

**THE SUSTAINABILITY MAFIA**

**BUILDING A POST COVID-19 RESILIENT INDIA  
THROUGH SUSTAINABLE SOLUTIONS**

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## Introduction

As we get used to the "new normal" of working from home since COVID-19, we have encountered pictures, videos and news reports telling of cleaner air, purer water bodies and wildlife reclaiming habitats. These are stories of hope, and of nature healing itself.

Of course, this might not last forever. As we limp back to the world that was, it is possible that we will see signs of renewed vigour in human activities – whether reflected in greater road traffic, manufacturing output, or waste generation. In the zeal to revive the economy, it is possible that manufacturing and operations might be ramped up, and environmental regulations disregarded, poorly enforced or relaxed considerably.

How do we ease back into a healthy economy while being mindful of our environmental footprint? What can we do differently in order to keep breathing clean air, maintain our lakes and rivers, and continue to have cleaner cities? How can we "build back better" and create a more resilient, sustainable society?

**The Sustainability Mafia** ([eco.susmafia.org](http://eco.susmafia.org)) is a network of more than 50 top entrepreneurial practitioners in sustainability working across domains in India and Bangladesh. In this position paper, we outline key implementation proposals informed by experience in energy, water, mobility and green product-development. These proposals are offered as recommendations to the Government of India as well as other stakeholders such as private investors, etc., looking to create a newly resilient economy in response to the challenges we face.





## ARTISANAL AND GREEN PRODUCTS EMPHASIS FOR INCLUSIVE ECONOMIC GROWTH

**Context.** Over the past three decades, India's economic trajectory has leapfrogged from an agri-based economy to being driven by the services sector. While this growth model has yielded rapid results, it has inherent weaknesses, manifesting as high unemployment levels among the semi-skilled and unskilled segments of the labour market. These together comprise over 80% of India's workforce.

While the traditional economic model has been to develop manufacturing and then services, employing India's 55 million<sup>1</sup> potential workers between the ages of 15 and 35 in manufacturing requires investments of such proportion as to not be immediately feasible. The need of the day is to have a decentralised, sustainable and resource-efficient growth engine that links rural, peri-urban and urban economies and effectively leverages available natural and human resources.

The **Rural Non-Farm Sector (RNFS)** includes all non-agricultural economic activities in rural areas such as household and non-household manufacturing, handicrafts, processing, trade, etc. This sector attains criticality for policy and programmatic focus, given the shrinking average landholding size (from 1.15 hectares in 2010-11 to 1.08 hectares in 2015-16) and the fact that 86% of all holdings are classified as 'small and marginal'<sup>2</sup>.

An RBI supported study indicates that the RNFS generates 2.4 times<sup>3</sup> higher income compared to agricultural labour and accounts for 36% of rural employment<sup>4</sup>. Considering that access to improved economic opportunities is a primary reason for migration in India, RNFS provides the key to sustainable and inclusive economic growth and achievement of the 2030 Sustainable Development Goals (SDGs).

The **Government of India** has launched several schemes such as the Deendayal Upadhyay Grameen Kaushal Yojana (DDU-GKY) that aim to upskill India's rural poor by funding training projects, benchmarked to global standards. Other financial institutions like Khadi and Village Industries Commission (KVIC), State Khadi Boards, Small Industries Development Bank of India (SIDBI) etc. also work towards development of agro-industries and rural non-farm production. Construction and rural tourism industries have been other areas of programme intervention at the national level.

**Revival of Artisan and Green Products.** Rich cultural diversity and artisanal craftsmanship are unique strengths that India could leverage to quickly address its currently unmet rural employment gap. For a dedicated and comprehensive impetus towards strengthening of RNFS, backward and forward linkages, microcredit lines and market access need to be cohesively

<sup>1</sup> Government of India, Office of the Registrar General and Census Commissioner. 2011. *Census of India, 2011*. New Delhi.

<sup>2</sup> Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Co-Operation & Farmers Welfare, Agriculture Census Division. 2019. *Agriculture Census, 2015-16 (Phase-I)*. New Delhi.

<sup>3</sup> Accessed 15 December 2020. <https://nistads.res.in/all-html/Non-Farm%20Occupation%20in%20Rural%20India.html>.

<sup>4</sup> Institute for Social and Economic Change. 2018. Policy Brief: Farm Non-Farm Linkage and Role of Non-farm Sector for Rural Development. Meenakshi Rajeev and Manojit Bhattacharjee.

strategized and implemented. Backward linkages include developing production chains that reduce processing time of artisanal products without compromising on the handmade, organic nature of the product. These would retain employment opportunities for artisans, while improving productivity and value of labour. Forward linkages and market access include development of multi stakeholder platforms for end-to-end collaboration among actors at each level of the value chain.

Implementation specs	Potential market size
<p>Policy initiatives to refocus current investments towards handmade products</p> <p>Restructuring RDTCs</p>	<p>Gift market size, including CSR and corporate gifting budget: Rs. 2.25 lakh crores</p> <p>Sub-market for handicrafts: Rs. 13,000 crores</p>

**Regional Design Training Centres (RDTCs).** A large-scale push towards developing the market also requires increasing the supply side, which in this case is the availability of skilled artisans and craftspeople. The Government of India's RDTCs can be restructured and operationalised under a PPP model, where interested parties can employ master craftsmen to institute apprenticeships in specialist skills. The RDTCs have hostel facilities and are established across the country. Such apprenticeship programmes could be established by the responsible government authorities in collaboration with the private sector, similar to the *Kaushal Vikas Kendra* model to provide vocational trainings.

**Policy level interventions** are key in this area, as government directive incentivising handmade products could be a significant non-budgetary boost for the sector, besides encouraging market-led growth. Mandating a minimum share of sustainable handmade products for government spending with appropriate budgetary backing, ensuring only certified Indian handmade products are sold at government handicraft emporiums, encouraging Corporate Social Responsibility spending on handmade products, etc. are some measures that will lead to market driven growth of the sector.

**Impact.** The restructuring of RDTCs under PPP model, and development of Minimum Support Prices (MSP) for handmade products is likely to have a significant multiplier effect on the rural economy. It could diversify and potentially double rural household incomes, reduce vulnerability to poverty and improve overall quality of life of rural population. Production and consumption of handmade and natural products is a significantly better alternative for achieving economic growth and SDGs than opting for non-biodegradable product value chains which present environmental challenges including pollution and disposal.

## ABBREVIATIONS

<b>CSR</b>	Corporate Social Responsibility
<b>ESCo</b>	Energy Services Company
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>IoT</b>	Internet-of-Things
<b>MSP</b>	Minimum Support Price
<b>PPP</b>	Public Private Partnership
<b>RNFS</b>	Rural Non-Farm Sector
<b>RTDC</b>	Regional Design Training Centre
<b>SDG</b>	Sustainable Development Goal
<b>STP</b>	Sewage Treatment Plant
<b>ZLD</b>	Zero Liquid Discharge

## Contact

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