



SAMARTH SCHEME

Changes to the SAMARTH Scheme under Ministry of Textiles to set-up accelerators/start-up incubators for trained textile artisans from the rural communities to set up and scale their craft as businesses

Indian Constitutional Aid Association



CHAPTER I

INTRODUCTION

1. India has a rich history of textiles and handicrafts; these are of immense importance to India's cultural diversity and are liable to be protected by the Government to safeguard India's heritage.
2. India's textile industry faces the problem of lack of centralized structures and business outreach, leading to impoverishment of many traditional textile workers. In order to remedy this, the Ministry of Textiles initiated SAMARTH (Scheme for Capacity Building In Textile Sector) aimed at skilling textile workers¹.
3. The aim of this scheme is to "provide demand-driven, placement-oriented skilling programme to incentivize the efforts of the industry in creating jobs in the organized textile and related sectors to promote skilling and skill up-gradation in the traditional sectors through respective sectoral divisions/organizations of Ministry of Textile; and to provide livelihood to all sections of the society across the country"².

OBJECTIVES OF SAMARTH SCHEME

1. To provide demand driven, placement oriented National Skills Qualifications Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organized textile and related sectors, covering the entire value chain of textile, excluding Spinning and Weaving.
2. To promote skilling and skill upgradation in the traditional sectors of handlooms, handicrafts, sericulture and jute.
3. To enable provision of sustainable livelihood either by wage or self-employment to all sections of the society across the country.

The Scheme would target to train 10.00 lakh persons (9 lakhs in organised & 1 lakh in traditional sector)³.

The skilling programmes would be implemented through following Implementing Agencies⁴:

1. Textile Industry.
2. Institutions/Organization of the Ministry of Textiles/State Governments having training infrastructure and placement tie-ups with textile industry.
3. Reputed training institutions/ NGOs/ Societies/ Trusts/ Organizations/ Companies /Start Ups / Entrepreneurs active in textile sector having placement tie-ups with textile industry.

The scheme will broadly adopt the following strategy⁵:

1. Aadhaar enabled biometric attendance system with minimum 80% attendance for assessment
2. Training by certified trainers having Training of Trainers (ToT) certification by RSA/SSCs
3. CCTV recording for entire training programme and assessment process.
4. Third party assessment and certification by assessment agencies empaneled by RSA
5. Placement linked skilling programme with mandatory wage employment in organized sector (70%) and in traditional sector (50%) and post placement tracking for one year
6. Random physical verification of active training centres
7. NSQF aligned courses
8. Robust MIS and real-time Scheme information publicized in Ministry of Textiles website.
9. Call centre (Helpline) set-up to collect feedback
10. Mobile app for different stakeholders to ease out monitoring and implementation mechanism.
11. Preference given to marginalized social groups and 115 aspirational districts
12. Public Grievance redressal with designated Grievance Redressal Officer from Ministry of Textiles
13. Internal complaints committee to be constituted under the Sexual Harassment of women at workplace (Prevention, Prohibition, redressal) Act ,2013
14. Funding as per common norms of MSDE
15. Common branding as per guidelines of MSDE
16. For self-employment, concessional credit under the Pradhan Mantri MUDRA Yojana will be provided for beneficiaries.

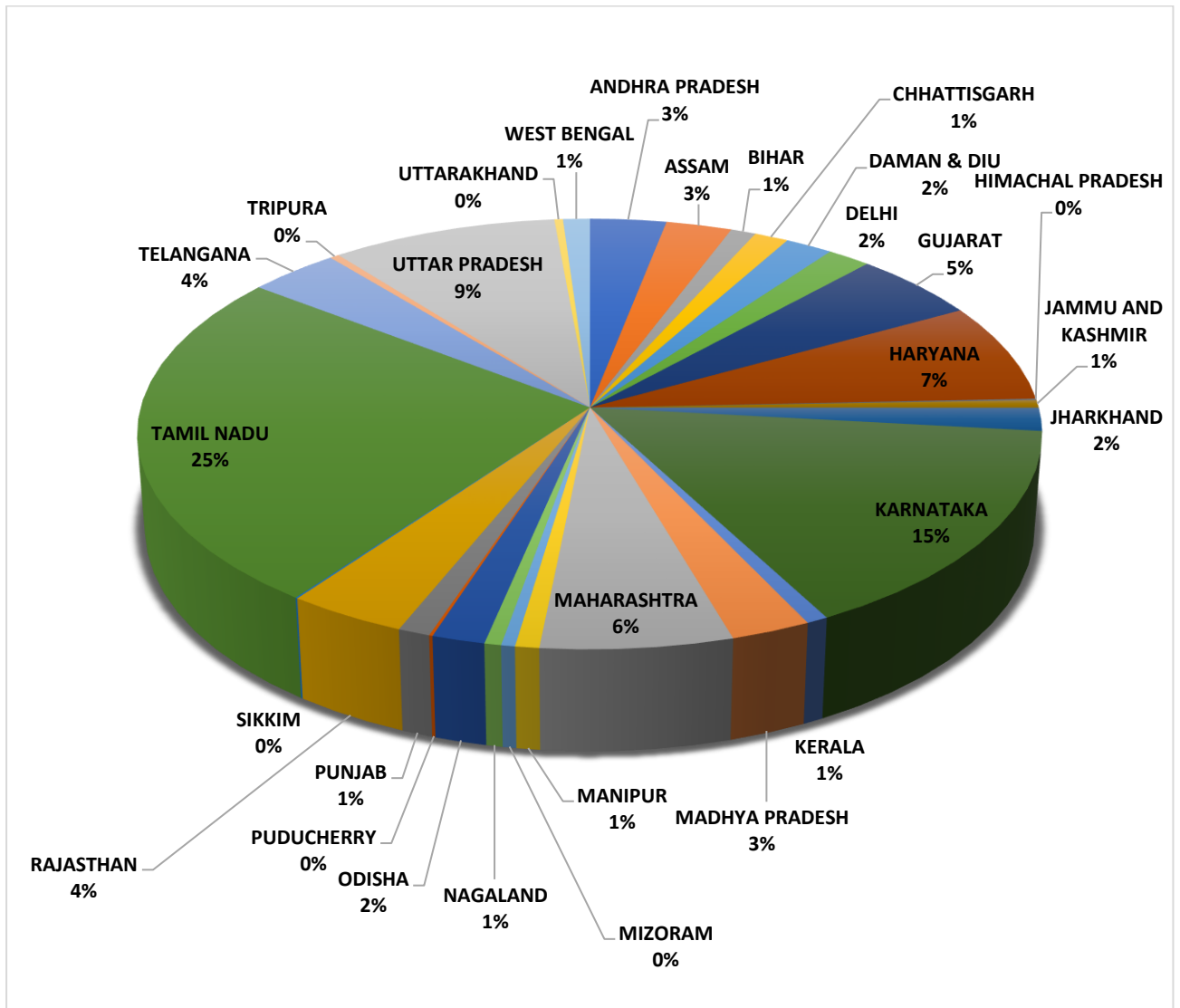
CHAPTER II

MINISTRY OF TEXTILES: SAMARTH SCHEME CHALLENGES

1. This program has facilitated many textile workers in helping them create products from their craft forms. However, this program requires an extension to facilitate business outreach and a startup ecosystem for these workers to truly fulfil its aim of creating jobs and organised businesses in the industry.
2. The products created under the SAMARTH Program require assistance to commercialise and start a registered business in the market, this requires a systemic form of mentorship and assistance by way of grants to launch these products in the market, either through a startup or through a business.
3. An example is the revival of 'Kheta' embroidery in the district of Kishanganj in Bihar, where Shershahbadi women were upskilled in creating products like shawls, notebooks and other items from their traditional form of Kheta embroidery⁶. However, these products are not fully commercialized as these women and other artisans do not possess the requisite knowledge and details to successfully commercialise these products.
4. Similarly, an upskilling program for handloom weavers in Manipur was carried out in November 2021, this program also lacked a comprehensive plan to raise awareness and increase commercial outreach of these products. This program is suffering from the same gap between skilling and commercialising and leads to wasted potential of these artisans⁷.
5. Therefore, a crucial part of the process to empower these artisans and their products is a program to assist them to create viable means to sell their products. After the upskilling process under the SAMARTH Program, these products and artisans require business mentorship to facilitate the outreach and sale of their products, ideally through a startup ecosystem, which would also assist these artisans in collaborating and connecting with each other.

Data of Artisans trained, in-training, and placed under SAMARTH Capacity Building scheme (State-Wise Distribution):

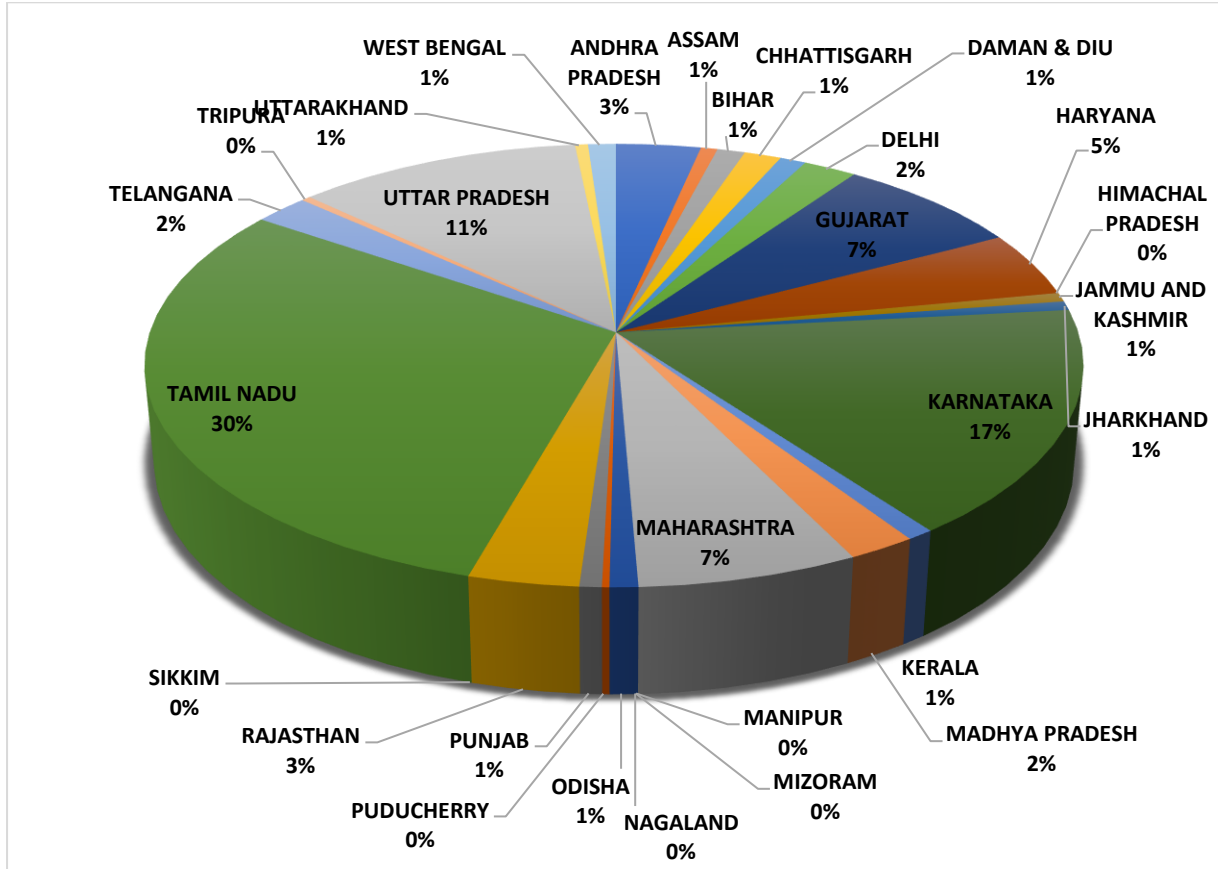
TRAINED⁸



In conclusion, SAMARTH scheme’s implementation in 29 states has yielded a result of 24,956 artisans being trained in their special skills of handicraft and textile art. ¹

¹ This chart represents the state-wise distribution of artisans trained out of 24,956 under the SAMARTH program.

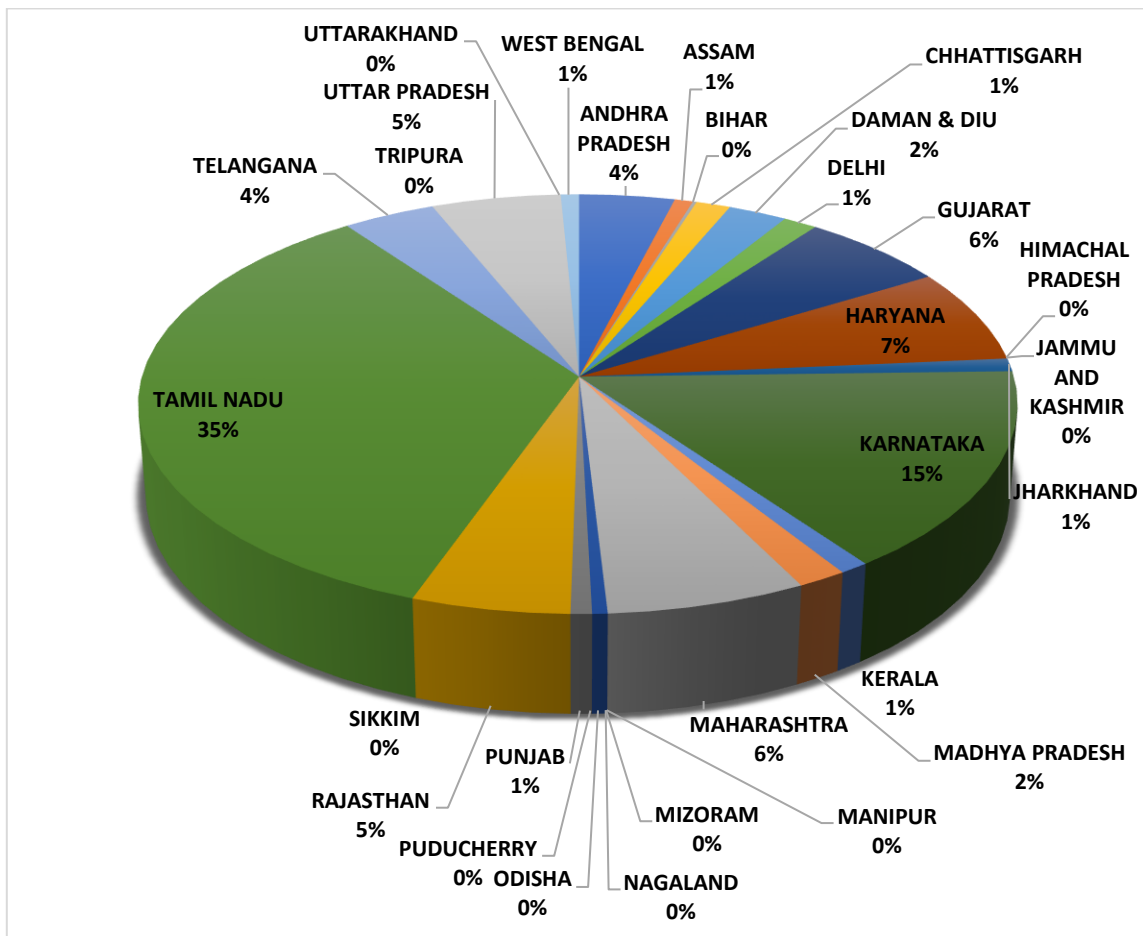
IN-TRAINING⁹



In conclusion, SAMARTH scheme's implementation in 29 states yielded a result of 13,633 artisans being under training to specialize and master their skills of handicraft and textile art. ²

² This chart represents the state-wise distribution of artisans in-training out of 13,633 under the SAMARTH program.

PLACED¹⁰



In conclusion, SAMARTH scheme's implementation in 29 states has yielded a result of 13,701 artisans being placed in organizations that fall under the handicraft and textile sector.³

³ This chart represents the state-wise distribution of artisans placed out of 13,701 under the SAMARTH program.

CHAPTER III

SAMARTH EXTENSION: POLICY GOALS

The aim of the SAMARTH program is to ensure job creation and an assured livelihood for these artisans and safeguard the traditional craft forms of India. To supplement the goals of this scheme, artisans and crafts require mentorship to create a business and successfully commercialize their product. Extensions to the pre-existing SAMARTH scheme would fulfill the goals envisaged under the scheme and propel financial independence for craftsmen/women and artisans in India.

1.1 Extend the SAMARTH Scheme to include a mentorship program for artisans

- 1.1.1 Under the SAMARTH Program, appendage of a necessary mentorship program for artisans that will be aimed at helping artisans create an initial business plan for commercializing their products and will assist them in selling and increasing outreach of their products in relevant markets as per the commercial demand of the niche segment of products they are aiming to sell.
- 1.1.2 Upon completion of an initial business strategy to sell their products, the mentors will, upon examination of the sales and responses, further assist artisans create their own enterprises and ventures and will provide knowledge and information required to create an enterprise and obtain the requisite licenses for their startup.
- 1.1.3 The mentor will also facilitate, thereafter but not limited to, collaboration and networking between artisans to create an ecosystem of promoting their products and collaborating to increase awareness and outreach for the traditional handicrafts of India.
- 1.1.4 The mentor would be assigned by the committee set-up under the Ministry of Textiles for assigning mentors to artisans who have been/are being trained under the SAMARTH Program.
- 1.1.5 Financial compensation to the mentors shall not be tied to the success of the business plan formulated by them for the artisans to whom they have been assigned. Under no circumstances shall the mentor hold equity/shares of the company they incorporate under the Companies Act, 2013. This is to avoid vested interest for personal gains from

the entity that could possibly jeopardize the future of the company or the artisans on whose art and skills the company has engendered.

1.2 Introduce a system of funding for the enterprises using a startup incubator/accelerator

- 1.2.1 The SAMARTH Program would extend to granting aid to artisans and their enterprises. The funds would be utilized to set up their enterprises and raise awareness about their products, which will eventually lead to a successful business for these artisans and a secure livelihood.
- 1.2.2 The enterprise powered through SAMARTH scheme would be entitled to submit quarterly and annual reports to evaluate its QoQ/YoY growth to determine the amount of funds required to invest in the foreseeable time period.
- 1.2.3 The reports would have to be evaluated by the committee set-up under Ministry of Textile in quarterly meetings to align the functions of the entity as per the respective fiscal year.
- 1.2.4 Grants/equity/convertible note/debenture must be granted in the form of cash flow and logistics to these artisans under the enterprises' name following a thorough vetting procedure of the business plan of the entity. The extent of funds required can be assessed by the mentor and finalized by the committee set up under the Ministry of Textiles.
- 1.2.5 The startup incubator would be run under a collaboration with Startup India under the Ministry of Commerce and Industry to align the mandate of both institutions since the premise and end goal of both the incubators/accelerators under Ministry of Textiles to empower SAMARTH trainees and that of Startup India would be the same.
- 1.2.6 The investors can formulate an exit plan on their initial investment or continue to reinvest after the closure of the current round as per the results of the entity. Every enterprise would have to follow the basic rules of pre-seed/seed investment and would be entitled to enter into a no-shop clause once the deal has been finalized.
- 1.2.7 The entities would have the option of launching their brands internationally upon the recommendation of the committee/mentors/board of directors and subsequently, adequate funds and guidance shall be provided for the same.

References & Notes

¹ Government of India, Ministry of Textiles. "Skilling in Textile Sector." Ministry of Textiles, Govt. Of India, 2017. <https://samarth-textiles.gov.in/>

² ibid

³ Scheme for capacity building in textile sector, Ministry of Textiles, Government of India. See: https://samarth-textiles.gov.in/about_us

⁴ ibid

⁵ ibid

⁶ Singh, Jyoti. "Kheta Embroidery Became the Center of Attraction at the National Level." THE INDIA PRINT, November 16, 2021. See: <https://www.theindiaprint.com/bihar-news-english/kheta-embroidery-became-the-center-of-attraction-at-the-national-level-131044>

⁷ ANI. "Skill Training Programme for Weavers Underway in Manipur under Centre's Samarth Scheme." ANI News, November 13, 2021. See: <https://www.aninews.in/news/national/general-news/skill-training-programme-for-weavers-underway-in-manipur-under-centres-samarth-scheme20211113115611/>

⁸ This information was given in a written reply by the Minister of State for Textiles Smt. Darshana Jardosh in Rajya Sabha on 29 July 2021. See: <https://www.pib.gov.in/PressReleseDetail.aspx?PRID=1740346>

⁹ ibid

¹⁰ ibid