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GOVERNMENT OF ODISHA

HANDLOOMS, TEXTILES & HANDICRAFTS DEPARTMENT

RESOLUTION

The 1st March 2017

SUBJECT— Odisha Handloom Policy - 2016

1. INTRODUCTION

Handloom is part of the great cultural heritage of Odisha and exemplifies the richness and diversity of the State and the artistry of the weavers. Hand-woven fabric produced in different parts of Odisha draws inspiration from its cultural ethos. Unparalleled in its flexibility and versatility, handloom permits continuous experimentation and innovation with the skillful blending of myths, faiths, symbols and imagery. The strength of handloom lies in innovative and intricate designs which cannot be replicated by the power loom sector. Although this sector has been able to withstand competition from the power loom and mill sectors, it needs to excel further in providing sustainable livelihood to the weavers without compromising its uniqueness.

The handloom sector plays a very important role in the State's economy, the handloom census of 2009 indicates a population of 1,92339 weavers in 40,683 households. Of this, almost 15% are members of the poorer and relatively disadvantaged Scheduled Castes (SC). Further, almost 25% work on a full-time basis as weavers, and the industry provides direct employment to 1,03,158 persons. About 55% of these weavers are from Odisha's western region. The bulk of weaver households come from the other backward castes and Scheduled Castes communities providing ample evidence of a correlation between weaving and the low incomes and asset base of weaver households.

The State has its own institutional set-up like : The Institute of Textile Technology (ITT), Choudwar; Textile Engineering at College of Engineering & Technology, Bhubaneswar; National Institute of Fashion Technology, Bhubaneswar; Indian Institute of Handloom Technology, Bargarh; Institute of Handloom Weaving & Design, Khurda; Odisha State Handloom Weavers Co-Operative Society Ltd, Bhubaneswar; Sambalpuri Bastralaya Bargarh; Weavers Service Center, Bhubaneswar;

satellite centers for Apparel Training and Designing/with the objective of bringing in the requisite level of professionalism and fresh ideas in order to enrich the tradition. The institutional framework to support adoption of new initiatives by the weaver community and build their awareness for better access to markets needs to be strengthened effectively.

The recent efforts to seek protection through Intellectual Property Rights (IPR) and Geographical Registration (GI) for the unique weaving traditions have ensured the exercise of control over the legitimacy of the fabrics sold in the name of 'Odisha Ikat' and 'Kotpad Fabric'. As such the identification of IPR for the other processes needs to be further explored and at the same time the need to effectively campaign for the exercise of the IPR protections received would be important to ensure that the benefit of these efforts affect the lives of the weavers positively.

Efforts to popularize the offerings from the state have been made by participation in a number of fairs and exhibitions both within and outside the country, orders have been generated and the sector is now getting into direct exports and will in the future bring in substantial increase in the incomes of the associated weavers.

All these initiatives now warrant a comprehensive direction and strategy for which the Odisha State Handloom Policy is contemplated and duly adopted by the State Government.

2. DEFINITIONS

Handloom : A loom operated manually to weave fabrics without electrical power.

Dyer : A person engaged to colour the yarn.

Tie-Dye worker : The person who prepares the tie-dye for weaving of an IKAT fabric.

Handloom Weaver : The person who sits at the loom and weaves fabric using handloom to earn his/her livelihood in full or part.

Ancillary worker : The person engaged in any or all of the activities like preparation of warp and weft yarn and other related pre-loom activities, dyeing the yarn, sizing and calendaring activities of finished fabric.

Handloom enterprise : Any enterprise exclusively engaged in production process of handloom weaving and marketing of handloom goods. It may be owned and managed by an individual weaver/master weaver/entrepreneur/SHG/Co-operative Society/NGO/partnership firms or a Company.

Handloom entrepreneur : Entrepreneurs /Master Weavers having own handloom enterprise.

Handloom SHG : Self Help Group formed by handloom weavers in a group of 10-20.

Weavers Co-operative Society : Co-operative Society formed by handloom weavers/ preparatory workers / post loom activity workers only, registered under Orissa Co-operative Societies Act, 1962.

NGO : A duly registered Non-Government Organization satisfying the CAPART norms and engaged in handloom activities.

Cluster : A cluster would be a contiguous area within a radius of 5-10 kms. having more than 300 looms engaged in production of handloom fabrics.

3. SITUATIONAL ANALYSIS

- Dwindling weaver population —1.19 lakh looms in 1988 to 0.44 lakh in 2009.
- Gradual breakdown of co-operative structure - 526 co-operatives functioning out of 1146 registered.
- Increasing relative income in handloom vs other sectors [avg. Rs 37,546 per annum vs. 59,229 at prices in 2014-15 for Odisha]
- Diversification of weaving activities - pre and on-loom.
- Movement from caste to profession based weaving groups.
- Quality differentiation - local vs national / international market.

4. PREAMBLE

Perceiving the key role that the handlooms industry plays in providing home based employment in rural areas, especially to women, the least burden that the industry puts on the local environmental resources, recognizing the enormous fame that the handloom tradition has brought to the State through its fine master weavers and their unique products and realizing the present status of the sector in terms of declining number of looms, the onslaught of mass produced goods due to the liberalized economic regime (and yet the opportunities it provides), lack of market information and a dwindling co-operative sector prompting the weavers to either abandon the vocation or remain as unorganized weavers, and on the basis of the various discussions with the different stakeholders at different points of time, the Odisha Handloom Policy is being enunciated as follows:

5. VISION

The broad vision of the Policy :

- To make the Handloom sector vibrant and maintain the brand name of Odisha Handlooms.
- To make the sector remunerative and economically viable and thereby create more employment opportunity.
- To have a larger share for Odisha Hand Wovens in the national and international market.
- To preserve the cultural heritage and age-old tradition of handloom weaving in the State.

6. OBJECTIVES

The main objectives of the Policy :

- Increase production by improving production chain management and induction of new looms.
- Providing continuous work and remunerative income
- Ensuring quality
- Upgrade marketing strategy at par with marketing of branded items
- Reorient Human Resources Development strategy and welfare measures for the weavers
- Revival of languishing fabrics and preservation of heritage.

7. STRATEGY

Major strategies to be followed for achieving the objectives :

- Holistic development of Handloom Cluster
- To promote entrepreneurs and enterprise development in the sector
- Capacity building through Skill up-gradation and Institutional training
- To ensure adequate credit flow
- To facilitate availability of raw material / machinery & equipment
- To provide common infrastructure for mass production/ marketing/warehousing/ packaging.
- To facilitate marketing and export through product development, exhibitions, urban haats, malls etc.
- To adopt publicity and propagation measures
- To link tourism & fashion to promote the culture and tradition of handlooms
- To provide Social Security through welfare activities
- To encourage Public Private Partnership (PPP) in handloom sector
- To encourage Business Development Service (BDS) providers
- To promote Handloom Parks/SEZ for handlooms

8. GENERAL POLICY FRAMEWORK

The Handloom Policy 2016 shall have a multi-pronged approach for promotion and development of Handloom sector including preservation of craft heritage and welfare of artisans.

8.1 Cluster Development

Government will make concerted effort to develop the existing handloom clusters / villages in the State as strong production bases through need based interventions such as formation of SHGs/Co-operative of weavers for collective participation, capacity building of weavers and handloom organizations, modernization of production processes, design inputs. Common Facility Centres (CFCs), raw material banks, credit linkage, marketing etc. Critical mass, i.e. weavers can be added to the existing clusters by imparting skill training. The master craft persons/entrepreneurs shall be assisted to play a catalytic role in development of the cluster.

8.1.1 Formation of SHGs/ Federation of SHGs/Consortia

Weavers and ancillary workers will be organized and brought under SHG/Co-operative fold for collective participation to undertake production and marketing activities. Group of SHGs will be encouraged to form into co-operatives and stakeholders to form into consortia.

8.1.2 Setting up of Handloom Enterprises

Weavers/entrepreneurs in clusters will be also encouraged to set up handloom enterprises.

8.1.3 Capacity Building of Handloom Organizations

Training will be imparted to Group leaders on SHG Management, employees of Co-operative Societies, along with exposure visit to successful clusters. Managerial grant may be provided to these organizations for 3 years on tapering scale.

8.1.4 Capacity Building of Weavers/ Entrepreneurs

Skill up-gradation training under various activities i. e., pre and post loom processes, weaving, dyeing, tie & dye making & weaving designing etc. will be provided to the weavers as per need. The weaver will be deputed to State level/ national level training institutes for advanced training. Exposure visit of weavers will be organized to reputed clusters inside and outside the State and to marketing events.

8.1.5. Increasing production efficiency

Pre-loom process will be mechanized to reduce cost of production. On-loom efficiency will be increased through introduction of modern techniques/accessories. Emphasis will be given on minimizing wastages in the production processes and optimal use of waste materials through product diversification.

8.1.6 CFCs/Raw Material Banks

Financial assistance will be provided to Co-operatives for establishment of Common Facility Centres (CFCs) including raw material bank, packaging facility, testing laboratory, design bank etc.

8.1.7 Supply of Raw Materials

Quality and price of a Raw Material in handloom sector has vital importance for determining the quality and marketability of the fabrics. As some of the weavers' villages are situated at remote places, quality raw material will be made available at reasonable price through Raw Material Banks. Testing equipments will be installed at Raw Material Bank level to check the quality of the yarn. One time financial assistance as working capital will be provided to the organizations for procurement of quality raw material.

8.1.8. Promote sustainable earning

In co-operatives, conversion charges paid to weavers to be reviewed regularly and revision to be made on half yearly basis as applicable. Ensure production of higher width fabric and fabrics having better market demand.

8.1.9 Credit Support

Financial instruments to be made available to eligible weavers for availing credit facility from financial institutions at a reasonable rate. They will also be provided with Weavers Credit Card etc.

8.1.10 Marketing Support

Marketing Support to handloom organisations will be provided for participation in different exhibitions inside and outside the State and for establishment of marketing tie-up with organisations and other marketing agencies/exporters etc. Co-operative Societies will be given assistance to boost sale and enhance earnings. Handloom organizations to be assisted for printing of product catalogue/ brochures and opening of sales outlets. Website will be hosted for clusters to help accessing cluster products and provision to be made for online purchase. For providing adequate publicity to Odisha handloom products, assistance will be extended for campaign through advertisements in print/electronic media, hoarding etc.

8.1.11 Technology & Design Support

Assistance will be provided for mechanization and up-gradation of technology for mass production, standardization and quality control. Design Intervention will be made on short term and long term basis with engagement of reputed designers through ongoing schemes and implementation of special projects keeping in view the present market trend and preservation of traditional and languishing varieties.

8.2 Enterprise Development

It is felt that entrepreneurs should be involved in the sector to take it forward to the national and international level. Enterprise Development is necessitated in order to increase the production base, self & wage employment, create a pan-India presence for Odisha handlooms and also boost export.

8.2.1 Identification of Entrepreneurs and Capacity Building

Entrepreneurs with aptitude and financial soundness will be identified and groomed through capacity building trainings to set up handloom enterprises. At the same time capacity building of the existing entrepreneurs, key personnel of handloom enterprises will also be taken up.

8.2.2 Credit Support

Loan to the entrepreneurs will be facilitated by the State Government. Assistance will be provided on Block capital/Cash Credit loan interest for making their unit viable.

8.2.3 Technology and Design Support

Necessary information will be provided regarding modern machineries, suppliers etc. Similarly, Designs (from Design Cell of the Directorate of Textiles, Weavers Service Center and Designers engaged at cluster level) will be provided to the entrepreneurs as per their requirement at a reasonable price.

8.2.4 Marketing Support

Assistance will also be provided to Organisations / Entrepreneurs / Consortia for participation in exhibitions/fairs inside and outside the country.

8.3 Skill Up-gradation Training

Skill is the basic requisite in handloom sector. Hereditary transfer of skill is a unique feature of this sector. For effective skill transfer it is proposed to provide the following support :

8.3.1 Institutional Training

Facilities will be provided for advance training in Weavers Service Centre, Bhubaneswar; National Institute of Fashion Technology, Bhubaneswar; Indian Institute of Handloom Technology, Bargarh; Institute of Handloom Weaving & Design, Khurda. Modular courses will be introduced in hand loom. Preference to be given for SC/ST/Physically handicapped/ women candidates. Besides, National Institutions like National Institute of Design (NID); National Institute of Rural Development (NIRD) etc. shall be encouraged to establish outreach centers in the State to undertake Research and Development work in Handloom Weaving, Dyeing, Designing and printing areas.

8.3.2 Empanelment of Master Crafts persons

Master Crafts persons and Designers will be empanelled by Directorate/State Agency for Development of Handloom Cluster (SADHAC).

8.3.3 Training of Trainers

Orientation training will be provided to the trainers/ master crafts persons through Institute of Excellence to up-date their knowledge on change in technology and process.

8.4 Preservation of Tradition

Handloom is an integral part of our tradition, art and culture. Odisha is famous for its IKAT production in Handloom. It is imperative to preserve the handloom tradition for posterity.

8.4.1 Revival of Heritage Designs

Necessary intervention will be made through implementation of specific projects to promote revival of languishing designs.

8.4.2 Handloom Museums

Handloom collections to be properly preserved and documented in the proposed Handloom and Handicraft museum being set up in Handicraft Complex at Gandamunda, Bhubaneswar. At the same time a drive will be made for collection of more heritage handloom items. Display in State Museum and district level museums to be made with proper documentation. Corporate Houses to be associated as part of their CSR.

8.4.3 Documentation of handloom products and design

Documentation of various designs/products will be undertaken in a time bound manner to facilitate research & development as well as to improve the general awareness of the products among the buyers.

8.4.4 Development of ethnic products linked to Lord Jagannatha Culture

Traditional Handloom products have been used from ancient times for the deities of Lord Jagannatha Temple, Puri. Production of such ritual fabrics to be ensured in collaboration with the Temple Administration.

8.4.5 Reservation of Handloom Items

Various handloom items like coarse variety saree, dhoti, lungi etc. are woven by relatively semi-skilled weavers and stiff competition is faced by them for marketing against mill made products. Therefore, in order to protect the interest of such weavers, provision for reservation may be made for production of these items only in handloom.

8.4.6 Display of design of traditional handloom products in Government buildings/parks/ public places

Government buildings/ parks/ public places to be encouraged to display traditional hand-woven art, craft and cultural products of Odisha.

8.5 Welfare of Artisans

Welfare and social security of the handloom weavers and their family members is most vital for continuance of this traditional craft sector.

8.5.1 Insurance Coverage

Handloom weavers will be covered under various life & health insurance schemes. Assistance will be provided towards beneficiary share of premium.

8.5.2 Weaver's Pension

Pension scheme will be introduced for the handloom weavers above the age of 60 and living in indigent condition.

8.5.3 Scholarship for Children of weaver's family

Scholarship will be paid to children of weaver's family for pursuing studies in textiles related Government/Government sponsored educational institutions.

8.5.4 Work shed-cum-Housing

Handloom weavers will be provided with financial assistance for construction of work shed-cum-housing to have a congenial environment to work and safeguard their handloom related assets from natural calamities.

8.5.5 Weavers Welfare Fund

Assistance from weaver welfare fund will be provided to handloom weavers for their medical treatment for critical illnesses such as cancer, heart disease, lung disease, damage sustained due to natural calamities and insurance contribution.

8.5.6 Electrification and Sanitation of weavers' households

Extension of electrification/ sanitation facilities to weaver house-holds will be co-ordinated with the help of line Departments.

8.6 Development of Database

Data is important for formulation and effective implementation of different schemes for development of handloom sector.

8.6.1 Handloom Census

Handloom census will be taken up at intervals to develop database of loom position, weavers and ancillary workers with mapping of villages and tracking of activities to aid policy formulation, planning and direct transfer of fund to beneficiaries' accounts.

8.6.2 Issue of Photo Identity Cards

All the weavers / ancillary workers of the State will be issued Photo Identity Cards.

8.6.3 Other Databases

Other database like database of clusters, organizations, Master Craftsmen (MCMs), entrepreneurs, exporters, marketeers, designers, buyers, machine suppliers, handloom promoting agencies, NGOs etc. will be developed.

8.6.4 Online data entry & reporting

A dedicated website for dynamic online data entry & reporting will be developed.

8.7 Institutional Support

A robust administrative set-up will be put in position by strengthening the Directorate of Textiles & Handloom with its field establishments, sponsored organisation like SADHAC and leading handloom organisations like Boyanika, Sambalpuri Bastralaya, SERIFED etc.

8.7.1 Strengthening of Directorate of Textiles & Handloom

For successful implementation of the handloom policy, review may be made for reorganisaton / expansion of the handloom sector and human resource from time to time.

8.7.2. Monitoring

State Level Project Committee/ District Level Monitoring Committee, Cluster Development Co-ordination Group for handloom will ensure proper co-ordination among different development agencies for identification of beneficiaries, convergence of schemes, formulation of action plan, mobilization of fund, monitoring implementation of programmes, formulation of policy, guidelines etc.

8.7.3 Weavers Grievance Redressal Forum & Helpline

A State Level Grievance Redressal Forum for handloom sector will be set-up at Directorate with a dedicated helpline number.

8.8. Infrastructure

Proper infrastructures for development of handloom sector are also required to be created either through Government or on PPP mode for establishment of Centre of Excellence, Design Studios, Handloom Park etc.

8.8.1 Setting up of Centres of Excellence

Centre of excellence will be set-up having Research & Development Wing and Product Development-*cum*-Training Centre.

8.8.2 Setting up of Design Studio

Design studio will be set-up to develop/display and preserve traditional, languishing as well as contemporary handloom designs.

8.8.3 Handloom Park

Integrated handloom park will be established in handloom clusters in PPP mode to facilitate bulk quality production.

8.9. Land

8.9.1 Land for individual weaver/entrepreneurs

Handloom enterprises will be given priority in allotment of land in industrial estates/parks developed by IDCO up to 5 acres on recommendation of Director, Textiles & Handloom.

8.9.2 Land for SHGs/ Societies/SPVs

Revenue land will be provided to SHGs/ Co-operative Societies/SPVs free of premium for establishment of CFCs / production centre on recommendation of Director, Textiles & Handloom.

8.10 Marketing

Odisha handloom fabrics have an excellent demand in domestic/international market. The cluster level organisations have limited scope and capability to access the national and international market. The support provided for marketing will be strengthened to create a greater share in niche markets particularly in metros outside the State. Tourist guides will be sensitized to bring tourists to handloom markets.

8.10.1 Exhibitions

Exhibitions will be organised by Government regularly inside and outside State keeping in view local festivals and special occasions. The participants will be encouraged by providing assistance to participate in State/National/International exhibitions organized /sponsored by Government(s). Assistance will also be provided to the organizations to conduct exhibitions inside and outside the State.

8.10.2 Buyer-Sellers Meet

Buyer-Sellers meet will be organized for interface of producers and buyers to understand the market and reorganize their production programme according to the feedback.

8.10.3 Marketing through leading State/ District Level Organisations

Assistance will also be provided for printing of product catalogue/brochure, website, publicity and brand building of State/District level organisations like Boyanika, Sambalpur Bastralaya, SERIFED etc. All these organisations will have a procurement policy, with end-to-end computerized database and will set-up procurement centres at different strategic locations.

8.10.4 Opening of sales outlet by SHGs/Co-operatives

Financial assistance will be provided to SHGs/Co-operatives for opening sale outlets. Convergence with line departments for allotment of 10% of the shops in market complexes developed by Urban Bodies/ Panchayat Samities for sale of handloom goods will be preferred, in addition to other measures and other avenues of convergence.

8.10.5 Urban Haat/Handloom Mall

An autonomous organization will be constituted under Societies Registration Act, 1860 to look after effective management of existing urban haats at Bhubaneswar, Puri and Konark. It will also take steps for establishment of new haats/craft bazaars in potential towns/tourist places with approval from competent authority.

8.10.6 Promotion of brand name of “Odisha Handloom”

Handloom goods produced in Odisha and as per quality standards to be laid out will be marked as “Odisha Handloom” and a continuous brand campaign shall be made with the help of reputed professional agencies.

8.10.7 Registration of Showrooms

Showrooms dealing with exclusive handloom products of Odisha with prescribed quality standards will be registered with Directorate to facilitate sale of genuine hand-woven fabrics.

8.11. Export Promotion

Although there is huge potential for export of handloom fabrics, the direct export from Odisha is very meagre. Strategic approach for intelligent, aggressive international marketing will be formulated.

8.11.1 Promotion of Exporters

Potential entrepreneurs/enterprises will be encouraged to enter the sector for marketing handloom products of Odisha. Capacity building of the entrepreneurs will be made to undertake production and export activities. Facilities and incentives shall be provided to set-up export oriented production units with modern machineries for mass production of quality products. Design support will also be provided through design cell. Financial support will be provided to exporters for participation in international fairs.

8.11.2 International Marketing Cell

The International Marketing Cell with the objective of promoting export of handloom products will be strengthened with the induction of professionals to provide handholding support to local exporters in procuring orders & execution. The cell will manage the space acquired in IEML, Greater Noida and facilitate participation of exporters in IHGFs and other International Trade Fairs.

8.12 Fiscal Incentives

The following fiscal incentives will be made available to handloom production units/ organisations and developers of handloom infrastructure projects.

8.12.1 Stamp Duty

- (1) No stamp duty will be required to be paid in respect of land allotted by Government to IDCO or by Government/IDCO to private developers of Handloom Parks/Estates/ Infrastructure Projects.
- (2) Other provisions regarding stamp duty will be applicable as per IPR 2015.

8.12.2 Value Added Tax (VAT)

VAT is exempted on sale of handloom goods produced in Odisha. Regarding exemption/ reimbursement of VAT on purchase of raw materials, tools & equipments, the provisions laid down under IPR 2015 are applicable.

8.12.3 Entry Tax

Entry Tax on purchase of tools/equipments/raw materials will be governed by the provisions laid down under IPR 2015.

8.13 Brand Campaign

Customer faith, to a great extent, rests on the brand name of product. In order to create strong brand name, Odisha handloom products will be covered under G. I. registration. Handloom mark and Silk mark will be used to certify the genuineness of a hand-woven cotton and silk product. Catalogue and brochures will be printed and used for reference and awareness of customers. Advertisement will be made through electronic and print media to popularize the products and a website will be hosted for information dissemination.

8.14 Miscellaneous

- (a) This policy shall remain in force until substituted by another policy. The State Government may at any time amend any provision of this policy.
- (b) A special package of incentives over and above what has been enumerated in this policy document may be considered for new projects/ schemes on case to case basis taking into account the benefits to the State.

- (c) Doubts relating to interpretation of any term and/or dispute relating to the operation of any provision under this policy shall be referred to the concerned Administrative Department, Government of Odisha for clarification/resolution and the decision of Government in this regard shall be final and binding on all concerned.
- (d) Implementation of various provisions covering the incentives, concessions etc. will be subject to the issue of detailed guidelines/statutory notifications, wherever necessary, in respect of each item by the concerned Administrative Department.

ORDER—Ordered that the resolution be published in the next issue of *Odisha Gazette* and copy of the resolution be forwarded to all Departments and all Heads of Department.

By order of the Governor

CHITHRA ARUMUGAM

Commissioner-*cum*-Secretary to Government