or permanent total disability due to accident is Rs. 75,000/- and Rs. 37,500/- for partial disability due to accident.
- In addition, a scholarship of Rs. 300/- per quarter per child for the education of two children from 9th to 12th Standard is also provided under the Shiksha Sahyog Yojana.

64. The details of artisans covered under the scheme during last four years is as under:

State	2004-05	2005-06	2006-07	2007-08
Andhra Pradesh	5650	6418	9370	4954
Assam	5849	4408	11935	5952
Bihar	304	5310	3181	2990
Chhattisgarh	615	--	--	--
Delhi	1087	167	3039	458
Goa	481	349	379	538
Gujarat	1978	5872	10040	8370
Himachal Pradesh	575	2461	3141	696
Jammu & Kashmir	2920	3356	4430	3179
Karnataka	2421	2670	3433	2870
Kerala	6205	10595	12007	13395
Madhya Pradesh	1429	2241	1795	2028

Maharashtra	1206	1977	2856	3989
Orissa	8611	3287	3912	1198
Punjab	1118	1459	1650	2434
Rajasthan	1756	2599	8730	7496
Tamil Nadu	5381	4127	11070	7717
Uttar Pradesh	7151	10205	9802	10145
Uttaranchal	--	--	4456	2016
West Bengal	3293	2943	8043	17211
TOTAL	61427	70444	113275	97636

65. Under this scheme, the insurance coverage for natural death is Rs. 30,000/-, for death due to accident or permanent total disability due to accident is Rs. 75,000/- and Rs. 37,500/- for partial disability due to accident.

66. When asked whether such a paltry amount is sufficient to help the artisans/their families in case of death/disability of the earning member, more so when the prices of all the essential items to sustain life are escalating day by day, the Ministry replied in a written note as under:-

“As regards the concern about the available benefits under Bima Yojana for Handicraft Artisans being insufficient, it is stated that Janashree Bima Yojana is an existing scheme of LIC of India, which had been adopted for the handicraft artisans since 2003-04. However, with the initiatives taken by the Office of DC (Handicrafts), LIC of India had consented to enhance benefits under the scheme as indicated in the table below:-

Components	Provision under JBY in the beginning	Provision w.e.f. 1.7.2000	Provision w.e.f. 15.08.2006
Cover of Natural Death	Rs. 20,000.00	Rs. 30,000.00	Rs. 30,000.00
Cover for Accidental Death or Permanent disability	Rs. 50,000.00	Rs. 60,0000.00	Rs. 75,000.00
Cover for partial disability due to accident	Rs. 25,000.00	Rs. 30,000.00	Rs. 37,500.00

As regards the reasonability of the monetary benefits available under the scheme in the context of present day rise in prices, it is submitted that the Office of the DC (Handicrafts) will further pursue with LIC of India suggesting for suitable increase in benefits to make it relevant to the present day price situation and at the same time, Office of the DC (Handicrafts) shall also seek to get enhanced benefits for the artisans without any additional cost either to the artisans or to the Government of India.”

67. When asked whether the artisan's family members are also covered under this scheme, the Ministry replied in a written note as under

“The family members of the artisans are not covered directly under the scheme for the purpose of insurance benefits. However, under the Shiksha Sehyog Yojana component of the scheme, educational assistance in the form of scholarship @ Rs.300/- per quarter per child, for maximum of two children, studying in class IX to XII is given to the children of the insured artisans”.

68. When asked the reasons for putting the ceiling of class IXth to XIIth under the scheme, the DC (Handicrafts) stated during the course of evidence that the matter will be taken up with the LIC.

69. The Committee note that Bima Yojana for Handicraft artisans has been launched by the Government to provide Life Insurance protection to handicraft artisans in case of natural/accidental death or total/partial disability due to accident. This Scheme is being implemented through Life Insurance Corporation (LIC) of India. The artisans between the age group of 18 to 60 years are eligible to be covered under the Scheme. The annual premium under the Scheme is Rs.200/- of which Rs.40/- is to be contributed by the artisan, Rs.60/- by the Government of India, and Rs.100/- by LIC. The Committee are of the opinion that the handicrafts is an art and even the artisans of higher age groups are also practicing their skills and are contributing to the development of the sector. More so, they also work as trainers for the young generations using their vast experience and traditional skills. Hence, to exclude them from the coverage of Insurance not only negates their past contribution to the sector but also harbour the misplaced presumption that the artisans beyond the age of 60 are incapable of any work. This notion will undermine the efficacy, talent, resourcefulness and innovations of the sector because primarily all the activities here revolve around the person and his skill. Nonetheless, life expectancy in our country has also considerably gone up and hence restricting it to the age of 60 in such circumstances will not be beneficial to the artisans. The Committee, therefore strongly recommend that the age for insurance coverage under the Scheme should be enhanced at least upto 70 years as this will also enable the Government to fulfill its socio-economic

obligations. The Committee also desire to be apprised of the concrete steps taken in this regard at the earliest.

70. The Committee observe that Shiksha Sehyog Yojana is one of the components of the Bima Yojana for the handicraft artisans. Under the Scheme educational assistance in the form of scholarship at the rate of Rs.300/- per quarter per child, for maximum to two children, studying in class 9th to 12th Standard is given to the children of insured artisans. The Committee appreciates the objective of the Scheme, but express its apprehension regarding its practicality. Although it aims at promoting education among the children of artisans, yet pegging it for students of class 9th to 12th makes it unrealistic and impractical. It is common knowledge that the percentage of children of artisans reaching upto class 9th and beyond is very low and hence the purpose of launching schemes largely remain unfulfilled. To make the Scheme meaningful with the intent to upgrade the education of artisans offsprings, it should be made applicable from the beginning of the schooling of the student i.e. from the 1st standard to the 12th standard. The Committee, therefore, recommend that the scholarships should be provided at the initial stage of schooling, i.e. from 1st Class onwards so that the artisans are motivated to start the schooling of their children and are encouraged to continue till their wards become conscious enough to pursue their career profession.

New Delhi;
October, 2008
Asvina, 1930 (Saka)

SURAVARAM SUDHAKAR REDDY,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.

**MINUTES OF THE TWENTIETH SITTING OF THE STANDING COMMITTEE
ON LABOUR HELD ON 4TH AUGUST, 2008**

The Committee sat from 1400 hrs. to 1600 hrs. in Committee Room No. '074', Parliament Library Building, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Furkan Ansari
3. Shri Subrata Bose
4. Shri Santasri Chatterjee
5. Shri Thawar Chand Gehlot
6. Smt. Sushila Kerketta
7. Shri Virendra Kumar
8. Shri Basangouda R. Patil
9. Shri Rajesh Kumar Manjhi
10. Shri Devidas Pingle
11. Shri Mohan Rawale
12. Shri Kamla Prasad Rawat
13. Smt. C.S. Sujatha
14. Shri Parasnath Yadav
15. Shri Ramdas Athawale

RAJYA SABHA

16. Chowdhary Mohammad Aslam
17. Shri Rudra Narayan Pany
18. Shri Narayan Singh Kesari
19. Shri Gandhi Azad
20. Shri Arjun Kumar Sengupta
21. Smt. Renubala Pradhan

SECRETARIAT

- | | | | |
|----|------------------|---|------------------|
| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Shri R.K. Bajaj | - | Director |
| 3. | Shri N.K. Pandey | - | Deputy Secretary |

Witnesses**MINISTRY OF TEXTILES AND OFFICE OF DEVELOPMENT COMMISSIONER (HANDICRAFTS)**

1. Shri A.K. Singh, Secretary (Textiles)
 2. Shri Sanjay Agarwal, Development Commissioner (Handicrafts)
 3. Dr. Sandeep Srivastava, Addl. DC (Handicrafts)
2. At the outset, the Chairman welcomed the representatives of Ministry of Textiles and Development Commissioner (Handicrafts) to the sitting of the Committee convened for having briefing on the subject 'Development Schemes for Handicraft Sector'. He also apprised them of the provisions of Direction 58 of the Directions by the Speaker regarding confidentiality of the proceedings.
3. The Committee were then briefed by the representatives of the aforesaid Ministry on various aspects relating to the subject.
4. The important issues which came up for discussion inter-alia included:-
- (i) Lack of co-relation between the physical targets achieved and funds utilized under various schemes from the year 2002-2003 onwards.
 - (ii) Need to conduct census for handicraft artisans at regular intervals.
 - (iii) Poor coverage under all the Developmental and Welfare Schemes being run by DC (Handicrafts) office
 - (iv) Need to bring maximum number of artisans under Cooperative fold.
 - (v) Effective monitoring the activities of NGOs associated with implementation of the Schemes.
 - (vi) Need to Increase the number of training programmes with widespread publicity and awareness programmes.
 - (vii) Need to lower down the limit of 500 Kms to 200 Kms or less for providing travel assistance to the artisans for participating in marketing events.
 - (viii) Need to increase the limit of benefits being given under Bima Yojna keeping in view the escalating prices of all essential commodities.
 - (ix) Need to strengthen the marketing support to the artisans, particularly belonging to far flung, remote and hilly areas.

- (x) Need to set up more raw material banks across the country.
- (xi) Need to increase the pace of issuing identity cards to the artisans under Baba Saheb Ambedkar Hast Shilp Vikas Yojna.
- (xii) Need to increase the maximum age limit to 70 years or more under Bima Yojna.
- (xiii) Need to assess the impact of dumping of Chinese handicraft items in Indian domestic market.

5. Thereafter, the Members raised queries, which were replied to by the witnesses. On some of the queries raised by the Committee to which the witnesses could not reply during the evidence, they were asked to send the written replies to the Secretariat within a fortnight. They were also asked to send the written replies to the Supplementary List of Points which were given to them during the course of the sitting.

The witnesses then withdrew.

6. XX XX XX.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 18TH SEPTEMBER, 2008

The Committee sat from 1400 hrs. to 1600 hrs. in Committee Room No. B, Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy - CHAIRMAN

MEMBERS
LOK SABHA

15. Shri Ramdas Bandu Athawale,
16. Shri Santasri Chatterjee
17. Shri Thawar Chand Gehlot
18. Shri Virendra Kumar
19. Shri Basangouda R. Patil
20. Shri Rajesh Kumar Manjhi
21. Shri Devidas Pingle,
22. Shri Chandra Dev Prasad Rajbhar,
23. Shri Mohan Rawale,
24. Smt. C.S. Sujatha
25. Shri Parasnath Yadav

RAJYA SABHA

26. Shri Narayan Singh Kesari
27. Shri K. Chandran Pillai

SECRETARIAT

1. Shri R.K. Bajaj - Director
2. Shri N.K. Pandey - Deputy Secretary

Witnesses

Ministry of Textiles and Office of Development Commissioner (Handicrafts)

1. Shri A. K. Singh, Secretary (Textiles)
 2. Shri Sanjay Agarwal, Development Commissioner (Handicrafts)
 3. Shri J. K. Sharma, Joint Secretary,
 4. Shri K. K. Sinha, CMD (HHEC),
 5. Shri M. A. Ibrahim, MD (CCIC)
2. At the outset, the Chairman welcomed the representatives of Ministry of Textiles and Development Commissioner (Handicrafts) to the sitting of the Committee convened for having further discussion on the subject 'Development Schemes for Handicraft Sector'. He also apprised them of the provisions of Direction 58 of the Directions by the Speaker regarding confidentiality of the proceedings.
3. The Committee were then briefed by the representatives of the aforesaid Ministry on various schemes relating to the subject.
4. The important issues which came up for discussion inter-alia included:-
- (i) Under utilization of allocated funds and lesser achievement of targets fixed from the year 2002-2003 onwards.
 - (ii) Poor coverage under all the Developmental and Welfare Schemes being run by DC (Handicrafts) office.
 - (iii) Monitoring of the activities of NGOs associated with implementation of the Schemes and need to expedite the settlement of utilization certificates pending for submission with them.
 - (iv) Number of training programmes with widespread publicity and awareness programmes and to effectively monitor the activities of institutions selected to provide training to artisans.
 - (v) Identification mark for the registered handicraft items.
 - (vi) Allotment of shops in the permanent marketing infrastructure and other marketing events organized from time to time.
 - (vii) Providing the status of Industry to the Handicrafts sector.
 - (viii) Need to extend the benefits of scholarships to the students from VIth class to XIIth class instead of covering students only of IXth to XIIth standard under Bima Yojana for handicrafts artisans.

5. Thereafter, the Members sought clarifications on various points and the same were replied to by the witnesses. On some of the queries raised by the Committee to which the witnesses could not reply during the evidence, they were asked to send the written replies to the Secretariat within a week. They were also asked to send the written replies to the supplementary List of Points which were given to them during the course of the sitting.

The witnesses then withdrew.

6.	XX	XX	XX
7.	XX	XX	XX
8.	XX	XX	XX
9.	XX	XX	XX

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON TUESDAY, 21ST OCTOBER, 2008

The Committee met from 1500 hours to 1600 hours in Committee Room 'C', Parliament House Annexe, New Delhi to consider and adopt draft Thirty-Second and Thirty-Third Reports.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Furkan Ansari
3. Shri Ramdas Bandu Athawale
4. Shri Subrata Bose
5. Shri Santasri Chatterjee
6. Shri Thawar Chand Gehlot
7. Smt. C.S. Sujatha

RAJYA SABHA

8. Shri Narayan Singh Kesari
9. Shri K. Chandran Pillai
10. Smt. Renubala Pradhan

SECRETARIAT

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| 1. | Shri Brahm Dutt | - | Joint Secretary |
| 2. | Shri N. K. Pandey | - | Deputy Secretary |

2. At the outset, the Hon'ble Chairman welcomed the Members and apprised them about the draft Thirty-Second and Thirty-Third Reports on the Action Taken by the Government on the recommendations/observations contained in the Twenty-Eighth Report of the Standing Committee on Labour on Demands for Grants of the Ministry of Labour and Employment for the year 2008-09 and on the subject 'Development Schemes for Handicraft Sector' of the Ministry of Textiles.

3. XX XX XX

4. Thereafter, the Committee considered and adopted the draft Thirty-Third Report without any amendments/modifications.

5. The Committee then authorized the Chairman to finalise the above Reports and present the same to the Parliament.

6. The Committee also placed on records their appreciation for the service rendered to the Committee by the officers/staff attached to the Committee.

7. XX XX XX.

The Committee then adjourned.

APPENDIX**STATEMENT OF RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE REPORT**

Sl. No.	Para No.	<u>Recommendations/Observations</u>
1.	8	<p>The Committee take note of the fact that formulation of various schemes in handicraft sector and corresponding budgetary allocations are just not adequate to tap full potential of the artisans in the country. Based on the census of artisans conducted in the year 1995-96, the schemes framed cover only miniscule of artisans and the relative allocation under the schemes is also not fully utilized. The expenditure under the schemes which cover common artisans like Training and Extension, Design and Technology Upgradation, Marketing Support and Services and Research and Development has been far from satisfactory during the entire Tenth Plan. After noticing the trend of less budgetary utilization, a series of measures were stated to be taken by the Government including rationalization of planning schemes and introduction of 11 generic schemes. Despite all these measures, even from the lesser allocation of Rs.425 crore for the handicraft sector during the Tenth Plan Period, approximately Rs.50 crore could not be spent due to lack of proper and adequate planning of the schemes. Identical reasons like non- receipt of viable proposals from implementing agencies, non settlement of pending utilization certificates, non completion of SIDC projects, less demand from implementing agencies etc. have been given for non fulfillment of targets and less utilization of budgetary allocations repeatedly.</p> <p>The allocation for the 11th Plan period is Rs.1257 crore practically trebling it from the one allocated during the Tenth Plan Period. As the Government has been unable to undertake any census of artisans after the last census done in 1995-96, schemes for development and welfare of handicraft sector and artisans will have to be formulated on the basis of the figures of last census. Taking cue from the past experience the Government should ensure that reasons cited for non fulfillment of targets resulting in less budgetary</p>

		<p>utilization are pre-empted before the formulation of schemes for artisans and handicraft sector during the current Plan Period. The Committee also recommend that enhanced targets alongwith the matching budgetary allocations under each of the scheme having impact on wider segment of artisans should be fixed. The Committee also expect that wide publicity of the schemes would be given among the targeted groups and the monitoring of the schemes be done at regular intervals to ensure that the targets fixed for the schemes are achieved in a time bound manner and funds allocated are gainfully utilized.</p>
2.	13	<p>The Committee find that the last census to ascertain actual number of handicrafts artisans was conducted in the year 1995-96 and thereafter no fresh survey has been carried out even after a gap of more than a decade. Now, in the 11th Plan the Office of the DC (Handicrafts) has decided to conduct a fresh survey in which 20% districts will be covered every year. Based on the outcome of the census of 20% districts each year, estimated/projected population of artisans will be determined. In this way, it is proposed to get the actual data of artisans by the end of the Eleventh Five Year Plan. This process of census is cumbersome and skewed as it will not bring out the exact figures of artisans in the country because by the time census of last phase takes place, the figure in areas wherein the census was carried out in the first phase might have changed drastically. The present decision of the Government has perhaps not considered the very fact that the number of artisans in the country may not be more than a crore and the pockets of their concentration are also easily identifiable. Hence, to prolong the census of artisans during the entire 11th plan period defies all logic. The implementation of Developmental and Welfare Schemes based on assumption of figures of artisans will not be of any consequence as the quantum of money and machinery cannot be determined in the absence of correct data resulting in non fulfillment of the target fixed under the Schemes. The Committee, therefore recommend that it will be in the fitness of things if a one time survey is carried out to cover the entire strength of artisans all over the country and the current process of covering 20% of the districts every year should be continued thereafter to keep the data updated. Since the artisans are scattered across the country including</p>

		<p>in far flung and hilly areas. The existing set up in the Ministry of Textiles may not have adequate infrastructure and expertise, the services of other specialized agencies, like National Sample Survey Organization (NSS) may be requisitioned for conducting a realistic scientific census operations. This will not only help in expediting the work of census, but a region wise data base will also be prepared for implementation of the schemes effectively in future.</p>
3.	18	<p>The Committee note that there have been numerous Schemes for the welfare of artisans. Even though the Government has harped on increasing budget allocations year after year, the Committee are not satisfied as most of these schemes have not been able to come up to the expectations of artisans as the benefits of these schemes have not reached to the majority of them. The Committee are unable to understand the reasons for fixing the targets on lower side under the Schemes. During the entire Tenth Five Year Plan, only 1.48 lakh artisans under the Ambedkar Hastshilp Vikas Yojana, 1.17 lakh artisans under Marketing and Support Promotion Scheme/Export Promotion Scheme, 2.93 lakh under Bima Yojana, 0.50 lakh under Design Scheme and 1.54 lakh artisans under the ID card Scheme could be covered. The reason given by the Ministry that the coverage under these schemes is directly proportional to the budgetary outlays approved by the Ministry of Finance and Planning Commission and hence the small percentage of total artisans covered is attributable to the outlays approved under these Schemes, contradicts with their version as there have been under utilization of funds during each plan year of the last Five Year Plan. The Committee are of the strong view that adequate spadework should be done ensuring that benefits of the developmental and welfare schemes reach the maximum number of beneficiaries. Considering the enhanced allocations during 11th Plan, the Committee recommend that all out efforts should be made to cover the entire strength of artisans within the current Five Year Plan, particularly under the Welfare Schemes. For the purpose, the targets under each of the schemes should be revised accordingly and if need be the Ministry of Finance and Planning Commission should be urged to enhance the budgetary allocations to meet the increased targets.</p>

4.	28	<p>The Committee note that the handicraft sector is a highly decentralized and dispersed sector. As per the census conducted in the year 1995-96, a total number of 45.83 lakh artisans are working as household units out of the total strength of 47.61 lakh artisans. The strength of artisans in the country at present is estimated to be 67 lakh. The Government did not sought a separate data of artisans working by forming Cooperative Societies/Clusters in the last census and hence their data is not available. This reflects the non seriousness of the Government regarding organizing the handicraft artisans. Although, efforts are being made by the Government to organize the artisans, yet these efforts are limited and half hearted considering the total strength of artisans in the country. During the last three years 267 clusters have been formed as a result of Government efforts covering only, 1,06,974 artisans which is a small portion of the Government data of 65 lakh artisans in the country. The Committee feel that the Government assistance can be better channelised and utilized through Cooperative fold vis-à-vis targeting the individual artisan. For the purpose, handicrafts sector needs to be organized by bringing maximum number of artisans under the Cooperative fold. The Committee, therefore, strongly recommend that a well planned strategy be chalked out to form Cooperative Societies/Clusters all over the country in a time bound manner so as to bring the benefits of various welfare schemes to the artisans in a cohesive and assured way. It will be more appropriate if the work on the formation of Cooperatives is taken up simultaneously with the census operations by launching proper awareness programmes among the artisans regarding benefits of joining the Cooperatives.</p>
5.	35	<p>The Committee note that the role of NGOs in the implementation of developmental schemes for handicraft sector is very vital. According to the Government, their involvement is essential due to the fact that they have their presence through out the whole country at the grassroot level and are well familiarized about the issues relating to the artisans in the entire country and particularly in far flung areas. For implementing the welfare and developmental schemes aimed at welfare of artisans, these NGOs are provided financial assistance and are required to submit utilization certificates after spending it for the purposes it</p>

		<p>was released to them. The Committee are dismayed to note the lack of proper monitoring mechanism on the functioning of these NGOs to ensure that the amount released to NGOs are spent purposefully. Besides, situation regarding receipt of utilization certificate from NGOs is far from satisfactory. The NGOs are one of the eligible agencies entrusted with the responsibilities of implementing the various Schemes in the handicraft sector. Therefore, not only the verification of the amount spent by them are essential but the achievement of physical target set out for each of the NGO by the Government will ensure their accountability in fulfilling their obligation towards handicraft sector. Non submission of utilization certificate by NGOs are indicative of the fact that the fund released to them have either being not utilized properly or could have mis-utilised. Despite the pendency of about 835 utilisation certificates for submission by different NGOs since long time, no NGO has been taken to task or blacklisted for their act of omission. This is a very serious lapse on the part of the Government as it involves the public money about which no accountability is being ensured. The non-receipt of utilization certificates on time restricts the timely release of further funds and hampers the growth of the sector. The Committee, therefore, strongly recommend that a thorough scrutiny of the proposals of NGOs should be done before involving them as implementing agencies. Their past performance, infrastructure, technical expertise and financial position should also be taken into consideration before entrusting any offer to them. The Committee further recommend that the submission of the utilization certificate alongwith the evaluation of the target achieved should be responsibilities of field formations of Office of DC (Handicrafts). They should also be held responsible alongwith the defaulting NGOs against whom punitive action be initiated including blacklisting them.</p>
6.	39	<p>The Committee observe that the Government has introduced a new provision in the 11th Plan paving the way for providing travel assistance to the artisans who participate in the marketing events organized by the Office of the DC (Handicrafts) from time to time and are coming from the distance of more than 500 kms. Although this is a welcome step as it will encourage the artisans of distant areas to take part in the marketing events, yet the proposal is bereft of ground realities and will perhaps act as dampener to the local</p>

		<p>artisans where the Expo is being organized. The distance limit of more than 500 kms is impracticable. Keeping in view the poor financial position of the artisans and escalating transport expenses due to continuous hike in fuel prices, the distance of even 100 kms. is beyond the reach of artisans to travel at their own cost. The Committee, therefore, recommend that the limit of distance considered for providing travel assistance to the artisans should be reduced to at least 100 kms so that it does not prove an obstacle for the needy artisans to exhibit their skills. Similarly, some arrangements like plying special buses can be arranged for the artisans residing/working within the radius of 100 kms. of exhibition venue. These steps will help in maximizing the participation of artisans benefiting them.</p>
7.	44	<p>The Committee observe that our country produces varieties of Handicrafts items marked by area specific characteristics. The artisans of different regions give special dimensions prominently featuring their local artistic creations in the making of different crafts. However, in the absence of an appropriate identification mark it becomes difficult for a buyer to distinguish it from rest of the handicrafts made by machines and/or imported from abroad depriving the artisans of the rightful and legitimate dues worth their products. The Indian traditional crafts do have the recognition all over the world since long. Our handicraft products are being exported to all the major countries in the world. Yet, our share of exports of handicrafts in the world's is only 1.6% which is very low. Considering the total artisanal population and vast range of products manufactured in the country, there is a tremendous scope for increasing our handicrafts exports ensuring that the benefits also percolates down to the artisans. On the one hand, the artisans are unaware about the worth of their product due to their lack of proper exposure to the markets while on the other hand they are being exploited by the agents and middlemen for want of identification mark having the price value of the product in it. Even though the Government maintains that Handicraft represents a very wide range of products made out of a diverse range of raw materials and combination thereof and employing a variety of processes, tools and technologies, it has not taken initiative to develop a generic trademark for the handicrafts. The quality of the raw material of different handicraft items can be quantified, the products can be labeled after these meet the laid down criteria for the eligibility of the Handicraft</p>

		<p>mark. The Committee are of the opinion that there is need for proper identification of the handicrafts products to give a thrust to the exports and for ensuring that the artisans get a good value of their produces. They, therefore, strongly recommend that expeditious steps should be taken by the Government to develop a trademark namely 'Handicraft Mark' for handicraft items and, if possible, also displaying its price in it. Such a trademark would definitely enable handicraft products to develop a niche with a distinct identity both in domestic and international markets.</p>
8.	55	<p>The Committee observe the emphasis of the Government on the Human Resource Development of artisans is extremely lop-sided keeping in view the number of artisans in the country vis-à-vis training activities underaken. During the year 2005-06 1,100 participants in 11 events, 300 participants in 3 events in the year 2006-07 and 2,460 participants in 18 events in the year 2007-08 were imparted training. Under Special Handicraft Training Project, training imparted to artisans declined every succeeding year as 2,660 participants were trained during the year 2005-06, 760 during the year 2006-07 and 600 during the year 2007-08. But the position under the schemes Training in Innovative Designs and Training of artisans/SHG leaders/NGO in capacity building is extremely poor as for the years 2005-06, 2006-07 not a single person was trained under both the schemes. Similarly, during the year 2007-08 not a single person was trained under the scheme Training through Guru Shishya Parampara. There has also been no fixed periodicity of these trainings as they were stated to be organized on a need based manner. In future also, workshops and seminars is decided and what is the criteria for such a decision has not been explained. Training to artisans are given primarily to upgrade their skills and make them aware about the conditions prevailing in the sector and how to cope up with the fast growing and ever changing market requirements. Hence, an adhoc approach on this important aspect of artisans activity will not make our artisans competitive and sustainable. Besides, our artisans also face resource crunch in carrying out their vocation. Under no scheme of the Government financial assistance, subsidy or loan is provided to artisans to enhance their professional skills. The Committee, therefore, strongly recommend that training of artisans is of utmost importance for their sustainable growth</p>

		<p>and to achieve this, though in a phased manner, a proper and well thought out strategy be devised to continue it on a regular basis. The publicity of such programmes be adequately given amongst the artisans for achieving maximum coverage and to make them aware about the benefits of these trainings. The proposal for soft loan to artisans under Design and Technological Upgradation Scheme be also mooted with the provision of buy back arrangements of finished products against such loan.</p>
9.	62	<p>The Committee observe that the Rajiv Gandhi Shilpi Swasthya Bima Yojana was launched by the Government in March, 2007 with the objective to financially enable the artisans community to have access to the health care facilities at an annual premium of Rs.150 for artisan of the general category and Rs.75/- for artisans belonging to SC/ST/BPL/NER. The Scheme is being implemented through Life Insurance Corporation of India (LIC). The annual coverage per family is four persons comprising self and any other three members of the family from amongst the dependent parents, spouse and children. The annual coverage per family is Rs.15,000 under the Scheme. The Committee are of the opinion that the cap of Rs.15,000 per family under the Scheme is, however, too meagre taking in account the present day medical expenses. There have been classification of various ailments and the monetary ceiling for their treatment. However, the classification of ailment and provision of money is far from satisfactory. Provision for 75/- for eye treatment, Rs.250/- for dental treatment and Rs.500/- for baby coverage are few illustrations highlighting the casual approach in deciding these issues. Although, the Committee understand the limited scope of maneuverability due to financial constraints, yet earmarking of the paltry sum is an exercise in futility keeping in view the procedure involved in getting reimbursement and the cost of treatment. The Committee feel that the artisans belong to the disadvantaged strata of the society and most of them are very poor. Due to their improper, unhygienic working conditions and poor life style, they are more prone to occupational diseases including critical illness not to say of normal diseases. The Health Scheme, currently in operation, ignores a very vital aspect of the health care as it does not include treatment for critical illnesses. The Committee, therefore, strongly recommend that keeping in view the ever increasing medical expenses, the ceiling under the scheme should be raised to atleast</p>

		Rs.1,50,000 per annum per family. The Committee further recommend that the critical illnesses like cancer, heart problems, brain surgery etc. should also be brought within the ambit of the Scheme with appropriate financial ceiling.
10.	63	The Committee observe that under Rajiv Gandhi Shilpi Swasthya Bima Yojana, efforts have been made to enable the artisans community to have access to the health care facilities. However, not only the identification of ailments and the amount earmarked for their treatment speak volumes about the shortsightedness of the Government on such an important issue, but the limit of four persons of a family for benefits under the Scheme has raised questions about the thinking of the Government in so far as concept of the family in our society is concerned. Under the Scheme, four persons of a family comprising self and any other three members of the family from amongst the dependent parents, spouse and children are covered. The choice between the parents and children, at times may be very difficult to make. The Committee are unable to understand the logic behind this concept as it may obliquely alter the edifice of the family bondage. The Committee, therefore, strongly recommend that the ceiling of four persons of a family for benefits under the Scheme be done away with henceforth. The concept of a family should invariably include dependent parents and thus taking into account the two children, self and spouse, the ceiling should atleast be extended to six persons for the purpose of insurance coverage under the Scheme.
11.	69	The Committee note that Bima Yojana for Handicraft artisans has been launched by the Government to provide Life Insurance protection to handicraft artisans in case of natural/accidental death or total/partial disability due to accident. This Scheme is being implemented through Life Insurance Corporation (LIC) of India. The artisans between the age group of 18 to 60 years are eligible to be covered under the Scheme. The annual premium under the Scheme is Rs.200/- of which Rs.40/- is to be contributed by the artisan, Rs.60/- by the Government of India, and Rs.100/- by LIC. The Committee are of the opinion that the handicrafts is an art and even the artisans of higher age groups are also practicing their skills and are contributing to the development of the sector. More so, they also work as trainers for the young generations using their vast experience and traditional skills. Hence, to exclude them from the

		<p>coverage of Insurance not only negates their past contribution to the sector but also harbour the misplaced presumption that the artisans beyond the age of 60 are incapable of any work. This notion will undermine the efficacy, talent, resourcefulness and innovations of the sector because primarily all the activities here revolve around the person and his skill. Nonetheless, life expectancy in our country has also considerably gone up and hence restricting it to the age of 60 in such circumstances will not be beneficial to the artisans. The Committee, therefore strongly recommend that the age for insurance coverage under the Scheme should be enhanced at least upto 70 years as this will also enable the Government to fulfill its socio-economic obligations. The Committee also desire to be apprised of the concrete steps taken in this regard at the earliest.</p>
12.	70	<p>The Committee observe that Shiksha Sehyog Yojana is one of the components of the Bima Yojana for the handicraft artisans. Under the Scheme educational assistance in the form of scholarship at the rate of Rs.300/- per quarter per child, for maximum to two children, studying in class 9th to 12th Standard is given to the children of insured artisans. The Committee appreciates the objective of the Scheme, but express its apprehension regarding its practicality. Although it aims at promoting education among the children of artisans, yet pegging it for students of class 9th to 12th makes it unrealistic and impractical. It is common knowledge that the percentage of children of artisans reaching upto class 9th and beyond is very low and hence the purpose of launching schemes largely remain unfulfilled. To make the Scheme meaningful with the intent to upgrade the education of artisans offsprings, it should be made applicable from the beginning of the schooling of the student i.e. from the 1st standard to the 12th standard. The Committee, therefore, recommend that the scholarships should be provided at the initial stage of schooling, i.e. from 1st Class onwards so that the artisans are motivated to start the schooling of their children and are encouraged to continue till their wards become conscious enough to pursue their career profession.</p>