CASE STUDY:
ENABLING ACCESS TO TECHNOLOGY AND SKILLS FOR ARTISANS IN THE G&J SECTOR: CFCS

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

**Sector:** Gem & Jewellery (Diamond)

**Organization:** Gem & Jewellery Export Promotion Council
The Centre for Responsible Business (CRB) and Aston India Centre for Applied Research (AICAR), Aston have teamed up to explore and investigate how private sector companies - as part of Global Value Chains (GVCs), production networks, and FDIs in India have/could better contribute towards the achievement of specific SDGs, particularly inclusive education and life-long learning (SDG4), employment and decent work for the youth (SGD 8), women’s social and economic empowerment (SDG 5) and sustainable consumption and production (SDG 12). The generated evidence would be used to influence and support policy and practice (industry) level discussions and actions through multi-stakeholder processes in India, with various industry sectors that are part of GVCs, production networks, and foreign investments, but continue to be vulnerable. The project is being undertaken with support from the International Development Research Centre (IDRC), Canada.

This case study has been developed as an example from the gem and jewellery industry in India on the contribution of industry-led initiatives towards some of the SDGs (indicated above).

Gem & Jewellery Export Promotion Council (GJEPC) is an organisation set up by the Government of India (GOI) with the aim to promote the Indian gem and jewellery industry and its products. The GJEPC was established in 1966 by the Ministry of Commerce and Industry (India), it was one of several Export Promotion Councils started by the Government. It has its headquarters in Mumbai and Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur. The GJEPC was granted an autonomous status in 1998, it is the apex body for the gems and jewellery industry of India and represents almost 7,000 exporters. The Council presents issues to the Government and recommends policy interventions.
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**RELEVANT SDG AND RELATED TARGETS**

**SDG 8 Decent work and Economic Growth**

- **SDG 8.3**: Promote policies to support job creation and growing enterprises. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

- **SDG 8.6**: Promote youth employment, education and training. By 2020, substantially reduce the proportion of youth not in employment, education or training.
BACKGROUND

India is the hub for diamond manufacturing. The diamond manufacturing activities are widely spread throughout the state of Gujarat with small and medium diamond manufacturing units located in small towns and interior villages of Gujarat operating with the old technology. One of the reasons these units have not upgraded their technology may be attributed to the high cost to upgrade/acquire and install state-of-the-art technology and equipment which is not affordable for them. This has resulted in low productivity while also affecting the quality of the finished goods. Further, there also exists a need to organize skill training for the artisans who are involved in the diamond manufacturing activities to make them aware about the operation and benefit of the state-of-the-art equipment. Keeping above issues in mind, the establishment of a Common Facility Centre or CFC was conceptualized by the Ministry of Commerce & Industry (MoC&I) to provide cutting edge technology for manufacturing processes in the gem and jewelry sector.

Details of the initiative

A CFC consists of a pool of technologically advanced equipment which is made available at affordable prices to benefit MSMSEs in the gems and jewelry sector. While the MoC&I funds the setting up of the CFCs, they are set up in partnership with local associations and users are charged a nominal fee which ensures the continuity and sustainability of the CFC. The government envisions that CFCs will provide a fillip to small manufacturers and will enable them to increase the quality of production by improving their workers’ skills. It also aims at:

- Providing access to a common pool of high end and capital-intensive state-of-the-art machinery/equipments which are otherwise prohibitive for individual small & medium diamond manufacturers.

- To provide easy access to specialized services which include diamond CFCs (planning and marking service, laser sawing service, laser 4P service and diamond screening service) and jewellery CFCs (laser soldering service, laser marking service, CAD designing service, gold purity analysis service or XRF, CAM service and CNC service).

- To provide sustainable employment opportunities by training the artisans so that they may have access to better avenues of employment in the future.

- To provide a common platform for technology transfer and Re-Skilling of the existing artisans by providing them training on Diamond Grading and by organizing seminars by industry leaders.
This case study highlights the experience of the Surat CFC which provides skill training for the artisans who are involved in the diamond manufacturing activities.

**How was the initiative implemented?**

CFCs have been initiated by the MoC&I and include the following steps in their implementation and setting up-

- Identification and Finalization of the Locations and local Associations that can partner for the set up and management of the CFC.
- Execute the Agreement with Associations
- Government Resolution for setting up CFC
- Prepare feasibility report & DPR and get it approved from MoC&I
- Tender process & work Award
- Inauguration of Center & start operations
- Review of Center Operations

**Challenges faced in implementation or management of the initiative?**

- Finding a reliable Local Trade Association (LTA) and convincing them to run and operate the center is a challenge because there may be language barriers with existing local associations. Additionally, there may also be issues pertaining to compliance with an existing LTA within the region. Thus, finding an LTA with adequate resources, knowledge and compliance poses a challenge.

**What benefits are seen from the initiative for e.g. reduced turnover, stable and skilled workforce, opportunity to communicate to key stakeholders.**

- Technology penetration and enabling access for small businesses who cannot afford the technology otherwise

  *‘Good service, satisfied with laser soldering work’*

  *P R Rollpress*

- A reduction in lead time by making certain processes such as planning and marking in-house
- Re-Skilling of the existing artisans on cut improvement aspects.

  *‘Visited for laser marking work on bangles and very impressed with kind of designs created and executed here’*

  *Ghanshyam Jewellers*
Establish market linkages to broaden product and market base.

Improving output in terms of productivity and quality and yield obtained by small and medium diamond manufacturers.

How does the initiative contribute to the SDGs? How/ if impacts are measured from the initiative (including benefits for the community if any)

This is the key player in one of the 17 SDGs – Decent work and Economic Growth. CFCs have played a vital role in establishing ethical and technology driven work culture in remote areas. Gave exposure to ERPs and system driven operations for optimum utilization of resources.

Also, the small manufacturers could produce the goods of international quality and standards which helped them gain more economical benefits and better prices for their products.

CFCs also facilitate resource efficiency as there is common infrastructure that is created which encourages full utilisation of the machinery.

CONCLUSION AND SUMMARY

Considering the informal nature of the gems and jewelry sector in India, the CFCs act as a catalyst and provide access to state of art technology to the small diamond cutters & polishers. It is an employment enabler and the concept is an effort to formalize the unorganized G & J sector in India.
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