Case Study - Role of NGOs

What is the significance of handloom industry?

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- Handloom is the second largest unorganised set of economic activities in India, which supports rural areas by employing the members of backward and tribal communities.
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- Handloom art and weaving centres are clustered all over India, many of these art genres are popular in local and international markets.
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- Few handloom clusters of India are Chanderi cluster (M.P) known for its genre of silk garments and sarees, Varanasi (U.P) cluster for Banaras silk sarees, Chirala (A.P) cluster for its traditional varieties of zari (golden metal threads) sarees and dhotis.
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- These clusters preserve traditional knowledge, which is passed from one generation to another.
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- The exclusivity and the rarity of these handloom art forms provide them with the much-needed competitive advantage.
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What are the concerns with Indian handloom industry?

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- In India, handloom art is in crisis, the textile ministry’s Handlooms Census (2010) shows there has been a 33 per cent drop in handloom employment since 1995-96.
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- India’s handloom exports touched Rs. 2,246 crore in 2014-15, however this has been continually declining compared to the previous 4-5 years.
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- Respective Union and state governments has taken many initiatives to promote handloom, but it had not addressed the ground level poverty faced

by the weavers.
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What is the role of NGOs in in Chanderi handloom cluster?

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- Chanderi has 30,000 inhabitants and about 4,500 active looms and a weaver earns approximately Rs. 3,000-4,000 a month.
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- A NGO Digital Empowerment Foundation (DEF), has a fulltime operations in Chanderi cluster of Madhya Pradesh.
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- With the support of IT ministry, the NGO has initiated a project named Chanderiyaan, which is essentially the Chanderi weavers' ICT resource centre.
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- Through which Chanderi weavers sell their products across the country at a premium under the brand name of 'Chanderi'.
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- DEF created a web portal to help weavers sell their products, going beyond reducing physical market separations and building a bridge to provide market access to their producers.
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What are the insights from the Chanderi model?

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- The Chanderi model has been able to demonstrate the viability of market-based solutions for alleviating the poverty and salvaging dying art forms.
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- Demand and supply gap can be matched by making proper price discovery mechanism.
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- Facilitating exchanges or transactions, for logistics, payment mechanisms are crucial.
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- Institutional infrastructure and regulatory mechanisms needs to be improvised.
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- External non-governmental agencies can be roped in undeveloped informal

rural markets in many parts of India.
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Source: Business Line

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