

Impact of Geographical Indication (GI) on Craftsmen of Varanasi in Uttar Pradesh



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Executive Summary

Geographical Indication (GI) is a sign used on goods which have specific geographical origin and possess particular qualities or a reputation due to that place. A Geographical Indication identifies a good as originating in a delimited territory or region where a noted quality, reputation or other characteristic of the good is essentially attributable to its geographical origin and/or the human or natural factors there. The study on “Impact of GI in Varanasi District of Uttar Pradesh” was undertaken with the objectives of studying the process involved in GI registration of products, impact of GI on income of GI artisans and examine the marketing channels of GI product. A sample of 30 artisans associated with five different GI craft in Varanasi district formed the sample for the study.

Salient Findings:

The process of registration included the activities like baseline survey of the craft including market analysis, research of the craft regarding its origin, uniqueness, historical background, process, statistical observation of the craft, etc. The preparation of application included supporting documents & documentation of facts and findings of the craft, photo & video documentation of the craft. The process also included legal support of the application, awareness & interaction between stakeholders, interaction with technical committee & GI office, etc. The cost incurred for GI registration was approximately Rs.1.90 lakh per craft.

The level of awareness among people who were not involved in the process of GI registration of the crafts is poor as evident from the fact that 57 per cent of the sample artisans were not aware about the GI. The average monthly income of artisans across all crafts increased by Rs.3553 during post-GI period as compared to pre-GI period. It varied from a highest of Rs.6640 in case of Banaras Gulabi Meenakari crafts to Rs.400 in case of Mirzapur Handmade Dari. The low average monthly income of artisans was due to the fact that the benefits derived from GI by the registered proprietor or other marketing agents/businesses of the crafts did not percolate significantly down in the form of higher wages to artisans. The dependency of artisans/producers on the traders decreased with the enhanced scope for other marketing channels. The price spread of craft has been favourable than before particularly for the registered proprietor.

Policy Issues

- GI awareness and knowledge among artisans to be driven by the community and by researchers. The NGOs, CSR, governments, charitable trusts, etc., need to embrace GI as a job and income enhancing tools.

- Organising the artisans as producer groups/aggregators in order to enable them to take advantage of increased demand and price of the products post GI is crucial. This would also help in imparting much needed skill training for developing new product design, providing infrastructures like common facility centres, making available credit from institutional sources, technological upgradation, etc.
- There are many factors like level of education & skill of craftsman, business acumen, financial strength, availability of niche market, etc. do play important role in achieving desired results. Thus, GI registration of a craft *per se* may not automatically lead to economic prosperity of producers of crafts. It would be prudent on the part of NABARD to view any intervention in totality while providing financial assistance.
- Facilities in the form of cheaper electricity can be considered for artisans of crafts like in the case weavers. Crafts like Varanasi Wooden Lacquerware & Toys & Varanasi Soft Stone Jali Works uses mainly electricity in the production process. There will be considerable reduction in production cost of crafts thereby increasing profitability.
- Suitable marketing strategy for GI products like exclusive GI stalls, pavilion, outlets for GI products at Airport, export markets, etc. will help develop these crafts into brands.

1. Introduction

Geographical Indication (hereinafter, GI), a distinct class of Intellectual Property, classifies definite properties whose explicit features are associated with their geographical derivation. It could thus be believed to epitomise a source and value 'stamp' for certain goods. This concept was developed to assure security against forgeries, abuse, misappropriation and parallel conflicts.

Geographical Indication (GI) is a sign used on goods which have specific geographical origin and possess particular qualities or a reputation due to that place. There is no universally accepted definition of a GI, but this description, captures the universal spirit of the concept.

“A Geographical Indication identifies a good as originating in a delimited territory or region where a noted quality, reputation or other characteristic of the good is essentially attributable to its geographical origin and/or the human or natural factors there” (ITC, 2009)

Geographical indications are distinctive signs used to differentiate competing goods. They are collectively owned with a strong inherent origin-base, namely the geographical origin to which they refer. The reference to geographical origin – most regularly for agricultural products – combined with the use of traditional extraction and processing methods, presents an interesting marketing potential in terms of product branding. However, the use of geographical origin brands also presents a number of challenges. Owing to their collective nature, those who produce and market GIs must engage in collective action with regard to production methods, quality standards and control, as well as product distribution and marketing

Success stories from the world of GIs demonstrate that GIs, if well managed, are intangible assets with interesting potential for product differentiation, the creation of added value, as well as spin-off effects in areas related to the primary product for which the GI is known.

The World Trade Organization took into account the consumers' mounting curiosity in the origin and quality of the properties attained and eventually incorporated Article 22 under the Agreement on TRIPS (Trade-Related Aspects of Intellectual Property Rights) that deals with Protection of Geographical Indications. This effort definitely has brought in benefits to manufacturers for they could market the products under special "distinctive product" patterns. Convinced of the commercial advantages and countless trade prospective in GI mark, India, like many other countries, has been actively working on this which led to the adoption of the Geographical Indications of Goods (Registration and Protection) Act, 1999, coupled with the 'Geographical Indications of Goods (Registration and Protection) Rules, 2002. The special recognition of Darjeeling Tea, Hyderabad Pearls, Pashmina shawls, Nagpur Oranges, etc. had brought in identity of a national heritage and generated substantial advantage to the rural economy.

The pearly white, lip-smacking rosogolla indeed had brought in disputes amid the states that poses the question whether Geographical Indication debate is driven by political interests. With the commerce and industry ministry's ongoing social media campaign #LetsTalkIP to promote Indian GIs, all the states are in a mad rush to identify their own products.

By 'winning' a GI tag, each state has been obliged to endorse its own culture over the other. It is high time to appreciate that any product within any state territory belongs to all of India and argument over it on 'regionalism' would fail the objective of GI Act. In this regard, the judgment of Justice Danckwerts in *J Bollinger vs The Costa Brava Wine Co Ltd* case[1961] 1 WLR 271 is significant. It was stated that "GIs become marketing tools to sell GI products with a competitive advantage – the GI name – in the international market. In this respect, GIs become tools that capitalise on the association between the names and the geographical locations even when this association is based simply on a historical reputation rather than on the accurate geographical origin of the products."

Undoubtedly these rights are attached to its geographical environment and owned exclusively by the community within a specific area; however the chances of uneven distributional system might separate "insiders" (producers who can benefit from a given Geographical Indication) from "outsiders" (those who cannot). If the higher

price commanded by the product on account of GI protection is confined to the more authoritative actors on the upper stream of the supply chain and do not filter down to the weaker segments of the chain, it will invalidate the development implications of GI shield. In order to inspect the socio-economic consequences of a GI, the complete supply chain of the product concerned needs to be surveyed.

Though GI protection may undeniably reinforce the sector concerned by yielding fiscal profits, these benefits may not be pooled justifiably among various stakeholders along the supply chain of the product.

In view of the foregoing, it was proposed to conduct a study on “Impact of GI in Varanasi District of Uttar Pradesh” with following objectives:

- i) To study the process involved in GI registration of products & pre-requisites of a producer to be associated with the GI.
- ii) To analyse the impact of GI on income of sample GI artisans during pre & post GI period.
- iii) To examine the marketing channels of selected GI product.

2. Review of Literature

Evans (2007) explains about the costs to establish and operate a GI. Legal costs will be incurred for most origins to apply for protection in relevant markets, whether domestic or abroad. Individual producers wishing to benefit from the GI designation may incur additional costs to adapt their facilities, production methods, raw materials and overall organization to the specified standard or code of conduct included in the designation application.

Garcia *et al.* (2007) points out that GIs were developed to protect consumers, offering reliable information about the goods they buy. It was initially thought that GIs could also afford protection to producers by fighting against unfair competition and “reputation theft.” The third generation of GIs extended this concept to the rural landscape. If they could be used to protect producers, they could be used for rural development. Only recently was the concept extended to the environment and to the

cultural and biological diversity associated with production. What remains to be seen is whether and how GIs can have an impact on the management and conservation of the cultural and biological diversity associated with products.

ITC (2009) in a study dealing with geographical indications (GIs) opines that GIs can benefit both producers and consumers. Higher prices, protection of local tradition and cultural practices, market for differentiation and exclusivity, positive local externalities including better employment, rural development, governance etc. are the benefits for producers. Availability of high quality and unique products, minimizing the 'search costs', providing a means by which universal values (cultural, traditional, environmental) were preserved via market mechanisms are the benefits for consumers.

Geographical indication registration is an indication that links the uniqueness of products towards the origin and thus, reduces the asymmetry of information between producer and consumer, ensuring market transparency, price stability and reduction in information costs. Other benefits of GI include the increased and better quality environment, protection of indigenous knowledge and local tradition, linking entire region to market, etc. Recent concept about GI extends its use as a rural development tool. Several costs are also associated with registration and protection of GIs. For ensuring the success of GI, protection along with maintenance of appropriate level of quality, consistency of supply and proper marketing channel is important.

Das (2009) reported that some GIs in India have initiated the marketing and promotional efforts. 'Pochampally Ikat', was the first handloom product of India to get GI status, under the GI Act in December 2004. GI registration helped in product development, diversification, design innovation, quality control and also to build the brand image. During the post GI-registration period, growth rate of key parameters such as sales turnover, productivity, average price of the product and monthly income of weavers have shown an upward trend.

Jena and Grote (2010) provided empirical evidence on the net benefits of GI production against a credible counterfactual by conducting a household survey

consisting of 300 rice farmers in Uttarakhand, India. Gross margin analysis is carried out to elicit the net benefits of GI Basmati rice as opposed to non GI rice and another competing crop in that region such as sugarcane. The findings show Basmati rice was more profitable than the non GI rice varieties but less so than the sugarcane. In the second stage, an econometric analysis by using Heckman selection model confirmed that there has been an increment of income from GI rice cultivation. Finally, an adoption model identified access to extension training facilities, a credible hedge against risk, and household labour as possible motives of GI adoption.

Impact of GI registration in the case of Darjeeling Tea was analysed by Rangnekar (2010). The economic impact has been analysed in terms of various indicators (number of tea estates, area under tea, quantity of production, yield, price on domestic markets, price fluctuations, export development, quantities sold at auction etc.), comparing the figures for the years from 1991 to 2009, i.e. before and after GI registration. The results showed the positive economic impact of GI registration on five variables – number of tea estates, tea-production area, production quantity, yield and price. Quality improvement, evolution in producers income, evolution in employment, development of infrastructure, induced effect of tourism are related impacts of GI registration.

The existing literature about income and welfare impacts of GI on producers is limited in its scope and scale. There have been attempts by researchers to find and provide evidence on impacts of GI on farmers. Most of the empirical evidences presented above suggested that there exists a premium pricing for a GI product in the relevant market. According to the level of legal protection and marketing efforts there is difference in the incentives received by the producers and consumers. GI's role as a tool to maintain multi-functionality in rural landscapes involving local people in biodiversity management and conservation is gaining attention. Impacts of GI were mainly observed in three dimensions – economic, social and environmental, which resulted in sustainable regional development.

3. Methodology & Implementation Aspects

A brief description of major art forms in Uttar Pradesh, sampling procedure and different analytical tools to be employed has been presented in detail under the following heads:

- a. Major Art forms of Uttar Pradesh & Varanasi
- b. Sampling design and collection of data
- c. Analytical concepts and tools employed

3.a The major art forms in Uttar Pradesh/Varanasi:

Since immemorial time **paintings, sculptures, handicrafts** from **metal, wood, ivory, stone** and **clay** are art forms being practiced in Uttar Pradesh. With the **adoption** of Geographical Indications of Goods (Registration and Protection) Act, 1999 by India, it provided an opportunity for these art forms to take advantage of GI.

The following are the major art form in Uttar Pradesh/Varanasi

- Painting & Rock Painting

Crafts

- Chikankari
- Zardozi embroidery
- Carpet weaving
- Metal Ware
- Pottery
- Terracotta
- Jewellery and enamel works
- Perfume

3.b Sampling Design & Collection of Data

3.b.1 Status of GI in India

As on date 317 products have been registered from different States of India as agricultural/handicrafts/manufacture/food stuff. The major Indian States with GI

registered products are presented below. The State of Uttar Pradesh is one of the major Indian States and accounts for 25 registered GI products and many more are in the process of registration particularly as handicraft products. The State has a rich heritage of handicrafts unique to each of its district.

Major States with GI Registered Products

(as on December 2018)

Sr. No.	Name of the State	No. of Products
1	Karnataka	37
2	Maharashtra	31
3	Tamil Nadu	28
4	Kerala	27
5	Uttar Pradesh	25
6	West Bengal	21
7	Andhra Pradesh	19

3.2 Grant Support by NABARD towards GI Registration in Uttar Pradesh

Phase I of Support by NABARD (2012)

NABARD sanctioned Rs 9.50 lakh in 2012 for GI Registration Project under RIF for 05 handicraft items of Varanasi region viz. Metal Repousse Work, Gulabi Meenakari & Wooden Lackerwear of Varanasi, Black Clay Pottery & Panza Dari. All 5 crafts are now GI registered.

Phase II of Support by NABARD (2015)

NABARD supported Rs 1.5 lakh for other 03 handicraft items of Varanasi region viz. Soft Stone Cut-work of Varanasi, Chunar Sand Stone Work & Jute Wall hanging craft of Ghazipur. Two out of three got GI tag as of now.

Phase III of Support by NABARD (2017)

NABARD supported Rs.9.00 lakh for GI Registration of Project under RIF for 06 handicraft items of Varanasi region viz. Wood Carving, Block printing, Zari Zardozi, Brass utensils, red glaze pottery & Gorakhpur terracotta.

3.3 Selection of District

The study was conducted in Varanasi District of Uttar Pradesh which accounts for 10 GI registered products and NABARD has been associated with the registration of majority of these product.

3.4 Selection of GI Products

A total of four crafts were selected from the first phase of NABARD support which was sanctioned during 2012 as sufficient time has elapsed since sanction and impact of GI registration can be measured. The sample also included Soft Stone Cut-work of Varanasi which was registered under second phase. The GI products selected for the study were as under:

Sr. No.	Geographical Indications	GI No.	Certificate No.
1	Banaras Gulabi Meenakari Craft	397	225
2	Varanasi Wooden Lacquerware & Toys	457	234
3	Mirzapur Handmade Dari	458	235
4	Banaras Metal Repousse Craft	398	264
5	Varanasi Soft Stone Jali Works	556	315

3.5 Selection of Craftsmen

Keeping in view the number of craftsmen associated with each of the selected GI products, 30 craftsmen were selected randomly. The craft-wise Distribution of sample are presented below.

Sr. No.	Geographical Indications	No of sample artisans
1	Banaras Gulabi Meenakari Craft	7
2	Varanasi Wooden Lacquerware & Toys	5
3	Mirzapur Handmade Dari	6
4	Banaras Metal Repousse Craft	7
5	Varanasi Soft Stone Jali Works	5
	Total	30

3.6 Data Collection

Secondary data and the actual cost incurred by the agency in the different items like baseline survey, market analysis research of the craft (origin, uniqueness, historical background, process), statistical observations, legal support photo-video documentation, awareness interaction between stakeholders, technical fees of GI office, interaction and follow up, certification of craft, etc. was collected from the agency associated with registration process.

Primary data was collected from selected craftsmen on the additional cost incurred by them for being associated with GI product using structured interview schedule through personal interview method. Cost of production of crafts and returns from the sale of crafts during pre GI period & post GI period was also collected to ascertain the incremental benefits from GI registration. The information about marketing channels of each of the selected products during pre & post GI period was also collected from the sample craftsmen in order to ascertain the changes in marketing channel and the reason thereof.

3.7 Analysis of Data

The economics of production of crafts was analysed taking into account the fixed & variable cost of the crafts during pre & post GI period. The fixed cost includes depreciation on the cost of shed (wherever applicable) & cost of plant & machinery, while the variable cost include the cost of raw materials, labour, marketing cost, other miscellaneous cost, interest on working capital, etc.

Impact analysis

To ascertain the impact, the change in the magnitude of increase or decrease or variation in the selected variables were analysed using tabular and percentage analysis.

Limitations of the study

The registered proprietors/artisans did not maintain proper books of accounts about their businesses. The estimates are based on the views, opinions and information provided by the artisans/ registered proprietors with regards to pre and post GI period. Hence the accuracy of the estimates is subject to the recall bias. Efforts have

been taken to minimize the error through checks and cross checks at the time of interview.

3.8 GI Registration Process

Process of GI Registration

3.8.1 An attempt was made to study the process of registration under GI registry by discussion with the implementing agency of NABARD projects viz. Human Welfare Association, Sarnath, Varanasi. The process of registration involved the following activities for which the agency got assistance from NABARD:

- a. Baseline survey of craft including market analysis.
- b. Research about the craft which included origin, uniqueness, historical background, process of production, statistical observations, etc. Based on this information the document is prepared for registration of product.
- c. Preparation of application i.e. preparation of the supporting documents with documentation of the facts and findings of the craft and filing of application with the Registry.
- d. Legal support of the application: Lawyer having expertise in GI argue in favour of the craft for registration with IPR Court in Chennai.
- e. The process also included awareness interaction between stakeholders, follow up with the GI office and finally, if accepted, GI certificate is issued.

3.8.2 GI Registration

GI registration has two parts i.e. Part A, which contains details of distinguishing characteristics of the goods and of the registered proprietor like for instance the Tea Board, Coffee Board, Spices Board, etc. And Part B, which contains particulars of 'authorised users' of GI such as those producers (traders and dealers) who have not been included in the original application for registration.

3.8.3 The procedure of Filing GI Application

Form and signing of application: Every application for the registration of a geographical indication is required to be made in the prescribed form (GI-1A to ID) accompanied by the prescribed fee (Rs.10000). It has to be signed by the applicant

or his agent. It must be made in triplicate along with three copies of a Statement of Case accompanied by five additional representations.

Fees: Fees has to be paid in cash or by a bank draft or by a cheque. Bank Drafts or cheques need to be crossed and be made payable to the Registrar at the appropriate office of the Geographical Indication Registry. It should be drawn by a scheduled bank at the place where the appropriate office of the Geographical Indications Registry is situated.

Sizes: All applications, have to be typewritten, lithographed or printed in Hindi or in English. It should in large and legible characters with deep permanent ink upon strong paper, on one side only. The size should be approximately 33 cms by 20 cms and should have on the left part thereof a margin of not less than 4 centimeters.

Signing of Documents: In case of an association of persons or producers the application has to be signed by the authorized signatory. A body corporate or any organization or any authority established by or under any law for the time being in force has to be signed by the Chief Executive, or the Managing Director or the secretary or other principal officer. In case of partnership it has to be signed by at least one of the partners. The capacity in which an individual signs a document is required to be stated below his signature. Signatures are to be accompanied by the name of the signatory in English or in Hindi and in capital letters.

Principal Place of Business in India: Every application for registration of a GI has to state the principal place of business in India. A body corporate should state the full name and nationality of the Board of Directors. Foreign applicants and persons having principal place of business in their home country should furnish an address for service in India. In the case of a body corporate or any organization or authority established by or under any law for the time being in force, the country of incorporation or the nature of registration, if any, as the case may be, given.

Expenditure for GI Registration of Crafts

3.9 The expenditure incurred by the facilitating agency (Human Welfare Association) for getting a craft registered (item-wise) was collected and is presented below:

Sr. No.	Particulars	Amount (Rs. Lakh)
A.	Research, Preparation of Applicants & Documentation	
i)	Baseline survey of the craft including market analysis	0.25
ii)	Research of the craft (origin, uniqueness, historical background, process) & Statistical observation of the craft	0.30
iii)	Preparation of application (preparation of supporting documents) & Documentation of facts and findings of the craft	0.20
iv)	Photo & video documentation of the craft	0.15
v)	Legal support of the application	0.10
B.	Awareness & interaction between stakeholders	0.20
C.	Technical fee of GI office	0.10
D.	Interaction with technical committee meeting expenses	0.20
E.	Interaction and follow up of the application with GI office	0.20
F.	Certification of craft by GI office	0.20
	Total	1.90

4. Study Findings

Socio-Economic profile of Sample Artisans

4.1 The artisans were classified into three categories according to their educational qualification. It is observed that majority of the artisans (53.33 per cent) were non-matriculate, 23 percent each were graduate & matriculate. Further, all the artisans in the case of Varanasi soft stone jali works were non-matriculate as this craft involves tough working conditions. Artisans in case of Gulabi Meenakari craft were better educated as compared to other crafts as it has high value & high level of sophistication.

Table 4.1
Distribution of Sample Artisan according to Educational Status

Sr. No.	GI/Name of Crafts	<Matriculate	Matriculate	Graduate	Total
1	Banaras Gulabi Meenakari Craft	1 (14.29)	3 (42.85)	3 (42.86)	7 (100)
2	Varanasi Wooden Lacquerware & Toys	2 (40)	1 (10)	2 (40)	5 (100)
3	Mirzapur Handmade Dari	4 (66.67)	1 (16.66)	1 (16.67)	6 (100)
4	Banaras Metal Repousse Craft	4 (57.14)	2 (28.57)	1 (14.29)	7 (100)
5	Varanasi Soft Stone Jali Works	5 (100)	0	0	5 (100)
	Total	16 (53.33)	7 (23.33)	7 (23.34)	30 (100)

4.2 The distribution of artisans according to gender is presented in table 4.2. It is observed from table 4.2 that majority of the artisans (86.67 per cent) were male. The sample artisans in GI crafts like Vananasi wooden lacquerware & toys, Banaras metal repousee craft, Mirzapur handmade Dari & Varanasi soft stone jali works were all male crafts. This may be because of the nature of the craft which requires more toughness.

Table 4.2
Distribution of Sample Artisan according to Gender

Sr. No.	GI/Name of Crafts	Male	Female	Total
1	Banaras Gulabi Meenakari Craft	3 (42.86)	4 (57.14)	7 (100)
2	Varanasi Wooden Lacquerware & Toys	5 (100)	0 (00)	5 (100)
3	Mirzapur Handmade Dari	6 (100)	0 (00)	6 (100)
4	Banaras Metal Repousse Craft	7 (57.14)	0 (00)	7 (100)
5	Varanasi Soft Stone Jali Works	5 (100)	0 (00)	5 (100)
	Total	26 (86.67)	4 (13.33)	30 (100)

4.3 The artisans were classified into different age groups and it is observed that 43 per cent of the sample artisans were more than 40 years of age, followed by more than 20 & upto 40 (40 per cent) and upto 20 years (17 per cent). It can be inferred that not many young are taking up the traditional crafts as their profession. There was no artisan in the age group upto 20 years in case of crafts like Varansi wooden lacquerware & toys and Varanasi soft stone jali works.

Table 4.3
Distribution of Sample Artisan according to Age

Sr. No.	GI/Name of Crafts	Upto 20 yrs	>20 upto 40 yrs	>40 yrs	Total
1	Banaras Gulabi Meenakari Craft	2 (28.57)	3 (42.86)	2 (28.57)	7 (100)
2	Varanasi Wooden Lacquerware & Toys	0	2 (40)	3 (60)	5 (100)
3	Mirzapur Handmade Dari	1 (16.67)	2 (33.33)	3 (50.00)	6 (100)
4	Banaras Metal Repousse Craft	2 (28.57)	3 (42.86)	2 (28.57)	7 (100)
5	Varanasi Soft Stone Jali Works	0	2 (40)	3 (60)	5 (100)
	Total	5 (16.67)	12 (40)	13 (43.33)	30 (100)

4.4 The awareness level among the artisans, who are producers as well is important for GI to be beneficial for the producers as well as consumers. In order to ascertain the level of awareness, the craftsmen were categorised into three categories 'do not know', 'heard but not clear' & 'Know'. It is observed from the table below that 57 per cent of the sample artisans were not aware about the GI and another 13 per cent have heard



Varanasi Wooden Lacquerware & Toys

about it. 30 per cent of the artisans which included the registered proprietor (one each from each craft) had full knowledge about GI. Thus, it may be inferred that the level of awareness among people who were not involved in the process of GI registration of the crafts is poor. There is need to create awareness among the producers as well as consumers of crafts to reap full benefit of GI.

Table 4.4
Awareness Level of Artisans about GI & related aspects

Sr. No.	GI/Name of Crafts	Level of Awareness			
		Do not Know	Heard but not clear	Know	Total
1	Banaras Gulabi Meenakari Craft	3 (42.86)	2 (28.57)	2 (28.57)	7 (100)
2	Varanasi Wooden Lacquerware & Toys	4 (80)	0 (00)	1 (20)	5 (100)
3	Mirzapur Handmade Dari	4 (66.67)	0 (00)	2 (33.33)	6 (100)
4	Banaras Metal Repousse Craft	2 (28.57)	2 (28.57)	3 (42.86)	7 (100)
5	Varanasi Soft Stone Jali Works	4 (80)	0 (00)	1 (20)	5 (100)
	Total	17 (56.67)	4 (13.33)	9 (30)	30 (100)

4.5 The impact of GI on the income of the sample artisans were attempted by estimating the average monthly income of the artisans involved in production of GI crafts during pre-GI & post-GI period by canvassing semi structured questionnaires.

A close scrutiny of table 4.5 reveals that the average monthly income of artisans across all crafts increased by Rs.3553 during post-GI period as compared to pre-GI period. It varied from a highest of Rs.6640 in case of Banaras Gulabi Meenakari crafts to Rs.400 in case of Mirzapur Handmade dari. The low increase in incremental income in case of dari may be partly attributed to the dampened market demand of hand made dari & carpets in general. The onslaught from



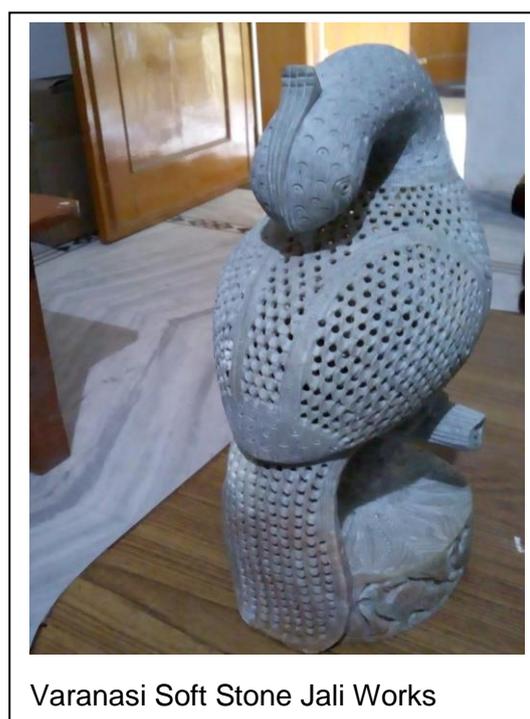
Varanasi Wooden Lacquerware & Toys

synthetic & machine made dari & carpet has played havoc on the industry since quite long. In case of Varanasi soft stone jali works, the low incremental income is due to the fact that it got GI just a year back. Further, the craft is not very popular pan-India. It was also gathered during the discussion with the artisans that the benefits derived from GI did not percolate significantly down in the form of higher wages to artisans by the registered proprietor or other marketing agents/businesses of the crafts. The artisans were not able to start their own enterprise because of lack of exposure, credit, market linkages, etc. There is no effort on the part of any development/govt. agency to organise the actual producers as POs/aggregators in order to enable them to take advantage of increased demand and price of the products post GI.

Table 4.5
Impact of GI on Income of Sample GI Artisans

Sr. No.	GI/Name of Crafts	Average Monthly Income (Rs)		
		Pre-GI Period	Post-GI Period	Incremental income
1	Banaras Gulabi Meenakari Craft	4870	11510	6640
2	Varanasi Wooden Lacquerware & Toys	3925	10250	6325
3	Mirzapur Handmade Dari	3150	3550	400
4	Banaras Metal Repousse Craft	3750	7550	3800
5	Varanasi Soft Stone Jali Works	6600	7200	600
	Average Income	4459	8012	3553

4.6 An enquiry was made to examine the impact of GI on the turnover of registered proprietor. A complete analysis of economics of the craft could not be done due to lack of proper data. However, based on the discussion with registered proprietors of crafts annual growth rate was calculated and presented in Table 4.6. The list of registered proprietors of sample craft is presented in Annexure I. The growth rate ranged from a lowest of 32.61 per cent in case of metal repousse craft to 148 per cent in case of Banaras Gulabi Meenakari. Higher growth rate in case of Gulabi Meenakari may be attributed to the nature of



craft which is high value as well as sophisticated and entails high investments as well. The growth rate in case of Varanasi wooden lacquerware & toys was also quite high. Both these registered proprietors were graduates and had got opportunity to connect with big businesses after GI registration. They got exposure in reputed exhibitions at National and International level. These proprietors are also into online

marketing. Comparative lower growth rate in case of other crafts may be due to market conditions, nature of products, limited scope in export markets, the level of awareness, education, etc.

Table 4.6
Impact of GI on Estimated Turnover of Registered Proprietor

Sr. No.	GI/Name of Crafts	Annual Turnover (Rs. in Lakh)		
		Pre-GI Period	Post-GI Period	Annual growth (%)
1	Banaras Gulabi Meenakari Craft	12.50	50.00	148.00
2	Varanasi Wooden Lacquerware & Toys	13.50	55.00	102.33
3	Mirzapur Handmade Dari	6.50	15.00	43.58
4	Banaras Metal Repousse Craft	5.75	9.50	32.61
5	Varanasi Soft Stone Jali Works	11.00	16.00	45.45
	Average Annual Turnover	9.15	29.10	72.67

Number of years considered for estimating the annual growth rate was 3yrs (Sr.1,2&3), 2yrs (Sr.3) & 1 yrs (Sr.5)

4.7 Based on the discussions with the artisans/producers & producer-cum-registered proprietor, it was gathered that the marketing channels have undergone some change. The share of each channel in marketing of craft could not be quantified, however, the share of export, direct sale in National and International exhibitions had increased with the GI registration. The dependency of artisans/producers on the traders decreased with the enhanced scope for other marketing channels. The price spread of craft has been favourable than before particularly for the registered proprietor. The marketing channels for the sample crafts are presented in Table 4.7. It is observed that marketing channels in case of Varanasi Metal Repousse & Varanasi Soft Stone Jali were fewer compared to other crafts. Since there is no export channel for these crafts at present their economics is also lower compared to other crafts.

Table 4.7
Different Marketing Channels of Sample Crafts

Sr. No.	GI/Name of Crafts	Marketing Channels	Remarks
1	Banaras Gulabi Meenakari Craft	Producer cum registered proprietor → Traders/Jewellers → Retail customers	Most of the sample artisans were working for registered proprietors or jewellers
		Artisans/producers → Registered proprietor → Stockists/ traders → Retail customers	
		Producer cum registered proprietor → Fairs (customers)	
2	Varanasi Wooden Lacquerware & Toys	Producer cum registered proprietor → Traders/exporters (Kolkata, Mumbai & Delhi)	All artisans were working for registered proprietors as wage earners
		Producer cum registered proprietor → Mela/exhibitions	
3	Mirzapur Handmade Dari	Producer cum Registered proprietor → wholesalers/traders → Retailers → customers	Artisans are working as wage earners
		Producer cum registered proprietor → exporters	
		Producer cum registered proprietor → Mela/exhibitions	
4	Banaras Metal Repousse Craft	Traders supply Raw material (Brass/copper/silver) → artisans/registered proprietor → traders → Customers	Registered proprietor/artisans were mostly working on contract with big businesses
		Customer supply Raw material (Brass/copper/silver) → artisans/registered proprietor → Customers	
5	Varanasi Soft Stone Jali Works	Artisans/producers → Registered proprietor → Stockists/ traders → Retail customers	Artisans involved with craft are mostly wage earners
		Artisans/producers → Stockists/ traders → Customers	

5. Policy Issues

- ✓ In an era where brand value draws sales, GI is the best possible brand-creator and holds potential for increasing value for artisan communities. Suitable marketing strategy for GI products like exclusive GI stalls, pavilion, outlets for GI products at Airport, export markets, etc. will help develop these crafts into brands. The brands like Darjeeling Tea, Basmati Rice, Nagpur Orange, etc. have already carved a niche of its own. The Department of Industrial Policy and Promotion (DIPP) has created a new logo and the tagline “Invaluable Treasures of Incredible India”. The DIPP’s GI logo creation has already shown the intent to drive GI forward as a value creator for Indian products.
- ✓ Awareness about GI is very crucial for achieving the potential benefit from GI registration of crafts. The level of awareness among the producers as well as consumers needs to be improved. In a country like India, where artisans are poor and mostly uneducated, we cannot expect widespread GI awareness and knowledge among them. It has to be driven by the community and by researchers. The NGOs, CSR, governments, charitable trusts, etc., need to embrace GI as a job and income enhancing tools.
- ✓ Organising the artisans as producer groups/aggregators in order to enable them to take advantage of increased demand and price of the products post GI is crucial. This would also help in imparting much needed skill training for developing new product design, providing infrastructures like common facility centres, etc.
- ✓ With the increase in demand of products after GI, the requirement for skilled manpower has gone up. The increased manpower demand can be partly offset by the technological upgradation of machineries, tools & equipments. This entails higher flow of credit to these sectors which is almost negligible at

present. There is need to implement the various schemes of GoI like MUDRA, etc. in true letter & spirit.

- ✓ There is need to strengthen the protection for GI products in the market places so that the producers do not face any problem like counterfeiting of products by enforcing agencies like police, customs, etc.
- ✓ Crafts like Varanasi soft stone jali works depend solely on the raw materials from Pichhor, Jhansi. Uninterrupted supply of raw material is very important for continuous work throughout the year. Stocking of stones before the onset of monsoon is done by a few businessmen who charge high rate for the stones during rainy season. The artisans with small means get still lower margin for their works during rainy season. This can be tackled by active participation of department like DC, Handicrafts by providing credit as well as place for stocking stones in the Ramnagar area of Varanasi.
- ✓ Facilities in the form of cheaper electricity can be considered for artisans of crafts like in the case weavers. Crafts like Varanasi Wooden Lacquerware & Toys & Varanasi Soft Stone Jali Works uses mainly electricity in the production process. There will be considerable reduction in production cost of crafts thereby increasing profitability.
- ✓ GI registration of a craft *per se* may not automatically lead to economic prosperity of producers of crafts. There are many factors like level of education & skill of craftsman, business acumen, financial strength, availability of niche market, etc. do play important role in achieving desired results. Thus, providing financial assistance for GI registration in isolation may not be prudent on the part of NABARD. It should be viewed in totality for any particular intervention by us.

Annexure I

List of 5-GI Registered Products' Proprietors of Varanasi Districts

S. N.	Name of Organization	Name of Contact Person with Designation	Mob. No.	e-Mail ID
1. Banaras Gulabi Meenakari Craft –				
	Sahbhagi Welfare Samittee, Varanasi, K. 9/30, Paththar Gali, Bhaironath Varanasi-221005, UP	Kunj Behari Singh (Secretary)	9450543990	singhkunjbihari7@gmail.com
2. Varanasi Wooden Lacquerware & Toys–				
(i)	Balaji Handicrafts Cooperative Society Ltd., B.24/97, Kashmiriganj, Varanasi-221005, U.P	Rameshwar Singh, (Chief Functionary)	9415223770, 8317077944	rameshwar_singh35@yahoo.com
(ii)	Khilauna Udyog Sahkari Samiti Ltd., B.24/100, Kashmiriganj, Bhelupur, Varanasi-221005, U.P.	Godawari Singh, (President)	7239099001	
3. Mirzapur Handmade Dari –				
1.	Pooja Handloom Silk Utpadan Sahkari Samiti Limited, Thathara, Block - Sewapuri, Varanasi, U.P.	Pyare Lal Maurya (Chief Functionary)	9170156232, 8922089420	Rakeshkumarmaurya046@gmail.com
4. Varanasi Soft Stone Jali Work –				
	The Banaras Handicraft Development Society, C.2/111K, in front of Jr.High School, Sahityanaka, Ramnagar, Varanasi-221008	Ram Jatan Prajapati (President)	8176875260, 8506964982	sohitp2013@gmail.com
5. Banaras Metal Repousee Craft				
	The Banaras Metal Craft Development Society, CK.62/37, Kashipura, Varanasi-U.P.	Anil Kumar (Secretary)	9450015863, 7007119498	anilkumarkasera@gmail.com

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