

## Livelihood Creation for Handloom Weavers through ‘Unique Recognition in Global Market’ – A case Study of Banaras Brocades and Sarees

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### Abstract

*Handicraft and handloom do not only represent an industry in India but also represent heart and soul of India. It reflects the cultural richness and diversity of India and also supports many families in earning their bread and butter. But Handloom is not giving that push to the economy which ideally it should. As per data, around 13.93 million Indians were engaged in handicraft and handloom production in 2017 and it is estimated to increase to 17.79 million in 2022. Ministry of Commerce has indicated the production of the Indian Handicraft and Handloom sector as being INR 302.57 billion with INR 168.58 billion generated through export. Based on past trends a growth of 16% is expected in 2017-22. But measures must be taken to increase this growth and thereby increasing the income of the artisans.*

*The handloom industry in India has a significant contribution towards employment generation as well as plays an important role in preserving the cultural identity (Liebl and Roy 2004). Despite measures by Government to protect the indigenous treasures, the economic potential of most of the products has been underutilized. However, with the “Make in India” campaign and Planning Commission giving it due place and priority we hope that handloom sector regains its unique identity. GI (Geographical Indication) Tag is one of the ways to protect the identity of our handloom product and to protect our heritage. This research will discuss about ways and skills in which the traditional Banarasi weavers can keep align with changing customer perceptions and thus enhance their employment skills and also to bring about tangible rural transformation, by enhancing employment skills and measures for preventing migration to other cities and also preventing them to switch to other jobs as unskilled laborers.*

**Keywords:** Handloom sector, Brand Recognition, GI Tagging, Rural Development, Geographical Indication.

### Introduction

The initiation of geographical indications (GIs) in the past decade as intellectual property rights (IPRs) to protect traditional handloom and handicraft goods has benefits for both consumers and producers of such goods. Consumers of GI goods benefit from the quality guarantee provided by the GI protection. The goods that have qualified for GI protection carry a GI logo when they are marketed and these symbols act as a quality and originality assurance to consumers. Saving on these transaction costs creates an incentive for consumers to pay a price premium for the GI good (Stigler 1961), which in turn creates a benefit and hence incentive for the producers of the GI products. Apart from the price premium benefit for producers, producers also benefit from the supply limitation that is ensured by GI protection. GI protection effectively controls the supply, which in turn increases its price. Also, GI protection preserves the traditional heritage of the locality.

The paper makes use of empirical case study to provide some insights regarding the prosperity and benefit impacts of GI protection for artisans who make Banarasi Sarees.

### GI Tag

The term GI (Geographical Indication) refers to the indicate that identifies a good as originating a particular place, is of particular quality, reputation and characteristics which other similar product may not have. In India, GI registrations have been given in diverse areas like agriculture, textile, handicrafts and even manufactured items. GI in the area of textile and handcrafted items are of great

importance as it provides shielding to the artisans by preserving the genuineness of craftsmanship and also improves the livelihood of artisans Geographical Indication (GI) is covered under Articles 1 (2) and 10 of Paris Convention for the Protection of Industrial Property and under Articles 22 to 24 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement. India is a member of the World Trade Organization (WTO) and it enacted the Geographical Indications of Goods (Registration & Protection) Act, 1999 which came into force with effect from 15 September 2003.1 ‘Banaras Brocades and Sarees’, a handloom product that received GI tag in year 2009.

### **Background and empirical study**

The following section provides some background information and briefly characterizes the growth in survey areas in the case studies. The theoretical supporting of the analysis and the empirical methods are also discussed.

### **Geographical area**

The Banaras (Varanasi) city is the main center of weaving. The brocade weaving of the Banaras is cluster based and scattered all over the Banaras district and some adjacent districts. The weavers of the product belong to the city only. The main centers of the brocade weavings are at Varanasi, Mirzapur, Bhadohi (Sant Ravidas Nagar), Chandoli, Chunar and Chakia. But among all, Varanasi city is the most important centre of brocade weaving and more than 85 percent weavers belong to the Varanasi city and its neighboring area only. Out of the different areas of the Varanasi, Madanpura and Ahaipur are two most significant areas of the brocade weaving. It is believed that the brocade weaving in the city initially started in these two areas and subsequently embraced by the other families.

### **Product profile**

Banarasi saree and intricate silk brocades of Banaras has made it world famous. Among the different varieties of sarees produced, some exclusive varieties of the sarees are Jangla, Tanchoi, Vaskat, Cutwork, Tissue and Butidar which are made of silk warp and silk weft, on plain or satin ground base, brocaded with extra weft patterns in diverse layouts introducing Buties, Bells, Creepers, Buttas in ground, border and anchal for getting splendid appearance. With the change in time and consumer liking, the weavers of the cluster are also undertaking deviations in the design and pattern of the product along with product diversification. In order to cater to the need of the overseas and domestic buyers, the weavers of the cluster are also producing home furnishing, silk dhotis, stole, scarf, muffler, mats, dress material, wall hanging, made ups like curtain, cushion cover, table cover, napkins, runners.

### **Weaving industry of banaras**

The handloom industry in India has a significant contribution towards employment generation as well as plays an important role in preserving the cultural identity (Liebl and Roy 2004). It is the second largest employment provider catering to primarily rural population after agriculture. The textile industry of Banaras employs more than 2 lakh workers in weaving and other allied activities, with an approximate annual turnover of INR 30000 million, with its specialty being Banarasi Sarees (Varman and Chakrabarti, 2011). As per handloom census of 2017, Varanasi had close to one lakh weavers.

**Table 1.** — Handloom Census, 2017

Parameters	All India	UP	Varanasi
Number of handlooms	2377331	80,295	31,378
Number of handloom weavers	4331876	2,57,783	95,439

### **‘Banaras brocades and sarees’ through geographical indication tag**

In order to recognize the authenticity of Banarsi Saree and restore its market, an aggressive campaign for obtaining ‘Geographical Indication Tag’ was started in 2006. The key role in the entire process was played by a local NGO, Human Welfare Association (HWA), with facilitation from United Nations Conference on Trade and Development (UNCTAD). UNCTAD is known for facilitating producer groups to protect their unique products by obtaining GI registration and owing to its efforts, about 300 Geographical Indication were awarded to various products in India in a span of 10 years. Representatives of HWA attended meetings of UNCTAD in early 2006, post which the process of obtaining GI for Banarsi Saree was initiated. A sensitization workshop was conducted by HWA to emphasize on the importance of GI tag, which was mainly attended by Government Officials, traders and exporters. The center point of the campaign was to highlight how GI tag, as mark of authenticity, will help in getting better recognition and acceptance in both global and national market, along with building strong brand image for the handcrafted product, thus resulting in better price for the product. The process culminated with Banarasi Sarees getting GI tag on 4 September 2009, under the registered name of “Banaras Brocades and Sarees”. For the GI registration, nine organizations -- Banaras Bunkar Samiti, Human Welfare Association Joint Director, Industries (Eastern Zone), Director, Handlooms and Textiles, Uttar Pradesh, Handloom Fabrics Marketing Cooperative Federation, Eastern UP Exporters Association (EUPEA), Banarasi Vastra Udyog Sangh, Banaras Hath Kargha Vikas Samiti and Adarsh Silk Bunkar Sahkari Samiti -- had applied to the Chennai-based Geographical Indication Registry in July 2007. And, after a long wait of over two years, the world famous *Banarasi Sarees* and *Brocade* got GI status on 4 September 2009.

### **Livelihood creation from GI tag**

The Handloom Sector is one of the biggest unorganized economic activities after agriculture and constitutes an integral part of the rural and semi-rural livelihood. The sector has an advantage of being less capital intensive, minimal use of power, eco-friendly, and flexibility of small production, openness to innovations and adaptability to market requirements. Handloom weaving is largely decentralized and the weavers are mainly from the vulnerable and weaker sections of the society, who weave for their household needs and also contribute to the production in the textile sector. As per 3<sup>rd</sup> Handlooms Census, carried out in 2009-10, more than 43 lakh people are engaged in weaving and allied activities which were 65.5 lakh as per 2<sup>nd</sup> handloom census conducted during 1995-96. As per a consumer study conducted by the EU Commission, it was estimated that approximately 40% of the consumers were ready to pay a premium amount of up to 10%, if the product was available with the guarantee of origin. There is a need to capture this feature in the favor of producers so that livelihood of the local artisans can be improved.

Out of the 38.47 lakh adult weavers and allied workers in the country, 77% are women and 23% male weavers, 10% of the weavers are from scheduled castes (SCs), 18% of the weavers are from scheduled tribes (STs), 45% are from other backward classes (OBCs) and 27% are from other castes.

The textile industry of Banaras employs more than 2 lakh workers in weaving and other allied activities, with an approximate annual turnover of INR 30000 million, with its specialty being Banarasi Sarees (Varman and Chakrabarti, 2011). In absence of GI tag, it was difficult to differentiate the original Banarasi Sarees from similar looking imitation products available in the market. While the

original producer suffered from loss of market for their authentic products, consumers ended up paying inflated prices for pirated products. Lack of authenticity, stiff competition from ‘Kela Silk’ and ‘Chinese Silk’, along with sarees produced on power loom was eroding the market share for the original handcrafted Banarsi Sarees that deserved the actual share. Information asymmetry thus produced lead to sharp decline in original Banarsi Sarees. Recognition of Banarsi Saree by awarding GI tag was thus imperative to protection of traditional craft and its revival.

We can also see the benefit of GI tag with increase in sales and production of Banarasi sarees. Also, Government has also come up with many schemes and advancements which has helped the handloom industry. Our major focus should be on export and the same can be seen with the increasing export performance in past few years.

**Table 2.** Year-wise production of handloom cloth & export of handloom products

Year	Handloom cloth production (million sq. Meters)	Handloom exports (Rs. In crore)
2007-08	6947	NA
2008-09	6677	NA
2009-10	6806	1252
2010-11	6907	1575
2011-12	6901	2624
2012-13	6952	2812
2013-14	7104	2233
2014-15	7203	2246

(Source: Textiles Commissioner Office and HEPC)

Also, we have notes that there has been more focus on the clusters of Varanasi, other than funds allocation, awareness programs for GI awareness and many other schemes were launched.

**Table 3.** Clusters and funds released by government to varanasi clusters

Number of Clusters/ Groups	Group size of clusters	GOI's Share	Fund released	Name of scheme
1 (Varanasi Mega Cluster)	25000 handlooms	Rs.70.00 Cr.	Rs.44.05 Cr.	Comprehensive Handloom Cluster Development Scheme
4 (Varanasi, Mubarakpur, Bijnore and Barabanki)	5000 handlooms each	Rs.2.00 Cr. For each cluster	Rs.6.86 Cr.	Integrated Handloom Cluster Development Scheme/ National Handloom Development Programme

**Table 4.** Year wise fund released under IHDS/NHDP for marketing initiatives after GI Tag

Year	Amount released (Rs. In lakh)	Weavers Covered
2010-11	30.73	80416
2011-12	705.81	148870
2012-13	1328.00	131210
2013-14	1567.00	135676
2014-15	1801.33	142119
2015-16	2134.33	153319

### Actual picture

Even though the product enjoys high reputation in domestic and international markets, but falling demand of handloom products, inappropriate compensation, lack of appropriate measures to leverage the commercial potential by weavers has led to miserable condition of weavers, who are facing Poverty. A rough estimate of dealers in Varanasi have reported that the turnover of hand-woven *Banarasi Silk* has reduced from INR 30 billion to INR 5-7 billion in last 7-8 years. Also, out of the total turnover of handloom which is approximately INR 80-100 billion, the share of *Banarasi Silk* accounts for 15 percent only. To add to this, producers of handloom made *Banarasi Sarees* have not been quick enough in adopting contemporary designs to keep pace with changing taste and preferences of consumers. Over a period of time, minimalist innovation in product form, designs, colour and texture of the product, packaging and selling has been witnessed. Moreover, handlooms have been incurring huge losses due to faster and cheaper production of look-alike imitation sarees on powerloom. For a silk which a weaver takes 3-6 months to make are made in few days on machine. Though GI regulation clearly specifies that any product which is not made on handloom does not come under the category of *Banarasi Brocade*, yet the biggest challenge emerges from imitation products produced on machines.

### Way forward

A new block level cluster approach for supporting the handloom weavers has been initiated in 9 blocks of Varanasi in these blocks, 9 Common Facility Centres (CFCs) have been set up having yarn depot, office with internet, pre-loom facilities like winding/warping/dyeing and workshop training for the weavers etc. It is supported by a full time technically qualified staff. Design support is provided by the Weavers' Service Centre, Varanasi and also, through a reputed private designer. Response of these CFCs has been encouraging. To adopt the same in all handloom pockets of the country, the guidelines of the Scheme, "National Handloom Development Programme (NHDP)" and "Comprehensive Handloom Cluster Development Scheme (CHCDS)" – Mega Handloom Cluster (in the pattern of NHDP) have been recently amended and State Govts. have been requested to develop such CFCs in all important handloom blocks for which GoI funding of upto Rs. 2.00 cr. per block is available.

Government of India is implementing Yarn Supply scheme throughout the country to make available all types of yarn at Mill Gate Price to the eligible handloom weavers so as to facilitate regular supply of basic raw materials to the handloom sector and help utilize the full employment potential of the sector. The scheme is being implemented through National Handloom Development Corporation, Lucknow, a Government of India Undertaking. Under the scheme the freight is reimbursed and depot operating charges @2% is given to depot operating agencies.

Further, to provide the subsidized yarn only to handloom weavers in order to compete with powerloom and mill sector, a component of **10% price subsidy on hank yarn** also exist under which 10% subsidy is applicable on Cotton, Domestic silk and woollen yarn with quantity limitation. NHDC has opened **10 yarn depots-cum-warehouses** in 12th Plan so as to ensure timely supplies to users on cash basis, besides taking care of individual weavers who need yarn in small quantity.

A mega handloom cluster was set up in Varanasi in 2008-09. For implementation of these Mega handloom clusters, Cluster Management and Technical Agencies (CMTAs) have already been appointed.

**Table 5.** Cluster-wise, Year-wise funds released  
(Amount in Lakhs)

<b>Name of the Cluster</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>Total</b>
Varanasi (Uttar Pradesh)	360.71	34.37	980.87	776.54	<b>2152.49</b>

The Hon'ble Finance Minister in the Budget speech 2014-15 announced setting up of Trade Facilitation Centre and Crafts Museum to develop and promote handloom products and carry forward the rich traditions of handlooms of Varanasi. Land measuring 7.93 acres was allotted/handed over to Office Development Commissioner for Handlooms, Ministry of Textiles by CPWD at Bada Lalpur, Varanasi for setting up of Trade Facilitation and Crafts Museum (TFC&CM) on 3.11.2014.

The foundation stone for setting up of TFC & CM was laid by the Hon'ble Prime Minister on 7<sup>th</sup> Nov.2014.The total cost of the project would be Rs.281.00 crore.

Initially the pilot project for extending loans under PNB WEAVER MUDRA SCHEME started in Varanasi (U.P.) and Bhubaneswar (Odisha). Detail of Varanasi is given in the table below.

**Table 6.** Details of PNB weaver mudra scheme in varanasi

	For loan amount up to Rs. 50,000	For loan amount up to Rs. 5 Lakh
Application received by WSC	1624	19
Applications submitted to PNB	1624	19
Number of accounts opened	227	7
Total amount sanctioned (in Rs.)	113.50 Lakh	23 lakhs
Total amount withdrawn (in Rs.)	30.27 Lakh	Nil

## Conclusion

The findings show support for the positive impact of GI protection on the livelihoods of farm households in rural communities. GI adoption has contributed to improved well-being and reduced rural poverty. Production of Banarasi Sarees and Brocade material involves labour-intensive and traditional techniques of production, which increases their production costs and providing a unique GI tag can be the solution to charge that extra premium for the product. Although the study cannot show the direct impact of GI adoption on the consumer price, that is the magnitude of the price premium that might have accrued to the producers from GI adoption, the findings imply that GI tag is definitely a solution to provide higher livelihood to the poor artisans. Also, the initiatives taken by government and special focus of Prime Minister in the area will definitely end up increasing the income of the artisans.

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