

**TECHNO-ECONOMIC FEASIBILITY SURVEY IN TEXTILE &
HANDICRAFT SECTORS INCLUDING CANE AND BAMBOO
IN ARUNACHAL PRADESH**

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nisiet

BIG IDEAS FOR SMALL ENTERPRISES

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EXECUTIVE SUMMARY

TITLE OF THE STUDY

TECHNO ECONOMIC SURVEY ON TEXTILE AND HANDICRAFT SECTOR IN ARUNACHAL PRADESH

In our country's economy, the handloom sector plays a very important role. After agriculture, it is the largest economic activity providing direct and indirect employment to 124 lakh persons who are engaged in weaving and allied activities. This sector has been able to withstand competition from the power loom and other sectors due to the financial assistance by the government and implementation of various developmental and welfare schemes. Due to these measures the production of handloom fabrics registered more than tenfold increase from a level of 500 m.sq.meters in the early 1950's to 6792 m.sq.meters in 1998-99. The handloom cloth production would be 8,800 m.sq.meters by the terminal year of the 9th plan with an expected employment potential of 173 lakh persons. This sector is contributing nearly 22% of the total cloth produced in the country and also contributing substantially to the export earnings.

India is second to China in sericulture production and has the unique distinction of producing all the four varieties of silk, viz., mulberry, muga, eri and tassar. It is providing employment to 60 lakh persons. The production of silk is expected to increase from 14,000 tonnes during 1996-97 to 20,540 tonnes during the 9th plan period. Silk textile exports constitute about 30% of the total exports and the target fixed for the terminal year of the 9th plan in rupee terms is 120 crore.

Handicrafts sector constitutes an important segment of the de-centralised sector of industries (rural non-farm sector). This sector is providing employment to over 6 million artisans.

In the north eastern region the handloom activity is significant in Manipur followed by Assam and Tripura. It is at negligible level in the State of Arunachal Pradesh. The same is the case with sericulture also. The handicrafts artisans are maximum in Manipur followed by Tripura and Assam. Arunachal Pradesh is occupying the 6th place in number of artisans in the NER.

In view of the pathetic position existing in Arunachal Pradesh, NEDFi thought it prudent to assess the status and future prospects of these sectors and to suggest suitable measure for their development. Accordingly NEDFi have commissioned **nisiet** to conduct a comprehensive study on the subject encompassing the defined objectives, prescribed terms of reference and, approach and methodology.

Review of Handloom, Silk and Handicrafts Sectors in Arunachal Pradesh

Though there is no separate allotment for the above mentioned sectors in the NER budget, it is presumed that it has been included in the budget allotted under industries and minerals. Moreover, the allotment for the State of Arunachal Pradesh forms only 14% of the total budget allocation under this head. The allotment made for science and technology seems to be very negligible. In addition to all these, the Department of Handlooms and Handicrafts came into existence in only 1999. In spite of it the progress in these sectors seemed to be at standstill.

In the State of Arunachal Pradesh more than 90% of handlooms are under domestic category while the rest are under commercial category. This state is in the 4th place as far as yarn consumption in NER is concerned. It is producing 9% of the cloth out of the total yarn consumed in NER, which is the least.

The area under mulberry is also the least in this state. This clearly shows that these sectors are not highly significant in the state. The multi-disciplinary project under Hasthakharge Mission scheme established in East Siang district has to be activated to improve not only sericulture but allied activities too.

The position of Arunachal Pradesh in handicraft artisans in NER is quite insignificant forming only 0.15% of the total artisans of NER. Though there is a cane and bamboo training centre it is very sad to know about the maximum number of dropouts from the training offered by them. It seems the artisans' only motivation is the stipend part of training. A second look has to be given to this and care has to be taken to maintain discipline in training so that they can increase their earnings.

For the development of these activities many programmes have been undertaken through the establishment of craft / weaving centres, research and design centres and mechanized dyeing units.

In addition, there is the KVIB to supplement the activities.

The figures of plan outlays during the 9th plan have shown a slight increase for mining, VSI, etc. However if we compare the outlays of Arunachal Pradesh state with All India outlays it is not even forming 1% of the total outlay. As high as 70% of the states total outlay has been earmarked for activities like social services, education, transport, communication and energy. But this has not been reflected in the actual infrastructural facilities provided in the state.

The development of these sectors is hampered by a number of factors such as inadequate staff, inadequate financial resources, non-provision of official transport, difficulties faced by the existing poor infrastructural facilities, non-functioning of the R&D center, etc.

Hence a need has been felt not only to motivate the artisans but also the officials to perform their duties well.

Moreover the artisans are following the traditional technology and are not being motivated to the modern technology or upgrade the existing technology. Most of the products are being sold locally since they are producing for family consumption only.

There is no interaction between the officials and artisans. The artisans are facing problems right from the procurement of inputs at reasonable prices / required quantity and quality to processing, i.e., technology upgradation including equipment and finally marketing.

Recommendations

- Past experience has clearly shown that the State Government is not in a position to help the artisans. Hence there is a need to invite investments from outside either from PSU's or big private concerns. People from Chambers of Commerce also can be motivated to invest by offering incentives and providing them all the required infrastructural facilities. A few more NGO's need to be identified from outside the State who can invest in this State.
- In pursuance of the declared policy of developing the backward regions, the Central Government may consider a package of fiscal incentives to promote investment in this State.
- Information technology applications in local / regional languages needs to be promoted thoroughly.
- E-commerce, etc., can be used to the maximum advantage. The products can be shown in internet to attract foreign buyers, etc.
- There is a need to strengthen and revitalise the only R&D centres existing in Doimukh in the State.
- There is a need for a thorough review of the existing craft centres. They should also be strengthened by way of increasing the number of crafts persons and providing them with modern tools and equipment.
- Efforts should be made to reduce the incidence of dropouts from the training. They should also be motivated to start their own units after the training by providing them with all the requirements.
- The ADARANA scheme implemented in Andhra Pradesh for improving the skills and production of artisans by provision of improved tool kits can be implemented in Arunachal Pradesh also.
- Awards for trainees who exhibit noticeable talents can also be made to motivate them just as awards to master crafts persons.

- The services of the Institute of Handloom Technology, situated at Guwahati can be utilized fully for the development of handloom sector. The expertise of NIFT, Kolkata / New Delhi can also be utilized.
- The design aspects may be taken care of by the weaver's service center, Guwahati and also by the services of National Centre for Textile Designing (NCTD), New Delhi.
- The NIFT, Kolkata can be requested to send their students and faculty to study the existing pattern of handlooms and suggest modifications in order to compete in the market or for exports. The NIFT will be making suggestions in accordance with the changing tastes, etc., and keeping in view the export potential. NIFT's role in the development of SMEs will come in handy in this regard.
- For the development of cane and bamboo crafts the services of Cane and Bamboo Development Institute, Agentala Bamboo Development Corporation, Kerala can be taken.
- The welfare schemes announced by the central government for these artisans should be implemented with commitment.
- The services of national / regional training institutes such as NCCT, NHDC, NCUI can be utilized for the training of officials at different levels. For motivational training, **nisiet's** expertise can be utilized.
- For marketing the products again the National / Regional level marketing agencies can be utilized by adopting the Government of India's scheme, i.e., Market Development Assistance Scheme (MDA) and marketing can also be done through ACASH., New Delhi.
- Artisan Training, Production and Marketing Centre (ARTRAP) can be established at Itanagar. This centre has given successful results in Karnataka.
- Artisans should be motivated to produce products for exports as the scope of exports in these two sectors is vast. The expertise of Export Promotion Councils can be utilized. Other organizations which can help in exports are HEPC, HHEC, NHPC and ACASH.
- The integrated infrastructure development schemes and Prime Minister's Sadak Yojana may be implemented to provide better infrastructural facilities.
- The overall law and order problems have to be taken care of if investors from outside the State are expected to invest in this State.

- Cluster approach can be implemented for the development of these two sectors: cane and bamboo cluster at Itanagar, Lohit (Tezu) and weaving cluster at Ziro and Pasighat. Bomdila has greater scope of carpet cluster. These clusters include common facility centers too.
- Raw material depots can be established at Bomdila, Tawang, Pasighat, and Ziro.
- NTC yarn godown can be established at Itanagar.
- The artisans should be motivated to form cooperative societies so that they have fewer problems and they can increase their bargaining power thus yielding better results.
- Formation of SHG's by the women weavers can be promoted so that they can save and get bank loans without much difficulty. This will solve the problem of working capital.
- The details of some of the important schemes are given for ready reference which can be taken up for the development of these two sectors. The recommendations given in regard to various schemes can also be looked into.
- The NEDFi should be the Nodal Agency for financial assistance for all the schemes implemented by the Government of Arunachal Pradesh.