

# Promoting Responsible Value Chains in India for an Effective Contribution of the Private Sector to the SDGs *(PROGRESS Project)*

*Report on Gems and Jewellery Workshop  
(May 28, 2019)*

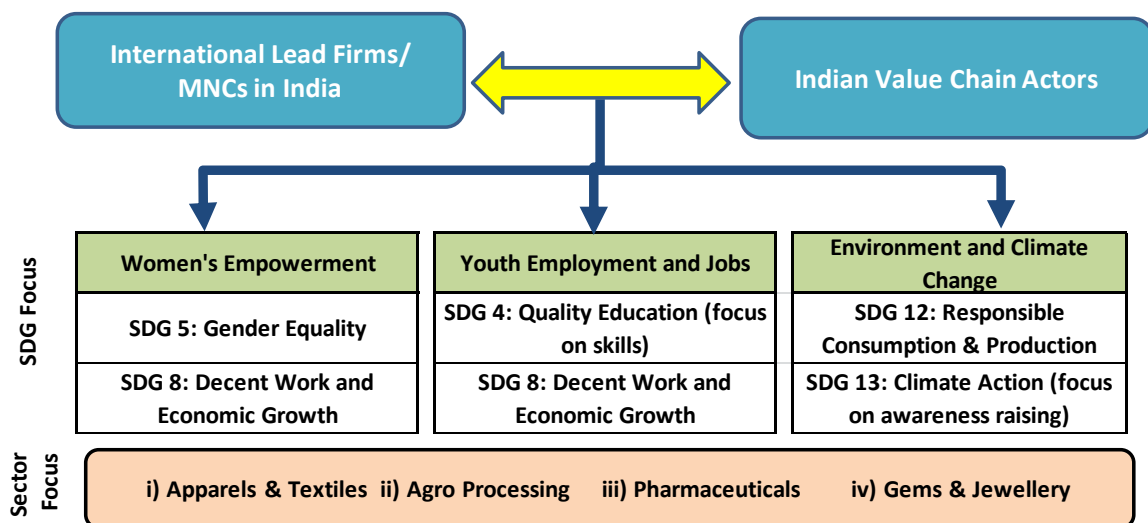


## Table of Contents

1. Project Introduction .....	3
2. PROGRESS Workshop on Gems & Jewellery .....	5
3. PROGRESS Gems & Jewellery Workshop – Inaugural Session .....	6
4. Sectoral group work .....	7
5. Concluding Remarks & Way Forward .....	11
Appendix 1: List of Participants for Gems & Jewellery Workshop .....	12

## 1. Project Introduction

Centre for Responsible Business (CRB) and Aston India Centre for Applied Research (AICAR), Aston University, UK have teamed up to explore and investigate *how private sector companies - as part of GVCs, production networks and FDIs in India have/could better contribute towards achievement of specific SDGs, particularly inclusive education and life-long learning (SDG 4), employment and decent work for the youth (SDG 8), women's social and economic empowerment (SDG 5), sustainable consumption and production (SDG 12), and Climate Action (SDG 13)*. This project referred to as the PROGRESS project is being supported by International Development Research Centre (IDRC), Canada<sup>1</sup>.



**Figure 1: A diagrammatic representation of the GVC interactions and potential impacts on relevant SDGs**

The generated evidence would be used to engage and support policy and practice (industry) level discussions and actions through multi-stakeholder processes involving **four key sectors viz. i) Apparels & Textiles, ii) Agro-Processing, iii) Pharmaceuticals, and iv) Gems & Jewellery**. Further, the experience of the project would also be used to engage with the international actors to highlight the contributions through this GVC approach and areas that need attention. It would thereby highlight and demonstrate methodologies for achieving *sustainable and inclusive GVCs aimed at benefiting the youth, women and local environment in India*.

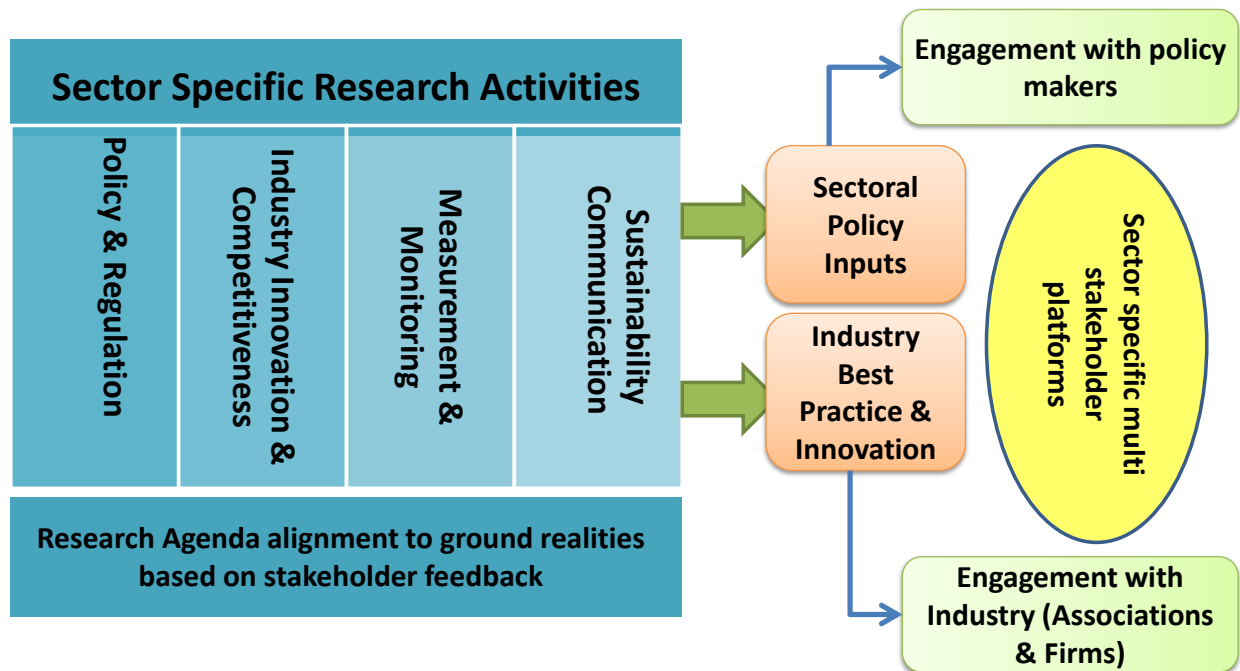
Further, the project would pursue the research *themes*, across the four selected sectors divided into **four Research Themes or Work Packages (WP)**:

- Research Theme I: Policy & Regulation:** governance, policy and regulatory issues – both public and private regulations;

<sup>1</sup> CRB has partnered with the Responsible Jewellery Council for project activities in the Gems & Jewellery segment

- b) **Research Theme II: Innovation and Business Competitiveness:** business logics, strategies, interests, constraints and opportunities – organizational, institutional, and business model related;
- c) **Research Theme III: Measurement and Monitoring:** business responsibility and sustainability accounting and accountability issues, linked to measurement and monitoring; and
- d) **Research Theme IV: Sustainability Communication:** engagement and communication with stakeholders (internal organizational and external).

Given below is a diagrammatic representation of the envisaged iterative process that feeds into research and the research output being utilized to drive policy and industry action. This interaction will be facilitated through multi stakeholder platforms.



**Figure 2: Iterative Intervention Logic involving Research and Policy & Industry action**

## 2. PROGRESS Workshop on Gems & Jewellery

A workshop focusing on the Gems and Jewellery sector in India (as part of the PROGRESS project) was held in Mumbai on **May 28<sup>th</sup>, 2019 at the Grand Hyatt Hotel** with the objective to:

- i. Introduce PROGRESS to key stakeholders and initiate the process of establishing a multi stakeholder group for the Gems & Jewellery sector
- ii. Refine the research questions on the themes of policy, innovation, measuring & monitoring, and sustainability communication through collective group work and deliberations for the sector

The workshop participants included representatives from industry, export promotion council, skilling council, voluntary standards, service providers and brands. A list of all attendees with the organisation names are provided in Appendix 1.

The day was broadly divided into **two** parts: **i) Inaugural session and ii) Group Deliberations.**

The day's tone was set by the inaugural panel discussion (details enumerated below). This was then followed by rich discussions within the participants to highlight some of the key challenges to sustainability in their sector and potential research areas for PROGRESS. Summaries of the group discussions are presented in the following pages.



Getting warmed up for the day ahead



Participants of the Gems & Jewellery Workshop

### 3. PROGRESS Gems & Jewellery Workshop – Inaugural Session

The inaugural panel comprised of:

- **Sabyasachi Ray**, Executive Director, **Gems and Jewellery Export Promotion Council**;
- **Rajeev Garg**, ED & CEO, **Gems & Jewellery Skill Council of India**;
- **Kinjal Shah**, Regional Director India-Middle East, **Responsible Jewellery Council** ; and
- **Devyani Hari**, Director (Programmes) **Centre for Responsible Business**.



Key messages from the speakers were:

- ❖ Globally, there is a move towards sustainability and it is imperative for businesses to integrate sustainability into their core as sustainability will also define business competitiveness
- ❖ Consumers are more aware and more demanding that the companies they buy from are sustainable on social and environmental fronts and will switch to more companies practicing and communicating on sustainability
- ❖ Voluntary standards play an important role to measure and communicate on sustainable practices by companies
- ❖ India is a crucial player in the global Gems & Jewellery sector as all Value chains pass through India. Indian exports have been growing steadily on account of indigenous artisans' skills, technology upgradation, cost optimization and increasingly Jewellery designing. However, there is still potential to grow further and that can translate into more jobs and economic development in the country
- ❖ Large part of the labour force in the sector is home grown and skilling is a major challenge. A large obstacle for the sector is that it is not an aspirational sector of employment for the youth. Lack of up skilling and limited exposure to newer techniques of working are stumbling blocks for youth engagement. Up skilling can be added to the certification of Recognized Prior Learning.
- ❖ Further, India is making inroads into participation at World Skills and competing at global level. There is a need for greater support and involvement from industry to create a strong base of skilled young artisans that measure to global standards.
- ❖ The members of the GJEPC has undertaken several initiatives and measures for better education, better workplace practices, skills mapping of their artisans, healthcare schemes, and provision of Common Facility Centers to support artisans. However, there is a need to:
  - Communicate more openly and widely on ongoing best practices so that these efforts can be upscaled and also form the basis of a policy dialogue
  - Enable greater participation of SMEs through capacity building and suitable policies.

## 4. Sectoral group work

The objective of the group work was:

- Comment and agree on the segment of the value chain to be focused on
- Brainstorm on refining research questions that PROGRESS should focus on vis-à-vis policy, business innovation, measuring and monitoring, communication on sustainability.

To help guide the group work, they were given guiding questions based on the work packages.

<b>Policy &amp; Regulation</b>	<ul style="list-style-type: none"> <li>• How have/can govt. policies and regulation (national/regional/local) enable/hinder achievement of the select SDG Targets in India from the interaction between lead firms and Indian suppliers?</li> </ul>
<b>Innovation &amp; Business Competitiveness</b>	<ul style="list-style-type: none"> <li>• What are/could be the business innovations resulting in sustainable impacts</li> </ul>
<b>Measurement &amp; Monitoring</b>	<ul style="list-style-type: none"> <li>• Measurement indicators to document contribution to SDGs (driven by the GVC interaction)</li> <li>• Existing and potential effective monitoring mechanisms</li> <li>• List of stakeholders relevant for monitoring</li> </ul>
<b>Sustainability Communication</b>	<ul style="list-style-type: none"> <li>• Relevant global, regional, national and local level entities to be targeted for communication</li> <li>• Potential communication techniques to convey such contribution</li> </ul>

**Figure 4: Guiding Questions for group work**

The Gems & Jewellery sector in India can broadly be divided into the following segments:

1. Diamond cutting and polishing
2. Gold jewellery manufacturing
3. Coloured gemstones
4. Silver Jewellery.

A discussion was initiated to identify the most relevant segments for the focus of the PROGRESS project. Though initial discussion highlighted that the jewellery manufacturing sector would be more appropriate and offer more scope for research areas and has better data availability, it was eventually felt that the research should be aligned to the SDG themes of women empowerment, youth employment and sustainable production rather than to segments. The group agreed that all the themes were relevant and applicable to all segments. It was also clearly highlighted that though the research may focus on initiatives in the organized sector, it was important be cognizant of the fact that there was a large unorganized sector that continues to grapple with issues of working conditions and decent pay. Another important aspect highlighted was the need to include domestic brands as these issues are important for



the domestic markets as well. Moreover, almost all brands have a significant presence in international markets and cannot remain insulated from the discussions on sustainability related aspects.

The following information captures the essence of the discussions on research scope in the Gems & Jewellery sector with regards to:

- I. **Women's empowerment:** There were varying opinions on the sector's contribution towards the issue of women's empowerment. At one end it was felt that initiatives focusing on women engagement and empowerment have not been successful and there is not much scope to engage with women in the sector. At the other end, it was felt that while engagement with women in the diamond cutting segment is low (around 47% - 50% of the workforce), there are various ongoing initiatives focusing on deeper engagement with women and there are examples for deep dive and case study analysis.

It is also felt that there is a clear business case for engaging with women and that can be documented through the PROGRESS project. Given the business case and increasing employment of women in the sector, appropriate policy can play a strong role – structural changes in policy would be needed to increase the sectors' engagement with women. For e.g. subsidizing the PF contribution for women

It was also clearly elucidated that in the absence of strict policy implementation (for e.g. on working hours for the sector), women workers are at a disadvantage compared to their male counterparts. This is especially true for jewellery manufacturing where the margins are very thin.

The SME sector will also play a crucial role for women's empowerment in the sector. Companies can be motivated to engage with women. This would involve development of the business case; facilitate development of an enabling ecosystem, communication and suitable policy to support the SME sector.

- II. **Decent Jobs and youth Employment:** The group was in consensus that the gems and jewellery sector is facing shortage of adequate and appropriately skilled workforce. A major challenge is that this sector is not viewed as an aspiration sector in terms of long term employment. This is largely due to:
  - a. Need to change existing work practices to attract more youth to the sector. This would require realignment of profits and there is a need to study as to how these profits can be shared effectively in a scenario of shrinking margins
  - b. Lack of awareness and communication on job and growth opportunities available in the sector
  - c. Need for the jewellery sector to become more creative and innovative
  - d. Policy gaps in terms of lack of up skilling and challenges in mobilizing adequate labour force for the skilling programs. There is a need to anchor the efforts in multiple organizations.
  - e. Lack of adequate number of government colleges/ universities offering affordable courses to aspiring students
  - f. Need to relook at industry norms with respect to minimum wages. Other jobs especially with retail options are viewed as better paying and easier to handle.
  - g. New apprentices are a challenge



### III. Environment and Climate Change

It was felt that the organized sector in the diamond cutting and polishing segment is addressing the environment related aspects to a large extent. Changes in technology have led to lesser pollution. However, there is a challenge for smaller artisans to adhere to environmental norms as they are largely home based. A suggested model at the meeting was to explore the option of aggregating certain polluting processes at the CFCs thus making it affordable for artisans to address some of the environmental related challenges. Again, it was highlighted that the Jewellery manufacturing segment has significant scope to explore better practices on the environment aspect.

The following is a snapshot of issues for further consideration:

Policy (WP 1)	Business Innovation (WP 2)	Measuring and Monitoring (WP3)	Sustainability Communication (WP4)
<b>Women Empowerment</b> <ul style="list-style-type: none"> <li>• Structural changes to policy to support companies for deeper engagement with women</li> <li>• Stricter policy enforcement to create level playing field (for e.g. working hours)</li> </ul>	<b>Women Empowerment</b> <ul style="list-style-type: none"> <li>• Document case studies and best practices of more women in the workforce (e.g. Visnagar facility of 100% women workforce)</li> <li>• Business case for employing more women in the workforce</li> <li>• More engagement with women through SMEs</li> <li>• Role of brands</li> </ul>	<ul style="list-style-type: none"> <li>• Role of standards to measure and monitor</li> <li>• How do global standards compare to company defined standards?</li> </ul>	<ul style="list-style-type: none"> <li>• Communication on good practices has remained silo based and limited to some manufacturers</li> <li>• Better communication to youth for job opportunities</li> <li>• Stronger communication for visibility in GVC</li> </ul>
<b>Youth Employment and Job creation</b> <ul style="list-style-type: none"> <li>• Skilling policy can include element of up skilling (study state policies such as Bihar which have elements of up skilling)</li> <li>• Skilling programs and initiatives to be placed with multiple organisations for better outreach</li> <li>• Sector policy on working conditions, norms and minimum wages</li> <li>• SME policy for better integration into GVCs</li> </ul>	<b>Youth Employment and Job creation</b> <ul style="list-style-type: none"> <li>• Tanishq Karigar centres<sup>2</sup> – safe working conditions, environmental impact etc.</li> <li>• Document SME good practices</li> <li>• Skills mapping – More support from industry for upcoming artisans (e.g. for World Skills) – Up skilling – link of RPL</li> <li>• Role of CFCs</li> </ul>		
<b>Environment &amp; Climate Change</b> <ul style="list-style-type: none"> <li>• Support to artisans to address environmental challenges</li> </ul>	<b>Environment &amp; Climate Change</b> <ul style="list-style-type: none"> <li>• Role of CFCs for better affordability</li> </ul>		

<sup>2</sup> <https://www.thehindu.com/business/Industry/titan-pitches-karigar-centres-as-industry-model/article5710418.ece>

## 5. Concluding Remarks & Way Forward

The participants at the workshop shared their candid views and feedback on challenges and opportunities to pursue sustainability in the Gems & Jewellery sector in India. They expressed interest to be part of the project and also to understand some of the emerging lessons from the other sectors being looked at in PROGRESS.

As next steps, the following will be done:

- ❖ CRB & RJC to share a proposed work plan (for next 3 – 6 months) for the research areas identified from the workshop. Major activities include:
  - Case Studies on women engagement, engagement with informal sector, karigar centers
  - Deep dive into ongoing skilling activities and start drafting a possible policy note
  - More engagement with brands and the role they play in supporting sustainability initiatives in India
  - Initiate work on SME good practise models and initiate draft of a suitable SME policy brief
- ❖ Initiate work on proposed work plan including site visits (visits to be planned in consultation with participants)
- ❖ CRB & RJC to reach out to additional stakeholders not part of the workshop (domestic retail brands, international brands, government in particular)
- ❖ Plan the first International Interface Meeting in Europe to introduce PROGRESS to major brands and global players. August – September 2019
- ❖ Plan PROGRESS showcase at the CRB Annual Conference – November 2019

## Appendix 1: List of Participants for Gems & Jewellery Workshop

Name of participant	Organization
K Chandrasekher	RSM Astute
Dr. Saumya Badgayan	Gold Star Jewellery
Soma Roy	Rapaport
Alok Kumbhat	Jewelex India Pvt. Ltd.
Manoj Turkar	Elegant Collection
Hiten Mehta	Mahendra Brothers
Sabyasachi Ray	GJEPC
Jilpa Seth	GJEPC
Rajeev Garg	GJSCI
Rajesh Neelakanta	BVC Logistics
Nimit Gada	Tanishq
Rajesh Vyas	Iamsmeofindia
Kinjal Shah	Responsible Jewellery Council
Devyani Hari	Centre for Responsible Business
Nitya Chhiber	Centre for Responsible Business