Standing Committee Report Summary
Welfare and Social Security Measures for Textile Workers

- The Standing Committee on Labour, Textiles and Skill Development (Chair: Mr. Bharrtuhari Mahat) presented its report on ‘Welfare Schemes and Social Security Measures for Textile Workers in Organised and Unorganised Sectors’ on August 4, 2023. Key observations and recommendations of the Committee are:

- Decline in enrolment for insurance schemes: Textile workers are provided insurance under three schemes: (i) PM Jeevan Jyoti Bima Yojana, (ii) PM Suraksha Bima Yojana, and (iii) the Converged Mahatma Gandhi Bunkar Bima Yojana. The Committee observed that enrolment under some of these schemes has declined in 2022-23 (up to May 2023). It noted that this was due to a change in the payment system, where from April 2020 onwards, beneficiaries or the state government would pay the premium. Previously, it was paid from the Social Security Fund, by the central and/or state government. Currently, only Karnataka, Kerala, and Sikkim contribute to the premium under the Jeevan Jyoti Yojana.

- The Committee recommended that the Ministry of Textiles strengthen monitoring and coordination with state governments for payment of premiums.

- Pension: The Ministry provides a monthly pension of Rs 8,000 to weavers and artisans above the age of 60. To be eligible, the annual income of these workers must be less than one lakh rupees. The Committee noted that the income ceiling for eligibility is low, and refers to those who earn less than the daily minimum wage. It strongly suggested that the ceiling be reviewed and raised to a reasonable amount to increase eligibility. In 2022-23, 80 handloom weavers and 339 handicraft workers were provided the pension. The Ministry noted that uptake is low due to insufficient awareness.

- Mudra Yojana loans are provided to small and micro enterprises. The Committee observed that from 2019-20 onwards, the share of handloom weavers in Mudra loans was significantly higher than that of handicraft artisans. It noted that this may be because the Scheme does not have a facility to extend such loans to handicraft organisations. Disinterest by banks and insufficiency of loan related documents also plays a role. The Committee noted that the Ministry is extending this facility to artisan producer companies.

- The Committee noted that the Scheme is not yielding desired results as the number of loans extended and credit guarantee has steadily declined. It suggested that banks fix annual targets for covering workers under the Scheme. It also noted that handicraft products take a considerable amount of time to make, resulting in a long period before income is generated. The Committee suggested providing such artisans with credit cards along the lines of a Kisan Credit Card.

- Scholarship for children of handloom weavers: The Ministry introduced an annual scholarship of two lakh rupees for children of handloom workers that pursue courses from recognised textile institutions. Since its inception in October 2021, there have been only 45 beneficiaries. Noting the lack of coordination with states and awareness among the people, the Committee recommended that the Ministry strengthen these and spread awareness to ensure higher uptake.

- Marketing: The Ministry has launched an online portal for handloom and handicraft producers and sellers. Expenses such as shipments and documentation will be borne by the Ministry. Currently 1.5 lakh weavers have registered for selling their products online. The Committee acknowledged the Ministry’s efforts to create an intermediary-free marketing space for handicraft artisans. It noted that providing a selling platform for weavers and artisans will create a global presence and lead to higher incomes by eliminating intermediaries.

- Pahchan cards: Handloom weavers and handicraft artisans are issued pahchan (identity) cards, which enable them to avail scheme benefits. As of June 2023, 49% handloom workers and 89% handicraft artisans have been issued these cards. The Committee suggested that the Ministry determine causes for non-issuance, and expedite the process of issuing cards to eligible individuals.

- Updating recognised and endangered arts: The Ministry currently recognises 72 crafts and categories 35 as endangered. Endangered arts are given preference in promotion and preservation. The Committee recommended that the Ministry comprehensively review and update the list of recognised crafts, identify dying arts and categorise them as endangered.

- Powerloom sector: The powerloom sector in India is unorganised and faces several challenges. These include using outdated technology, having inadequate capital for modernisation, and fluctuating raw material prices. The Committee recommended providing powerloom workers with low-cost financial assistance and credit facilities to upgrade their looms and acquire raw material. It also recommended that they be provided market linkages through an e-portal similar to handloom weavers. Further, it observed that powerloom workers are largely women. It recommended that the Ministry provide them with basic amenities such as restrooms, separate wash areas, creche facilities, and healthcare.