

# Potential Socio-Economic Benefits of Geographical Indications (GI)

## The Indian Scenario

Pochampally Ikat



Toda Embroidery



Hyderabad Haleem



Navara Rice

Makrana Marble



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# Foreword

Creation and preservation of intellectual property (IP) is the real wealth of a nation. Of the various types of IPs which are prized by countries, the one which is linked to geographies, and is known as Geographical Indication (GI), is most relevant from a cultural and national perspective. The present study “Socio - Economic Benefits of Geographical Indications (GI) – The Indian Scenario” is informative and useful in understanding how a particular product comes to be identified with a location. GI rights not only prohibit others from making and selling same products with similar claims but also create brand equity and customer loyalty. They help in protecting and preserving the art, culture and heritage of local producers.

India’s journey with GIs started in 2003 and it has secured 301 registrations as of October 2017. The GI Registry, located in Chennai, has been doing an active job in protection of potential GI products in India. However, with all the focus on registrations, we have not been able to give adequate attention to branding and promotion of Indian GI products. It has started receiving some attention at the domestic front but a lot needs to be done to promote it at the international level. Also, there is a need to create a good domestic market network and supply chain in parallel so that GI holders can flourish.

This report looks at the socio-economic status of five GI products -- Hyderabad Haleem in food category from Telangana; Makrana Marble in the natural products category from Nagaur district of Rajasthan; Navara Rice in agriculture category from Kerala; Pochampally Ikat in manufactured products category from Nalgonda district of Telangana and Toda Embroidery in handicraft category from Toda tribe in Nilgiris district of Tamil Nadu. These five case studies, out of 301 GI products of India so far, are just a beginning.

The Confederation of Indian Industry (CII) and its technology centres have over the years been actively working towards identifying and protecting various potential products across the country and doing the best in creating awareness on GI protection. CII is happy to present this report which will generate awareness about GI protection and its benefits. It is also expected to build the brand of the five GI holders whose case studies are presented in this report. I thank the support of European Union Intellectual Property Office in producing this report.

**Mr. Chandrajit Banerjee**  
Director General  
Confederation of Indian Industry





# Executive Summary

The study documents potential “Socio-Economic Benefits’ resulting from issuance of GI status in India and basing the analysis on the following category of goods / products / crafts:

1. Hyderabad Haleem - Food Stuff
2. Pochampally Ikat - Manufactured
3. Toda Embroidery - Handicrafts
4. Navara Rice - Agriculture
5. Makrana Marble - Natural product.

Ideally, GI status protects a collective set of people from counterfeits and pass-off affecting their business. These collective set of people are perceived in this study as the “genuine stakeholders”<sup>1</sup> practicing their vocation within the GI production and supply value chain.

At the essence, the protection given to a GI good / product, benefits both, producers and consumers. While the latter have access to a genuine product, the former are protected against a loss of their business against such individuals involved in fake / counterfeit production. A key feature of this protection is that it is enjoyed by a collective of people and not by anyone individual.

This protection would lead to a natural flow of socio-economic benefits for the GI producers (as defined under stakeholders above) and consequentially at the community level in terms of livelihood.

While it is understood that “socio - economic benefits accrue to the GI genuine stakeholders”, arguably there are other co-factors. These co-factors are further analysed throughout the cases studied below. This study highlights the role of GI status and such of those co-factors that have eventually caused development.

Given the GI incipient registration system in India dating back to 14 years, the study analyses the existing and potential socio-economic benefits in relation to the present context and using the UN Sustainable Development Goals<sup>2</sup> (UN SDGs) as a qualitative socio-economic analysis tool.

The GI Act in India was introduced in 1999 and came into effect in 2003 (GI Act’). This Act was enacted in the context of India being a signatory of the TRIPS agreement under the WTO. In the past, India faced

1 Stakeholders here primarily means beneficiaries such as producers, growers, manufacturers. In addition, it includes active contributors in the supply chain or ancillary activities such as traders, distributors, merchants, wholesalers / retailers, raw material suppliers, etc.

2 The Un SDSs are a part of the 2030 Agenda for Sustainable Development, which was adopted by 193 Member States at the historic UN General Assembly Summit in September 2015 and it came into effect on January 01, 2016. It lists out 17 SDGs and 169 targets as a bold universal agreement to end poverty in all its dimensions and craft an equal, just and secure world – for people, planet and prosperity by 2030. <https://sustainabledevelopment.un.org/sdgs>



international trade conflicts where 'Darjeeling Tea', 'Basmati Rice' and other traditional knowledge and heritage of India were being commercially exploited by foreign companies. The GI Act intends therefore to resolve and prevent international trade GI conflicts, in addition to maximising the potential socio-economic benefits being the subject of this study.

The European Union has a long history of protecting GI products. These type of products do feature a distinct character and origin as part of the TRIPS Agreement, which consequentially gave rise to the Indian GI Act in 1999. In this sense, the EU and India have a common goal: to contribute to the GI sui generis system by ensuring that it is applicable within their own borders and in connection to other nations. Mr. Antonio Berenguer<sup>3</sup> mentions on the current status of GIs in India: 'an opportunity for those people who want to keep up with the tradition and maintain these cultural goods by doing the same thing that their ancestors did. And for that of course, you need to create a vehicle that allows these people to communicate with consumers'.

Prior to the enactment of the GI Act, there were instances of Basmati rice<sup>4</sup> as relevant examples among other GIs in India and Turmeric or Neem as traditional knowledge, that were being exploited, in terms of threats to Indian IPRs, by foreign enterprises. India strongly opposed these registrations since it was perceived as an infringement of national rights. Therefore protecting traditional knowledge and corresponding livelihood assets deriving from Indian ingenious communities, became a priority for the Government of India. The reason being refers to the fact that often GI products are produced by indigenous communities within developing states raising its GDP by 6% per annum.<sup>5</sup> GDP rise and socio-economic development is strongly correlated with a rise in living standards.

Key analysis indicators considered for this research study are related to the following:

- Enterprises (direct and supply chain in the same vertical of the value chain)
- Employment Generation
- Revenue and Sales
- Branding and Promotion
- Gap analysis based on :
  - Existing branding and promotional activities / strategies carried out by registered GI producers on their own account or through government support.
  - Need to address existing gaps in view reinvigorating existing efforts, capacity building initiatives or the policy environment.
- Overall living standards from communities involved in the production value chain in each specific GI in relation to the average living standards in India and the relevant region.

Extensive review of secondary data for each of the GI was followed with deep and extended interaction with registered proprietors. Based on this information, a structured survey was conducted among a subset of stakeholders to source a quantifiable view on the above stated matters.

3 Present Team Leader, International Co-operation at EUIPO in charge of EU-Funded project, has mentioned his views in a video 'A Tale of GIs in India' produced under the IPC-EUI project as a promotional item during a trade fair in Thailand.

4 Basmati is a registered GI (Application no. 145 as submitted on 26 Nov. 2008 and granted registration on 15 Feb. 2016).

5 'Not Always with Us', The Economist, 01/06/ 2013, "Growth Decreases Poverty: In 1990-2010 the driving force behind the reduction of worldwide poverty was growth. Over the past decade, developing countries have boosted their GDP about 6% a year" <https://www.economist.com/news/briefing/21578643-world-has-astonishing-chance-take-billion-people-out-extreme-poverty-2030-not>





This exercise of preparing the case studies has faced some peculiar challenges:

- a) Lack of precise and reliable data in the public domain,
- b) Cultural barrier or lack of willingness to accurately disclosing or even refusing to share sales, revenue and income figures.
- c) The system itself is at an incipient stage and impacts are not yet observable.

## GI Registered name of “Hyderabad Haleem”

The GI was issued to ‘Hyderabad Haleem Makers Association’ on September 03, 2010, being currently the Registered Proprietor.<sup>6</sup>

The Hyderabad Haleem is a speciality food item which commands a large business during Ramzan. It is mainly consumed in and around Hyderabad city and due to the efforts of certain producers, branded products are dispatched in chilled conditions to countries outside India. Presently, the market of Hyderabad Haleem is estimated to be a Rs. 1000 crore (€ 138,542,532.55) brand.<sup>7</sup> It is also estimated that there are 6,000 Hyderabadi Haleem makers and more than 25,000 employees during Ramazan at Hyderabad.<sup>8</sup>

The uniqueness of this GI product is: a meat stew or delicacy of basic ingredients consisting of meat (of goats / sheep), wheat and clarified butter, along with various spices, Basmati rice, cooked in the traditional manner on slow fire for long hours such as 12 hours.

The current trends show that tech savvy customers are ordering this dish on various e-commerce platforms using food delivery apps such as Swiggy, courier service and online bookings. The Hyderabad Haleem makers are conquering newer territories as a clutch of savvy marketers have changed the rule and are ferrying the foodstuff to other parts of the country.<sup>9</sup>

One company by the name, ‘Pista House’ was identified as an important beneficiary as it made the best use of its GI status. Consequently, it increased its business assets and is expected to continue augmenting sales since GI registration. However, Hyderabad Haleem as a speciality food dish is also prepared by many other restaurants. This means that in India, GI protection for Hyderabad Haleem is weak for a number of reasons described below:

1. Both consumers and producers are at early stages of understanding the implications of GI status granted to ‘Hyderabad Haleem’.
2. Consumers do not associate the concept of original product to ‘Hyderabad Haleem’ offered by Registered Proprietor and other products as counterfeit, without distinctive characteristics of the registered GI.

6 Sec. 2 (ix) of the GI Act defines ‘registered proprietor’ in relation to GI to mean any association of persons or producers or any organisation for the time being entered into the register as proprietor of the geographical indication.

7 Bismilah Fatima, ‘The Hyderabad Haleem’ is now a Rs. 1000 crore brand, India News (online news), July 23, 2013. <https://innlivenetwork.wordpress.com/2013/07/23/the-hyderabad-haleem-is-now-a-rs-1000-crore-brand/>

8 Prarthana Kumar, ‘Sustenance of Hyderabadi Haleem From Local To Global’, Excel International Journal of Multidisciplinary Management Studies, Vol.3 (9), September (2013).

9 ‘e-commerce takes Hyderabad Haleem craze to a new level’, Serish Nanisett, The Hindu, June 24, 2017, Hyderabad Edition.



Potentially, this may be seen as competitors and a product to be registered in the near future. A number of Hyderabad Haleem producers continue to market the GI product in the same name without the GI status. As on date, both customers and producers have accepted the current situation existing in the market. The dividing line between counterfeit and potential rising number of authorised users is blurred.

Assessing socio-economic benefits accruing as a function of GI status in this context, is a challenge because of the way this GI has panned out, where initially only one producer (the largest authorised user) has exploited the GI status to the fullest and is inactive about other producers offering the goods and not being contested as infringement. Recently, four (4) producers have applied for authorised user status and their application is pending registration.<sup>10</sup>

There are lessons to be learnt in this study viz., the need for investment and entrepreneurial spirit to improve consciousness that may lead to enhanced demand of natural products that are affordable and may enter new market segments in India and abroad. These are vital aspects that can contribute for any GI product in India to be significantly meaningful in terms of socio-economic development and to maximise its potential.

### GI Registered name of Pochampally Ikat

This GI is jointly held by the 'Pochampally Handloom Weavers Co-operative Society Ltd.' and 'Pochampally Handloom Tie and Dye Silk Sarees Manufacturers Association' and was issued on 9 March, 2004 (filed on 15, December 2003).

Pochampally Ikat is a handloom weaving technique to produce textile fabric, including sarees (Indian garment worn by women), furnishings and others. It is a unique heritage textile art practised by weaver families located in the GI area comprising of Nalgonda and Warangal districts in the new State of Telangana.

The uniqueness of the product is the process of tying and (resist) dyeing the natural yarn (cotton or silk or both) prior to weaving. This 'ikat' basically has 3 forms : either single or combined or double ikat, in several variations. These variations range from the use of specific intricate designs and patterns, traditional motifs like diagonal / square grids, certain animals, flowers, striped or diffused edges or abstract variations.

Production of textiles by both large mills and power looms has often been encouraged<sup>11</sup> as the means to contribute to India's desire for sustainable and socio-economic development. This encouraging approach challenges the livelihood of weaver families in different ways. The weaver families have for long time found it difficult to source raw material and access markets. In brief, difficulties regarding raw material here would mean availability of 'hank yarn', dyes, chemicals (azo free acid dyes, reactive dyes and natural dyes) which is the prime requirement for handloom weaving.

Within the production value chain, there is a high demand of raw materials and not enough offer to supply the existing market at convenient prices. There is a level of government intervention that needs further organisation.

10 All 4 producers had applied for authorised user status in September 16, 2013 and their respective applications have been advertised in GI Journal No. 102 dated November 30, 2017 and these are pending registration. [http://www.ipindia.nic.in/writereaddata/Portal/IPOJournal/1\\_2562\\_1/Journal\\_102.pdf](http://www.ipindia.nic.in/writereaddata/Portal/IPOJournal/1_2562_1/Journal_102.pdf)

11 Shambhavi Sawhney, 'Make in India' and its Economic Impact on the Indian Handloom Sector, pg. 12; <https://www.colgate.edu/docs/default-source/default-document-library/sawhney-lampert-paper-2016.pdf>



In fact, after the formation of the Govt. of Telangana, a special impetus for encouragement of the handloom sector was given through several development measures by way of subsidies for procurement of yarn, modernisation of handlooms, infrastructural facilities, marketing incentives and support, financial assistance (cash credit, savings and security schemes, loans, timely assistance of working capital requirements, etc.), training (technology and skill upgradation), etc. State Government has also laid down several welfare measures for the weaving community such as: pension, ex-gratia payment to families of suicidal weavers, educational scholarships to weavers' children, payment upon death / disability of weaver, etc.

Currently, there are about 10,000 weavers in the Nalgonda district engaged in weaving Pochampally Ikat.<sup>12</sup> Government of Telangana is presently conducting the census of all weavers in its State. This is a mammoth exercise of mapping all weavers of various textiles. In this sense, in the next coming years, the magnitude of socio-economic benefits will be easier to analyse in the region.

Unique to this set of manufactured woven goods, are the characteristics that hand crafted goods take long time to make, which result in expensive finished goods. E.g., Chanderi Sarees, Kashmir Pashmina, Benares Brocade. Further, quality of hand woven / hand crafted goods is perceived to be authentic and exclusive. Recently, markets have taken the trend of hand woven fabrics for making garments and apparels and the younger Indian population are willing to pay a premium price of 20-25%. Pochampally Ikat is sold at outlets ranging from small, medium and large retailers, wholesalers, Government stores (such as weaver co-operative societies, State Emporium, etc.), high end designers stores and well known fabric stores.<sup>13</sup>

12 Comprehensive Departmental Note (as on 31.04.2017), Govt. of Telangana, Dept. of Handlooms and Textiles, pg. 15; [www.tghandtex.nic.in/open\\_record.php?ID=95](http://www.tghandtex.nic.in/open_record.php?ID=95) last accessed on June 10, 2017. However, the amount specifically granted for Pochampally Ikat is not clear.

13 Mentioned in detail later in this report.



While the Registered Proprietor of Pochampally Ikat is aware of the implications and benefits of the GI status, and all stakeholders (unregistered authorised users) are enjoying the benefits of a growing market, their ability and willingness to act collectively in defence of their trade, is not observable. Currently, the Registered Proprietor is enjoying the 'monopolistic' status with regard to holding the GI registration status. In its understanding, it is unwilling to disseminate information on the benefits of GI to enrol all weavers / producers coming under its jurisdiction.

Specifically, not all stakeholders are encashing the GI status to build the business in the market. Efforts to build a story around the unique 'Quality' attributes of the GI can be significantly increased. Management of counterfeits and 'Pass-off' is currently a low priority to the producers themselves as well as to the related State Government departments such as textiles. This may be attributed to governance issues in the value chain that comprises of inspection, maintenance of quality parameters, regular supply of raw materials, enforcement, etc. To remove these shortfalls, a policy support is required which encourages the producers to register themselves as 'authorised users' in order to avail GI benefits. Such governance issues will be further explored below under the actual case study of this research study and in relation to the UN SDGs. This will help the reader understand conflicts of interests or in terms of strategies for socio - economic development in India.

With both the domestic and international market for 'Handwoven' goods growing and 'Pochampally Ikat' having a legacy reputation, the socio-economic benefits of the GI status will sooner or later percolate down to the many stakeholders if further efforts in GI registration development take place by means as suggested under our recommendations. However, other issues related to the value-chain production structure in addition to failing government strategies for the achievement of UN SDGs, are also important aspects to consider.

Vital attention needs to be given to:

- Branding and Promotion of GI identity and 'Quality' aspects or characteristics,
- Inclusion of various stakeholders into the "GI status" enabled growth story including women of the weaver families, designers, trade channel partners (retailers and wholesalers),
- Reducing the dependence on the various Government led support programs for their livelihoods,
- Actions to attract investment from the private sector in GIs in India to fill the value-chain production gaps and ensure best value for money.

Today, informed consumers are showing a willingness to pay a premium price percentage for goods having a GI tagged status. Consequentially this percentage ought to reach producers and communities.

It can be concluded thereof that socio-economic benefits deriving from GI registration is evident in growing markets where Pochampally Ikat can be sold. Both, collaborative and competitive actions are essential to cause socio-economic development in the producer community. In the absence of this collective action, socio-economic development as a result of GI registration, will not occurred as expected nor may its potential be maximised.



## GI Registered name of Toda Embroidery

This GI is jointly held by:

- 1) Toda Nalavaazhvu Sangham, a not-for-profit society formed to protect the interests of the tribe through various means and forms,
- 2) The Keystone Foundation<sup>14</sup>, another not-for-profit public trust, with a focus to protect bio-diversity of the Nilgiris and the various forest and tribal produce, life-style and culture, and
- 3) The Tamilnadu Handicrafts Development Corporation,<sup>15</sup> a Government of Tamilnadu enterprise – for profit entity set up to preserve all forms of handicrafts of the State (TNHDC).

This GI was issued in the year March 04, 2013.<sup>16</sup>

The Toda Embroidery is exclusive craft embroidery of the Toda tribe living in the Nilgiris district, Tamil Nadu and it is the most visible expression of the artistic heritage of the Toda women. The handcrafted embroidery on their garment is a distinct identity of the tribe. This aspect of cultural ethos has slowly taken shape as a commercial activity.

The uniqueness of this GI lie in the counting of the warp and weft of the course base fabric, where the wool threads of black and red are used by way of darning stitch, done from the back of the fabric. The design / pattern used as motifs are inspired by nature, elements of nature and their daily life.

Although this art is a home based activity practiced part time or as best suited, there are nearly 300 – 400 Toda women practising the art. Increase of employment is limited to women. A few local organisations such as Shalom<sup>17</sup> and Last Forest Enterprises Pvt. Ltd.<sup>18</sup> have taken marketing initiatives.

The Toda tribe relies on nomad farming and embroidery is an added asset practiced by women. Pastoral life is perceived as a threat for biodiversity in the region according to the local laws. Therefore, the Toda tribal women are constrained to earn a living from embroidery and tourism. The latter is an additional asset for community livelihoods, which is strongly connected to the former.

The researchers observed during the field study that the present generation of girls are educating themselves to get employed at Government jobs for the sake of stable and permanent income. This leaves them very little time to pursue the craft as a commercial activity and therefore, is done only for their personal use for cultural and religious events. Such of those older women who are not literate and educated, are dependent on this craft as either a primary or secondary source of income. This category of women has made this craft as their profession. Again, this is not a full time professional as the time slotted for such activity is after looking into all household chores.

Undoubtedly, the GI status has built the expectations among the community and an excitement in a small section of the market. For the GI status to cause any significant socio-economic benefits to be visible, a lot more factors need to come to the fore.

<sup>14</sup> <http://keystone-foundation.org/>

<sup>15</sup> <http://tnpoompuhar.org/aboutz/>

<sup>16</sup> This application was applied on September 11, 2008.

<sup>17</sup> <https://www.facebook.com/shalomooty/>

<sup>18</sup> <http://lastforest.in/>



The highlight of this case study implies that there is demand for this GI in the form of product diversification of the said GI. This GI is done painstakingly by the women artisans of their respective tribal community and the consumers do value the handcrafted heritage product. Government is supporting this GI craft through various ongoing initiatives. Apart from several other interventions that are required to protect the culture and heritage of this tribe, some specific training to build sufficient entrepreneurial abilities will definitely assist these tribal artisans to be self-reliant and professional.

**Observations:**

- Registered Proprietor(s) do not collectively promote trade of Toda Embroidery.
- The Authorised Users live in remote hamlets of less than 10 houses and are located at great distances from each other due to the terrain.
- The Authorised Users are tribal women. Most of them are uneducated and can only speak their native language; most of them have barely done their schooling with very few exceptions.
- The local market may be seen as a slight opportunity during the tourist season which usually ranges during the Indian summer, from April to June. The real markets that can pay premium are out of access to the tribal women.
- The tribal women have no access to capital or learned adequate business skills so as to benefit from the GI Status. Without state or external support, it is unlikely that economic benefits would continue to grow.

**GI Registered name of Navara Rice**

The GI has been awarded to “The Navara Rice Farmers Society”<sup>19</sup> in the year November 23, 2007.<sup>20</sup>

The uniqueness of this endemic rice variety is that it has medicinal properties widely used in Ayurveda and Ayurvedic treatments. It has curative properties for certain medical conditions.

This GI also known historically as ‘Sashtika’, is a short duration (approx. 60 days) variety of medicinal rice. Besides being consumed as a gruel (Karkidaka Kanji), the flour is used as a method of massage called ‘Navara Kizhi’ and ‘Navara Theppu’.

Historically, the Navara rice was grown in small quantities for self-consumption and use by local medical practitioners. Over time, the traditional ayurvedic method of treatment has become a successful business. Moreover, a number of corporate entities offer Kerala Ayurvedic treatment. They are large customers and a strong voice of recommendation for the public at large.

Key stakeholders of this economic activity include farmers, traders, ayurvedic practitioners (traditional healers) and agricultural scientists who specialise in this variety of rice. Thus, the number of farmers growing Navara Rice has gone up from 5-7 prior to registration, which has now increased to 20.<sup>21</sup> While the other incremental change in numbers from prior to GI registration to post registration are : labourers,

19 Applicant ‘Navara Rice Farmers Society’ is a registered society under the Travancore Literary and Charitable Societies Act, 1960.

20 Applied for GI registration on November 25, 2004.

21 The increased number of growers are members of the said ‘Navara Rice Farmers Society’.



dealers, customers, area under cultivation, productivity, wages earned by labourers, product price, sales and revenue, etc.<sup>22</sup>.

The key challenge is to get consensus on distinguishing Navara Rice from all available red rice varieties. Often, consumers buy rice and not paddy. Hence, they cannot identify the GI product.

The highlight of this study is the need to have all stakeholders distinguish red rice varieties from Navara Rice and have the medical fraternity to consistently communicate to the market that not all red rice is Navara Rice.

### **GI Registered name of Makrana Marble <sup>23</sup>**

The GI was awarded to “Makrana Rajasthan State Industrial Development and Investment Corporation Area Marble Association” (Association), located at Makrana, Rajasthan on March 30, 2015.<sup>24</sup>

Makrana Marble is a type of marble available from certain parts in the State of Rajasthan only. These natural goods, as seen in various colours and shades, are particularly mined from Nagaur District. The Makrana area is famous for the calcitic variety, which is pure white crystalline marble. All other marbles in India are dolomitic marble, which in due course of time becomes yellowish. The heritage of India, one of the wonders of the world, the ‘Taj Mahal’ was built with this naturally occurring stone.

It is considered as one of the best marble in the world,<sup>25</sup> and its uniqueness is it retains its shine which also increases during its life. This is because the calcium carbonate content in it, which is more than 98 %. Another factor which leads to the continuous shine is the close interlocking of grains; this interlocking of grains also gives it strength, hardness and translucency.

In view of their commercial potential, adequate legal protection of Makrana Marble, became necessary to prevent their mis-appropriation, notably, at the national and international level and it is this reason which led to registration under the GI Act.

Marble industry is large and is continuously growing with most global producers focused on international trade. It is estimated that there are about more than 5.5 million tonnes of deposit presently available.<sup>26</sup> This natural GI product is exported to various countries and there is a potential for growth. The members of the association (producers) are publicising the GI registration amongst their buyers and these buyers are now becoming aware of the grant of GI status to Makrana Marble.

It is submitted that about 7000 families are directly involved in the mining of Makrana Marble and about 35,000 families are involved in its transport, processes and sale. On the whole, about 60 – 70,000 families are involved in the entire industry at various stages.<sup>27</sup> Those employed in this industry operate in various

22 Information as provided by Mr. Unny, President of ‘Navara Rice Farmers Society’ during in-depth interview.

23 Study research based on secondary data.

24 Applied for April 09, 2013.

25 R. K. Dube, ‘Superiority of Makrana (Rajasthan) Marble’, Indian Journal of History of Science, pg. 287, 2008.

26 As stated in the GI application.

27 As per the affidavit given by the applicant during GI registration.



sectors such as in mine operation, factory operation, marble processing activities (such as marble cutting, etc.), trading establishments and handicraft showrooms. Makrana is source of employment to at least 1 million people<sup>28</sup> of about 200 surrounding villages, in about 900 mines in the several ranges of the Aravallis ranges.<sup>29</sup>

Since the GI registration has been granted very recently in March 2015, there is no published data specific on the socio – economic benefits as received, due to the said GI registration. This study is based on secondary data.

### Case studies overall Recommendations and Conclusions:

Protecting traditional knowledge / heritage / culture / livelihood under the GI Act is considered an essential start for greater socio-economic benefits deriving from GI registration. Arguably, this form of protection must be supported by numerous capacity building measures for it to derive in significant socio-economic benefits that are easier to demonstrate.

Key capacity building measures to be considered include:

- Building a collective dimension for executing a collection action in the implementation of a collective action in the implementation of GIs, in the promotion and development from below (bottoms – up approach).
- A Code of Practice (CoP) / Product Specification / Book of Specification to be adopted for the governance of quality of the GI products.
- Implementing an inspection and enforcement mechanism stringently.
- Government support for capacity building and training of specific groups of Stakeholders of the GI products.
- Adopting homogeneous labelling on packaging of GI products to protect Consumer interests from deception and confusion.
- Financial support from various sets ups such as public institutions such as rural banks, co-operative banks, etc. and private funding from venture capital funds, angel funding and seed funding.
- Commercialisation assistance on various national and international platforms such as exhibitions, tourism, online e-commerce links, etc.

Protection given by the GI Act is the starting point to derive socio-economic benefits. This has definitely been beneficial for small and marginal communities that have unique traditional knowledge skills and crafts. Hence, a larger set of interventions in the form of sensitising various stakeholders on benefits of registration, building their capacities in entrepreneurial skills, viz., marketing and promotion, quality enhancement and control, market orientation and accessing / creating new markets at national and international levels, etc. needs to be articulated for each of the GI.

<sup>28</sup> Though mining activities are understood to have an impact on health issues of people working in the marble industry, no secondary research information / data was available on the working and health conditions of those relating to Makrana Marble.

<sup>29</sup> <http://janpratinidhi.com/Makrana-4908/About> last visited on May 20, 2017.





# PART I

## STUDY OVERVIEW







# STUDY OVERVIEW

## 1.1 Introduction

The Indian Act viz., The Geographical Indications of Goods (Registration and Protection) Act, 1999 (the GI Act) <sup>30</sup> provides for registration of 'geographical indications' (GIs) in India. The term GI <sup>31</sup> refers to the legal recognition granted (by enactment of law) that declares that a given good is originating from a particular place and conforms to a certain pre-defined quality. In other words, it is associated with names and places or production areas with goods.

The existence of the GI registration of a product is meant to signify that the Producers of a collective group are able to garner a certain premium for their quality based products in an informed market.

GIs are defined as 'high quality' premium products due to its reputation which may not necessarily be registered, but potentially effectuate in certain benefits. This study aims at understanding the actual impact of GIs and the extent to which the potential benefits can be harnessed in India. In consequence, this study portrays the reality of the socio-economic benefits of GIs in India through a case study approach.

The four case studies have been identified based on a number of factors such as the revenue earned, the reputation and uniqueness of a particular GI, an endangered and traditional species of an agricultural produce and exquisite craft hand embroidered by an indigenous community. In all the case studies chosen, it began with a search for data (both primary and secondary) revealing the position prior to their registration and the impact of the GI registration thereafter. However, adequate data was not found.

The course of the study is also directed to understand the reality of an incipient GI system where a number of weakness and strengths are being identified, in addition to opportunities and threats. These cases will be tackled following a structure to analyse the penetration of GI into the lives of the stakeholders by understanding their current situation relating to their economic assets, the product at offer, Consumers demand or the available markets, promotional needs and the social potential impact.

Most importantly and for the purpose of this study, socio-economic benefits will be defined according to the UN SDGs, which is used here as a reference / guide to evaluate real / potential benefits. In this regard, specific explanations in term of each goal will be provided in more detail.

<sup>30</sup> To know more about the GI Act, review the link <http://www.ipindia.nic.in/acts-gi.htm>

<sup>31</sup> GI is defined under Sec. (2) (1) (e) of the GI Act.



## 1.2 The Indian Context to Geographical Indications

The GI Act has come into effect since the year 2003. Prior to this, communities involved in the production of GI labelled goods, have in their own way enjoyed niche markets and held their reputation.

Policy makers, politicians, bureaucrats, academicians, and thought-leaders of India have for the last two decades, considered that traditional knowledge / crafts are threatened world-wide. The absence of legal protection in India would mean the loss of valuable culture / heritage / traditional skills and knowledge. It is valuable for several factors which in terms of socio-economic development as claimed, has spill over effects on sustainable livelihoods in specific native communities which exist in India and potentially also contribute to the modernisation of India.

A 'geographical indication right' enables those who have the right, to use the indication and to prevent its use by a third party, whose product does not conform to the applicable standards. It also means the ownership of a promotional item that may be used jointly as a group of producers that are its authorised users.

Potentially, this protection gives the benefits to the rightful GI owners / holders, and results in the socio-economic development of the community engaged in the production of the craft / goods for a number of reasons explained below under "conceptualisation".

Post-independence (since 1947) and the subsequent liberalisation in 1991, India has emerged as one of the fastest growing economies. The economy of India <sup>32</sup> is now the sixth largest in the world (measured by nominal GDP) and the third largest by purchasing power parity (PPP).<sup>33</sup> The country is classified as a newly industrialised country and one of the G-20 major economies, with an average growth rate of approximately 7.5 % <sup>34</sup> over the last two decades. The World Bank has stated that India has "enormous growth potential" compared to other emerging economies, as it projected country's growth rate to 7.3 % cent in 2018 and 7.5 % for the next two years.<sup>35</sup>

This has been accompanied by increase in life expectancy and literacy rates and attainment of food security. There has been significant reduction in poverty, although official figures estimate that 27.5 % of Indians still lived below the national poverty line of \$ 1 (PPP) a day in 2004 – 05.<sup>36</sup>

Moreover, it is also claimed that India's recent economic growth has widened economic inequality across the country.<sup>37</sup> Spatial dispersion in income is still rising in India in the last decade (2004-14).<sup>38</sup> In a report released in March 2016, the International Monetary Fund said that "Asian countries are unable to replicate

32 Data is based on projection by IMF outlook April 2017.

33 <http://statisticstimes.com/economy/countries-by-projected-gdp.php> last visited on May 23, 2017.

34 <http://www.oecd.org/india/economic-survey-india.htm> last visited on May 23, 2017.

35 'World Bank says India has huge potential, projects 7.3% growth in 2018', The Times of India, January 10, 2018, <https://timesofindia.indiatimes.com/business/india-business/world-bank-says-india-has-huge-potential-projects-7-3-growth-in-2018/articleshow/62436639.cms>

36 <https://www.coursehero.com/file/p2nm5k4/254-SOCIO-ECONOMIC-DEVELOPMENT-IN-INDIA-We-have-discussed-so-far-various/> last visited on May 23, 2017.

37 'The Gap Between India's Richer and Poorer States is Widening', The Economist, September 2017.

38 <http://finmin.nic.in/indiabudget2017-2018/es2016-17/echapter.pdf> last visited on May 23, 2017.



the “growth with equity” miracle.<sup>39</sup> IMF pointed out that inequality has only increased in the past two and a half decades, “lowering the effectiveness of growth to combat poverty and preventing the building of a substantial middle class”.<sup>40</sup> In this sense, this study research attempts at analysing the potential socio-economic benefits in terms of enhanced poverty relief, further growth and equity and the building of a sustainable middle class.

In the context of India, GI registration can be seen as a gate-door for indigenous communities’ sustainable livelihoods. Moreover, it is through their connection with the middle class that a collective dimension of GIs may lead to fruitful results in terms of socio-economic development and benefits. Mutual gains from the different stakeholders are the focus of this study.

### 1.3. Conceptualisation

Socio-economic benefits in this study are defined according to the United Nations Sustainable Development Goals (UN SDGs)<sup>41</sup> as explained below under “Socio-Economics and GIs”. The reason being is the GI expert and author of this study believes there is a strong connection between all UN SDGs and socio-economic benefits. In practical terms, only the relevant SDGs will be chosen at each case study. It might be the case that some SDGs may apply throughout, others specifically to a case study only. Most importantly is to portray socio-economic benefits to its maximum potential.

#### 1.3.1 Stakeholders

The relevant stakeholders to ensure the full potential of socio-economic benefits and subject to this study are as follows:

*Internal stakeholders:*

- Producer: any business owner who are potentially an authorised user or proprietor when registering a GI, who may be in full or partially involved in a GI product in terms of raw materials, product transformation and/or preparation.
- Authorised User: means the authorised user of a geographical indication registered under Section 17.
- Registered Proprietor: in relation to geographical indication, means any association of persons or of producers or any organisation for the time being entered in the register as proprietor of the geographical indication.
- Community: means to include a collective body of active producers, growers, manufacturers, artisans, craftspeople, involved in the value chain directly. It also includes such of those contributors who are engaged indirectly in ancillary activities such as traders, distributors, merchants, wholesalers / retailers, raw material suppliers, processors, etc.

39 Sonali Jain-Chandra, Tidiane Kinda, Kalpana Kochhar, Shi Piao, and Johanna Schauer, ‘Sharing the Growth Dividend : Analysis of Inequality in Asia’, IMF Working Paper, WP/1648, March 2016.

40 <http://thediplomat.com/2017/02/how-to-fix-indias-wealth-gap/> last visited on May 23, 2017.

41 The UN SDGs are part of ‘Transforming Our World : the 2030 Agenda for Sustainable Development’ adopted by 193 Member States at the historic UN General Assembly Summit in September 2015, <https://sustainabledevelopment.un.org/sdgs>



- Consumers: one who, based on the reputation of a particular GI product, seeks for it (whether registered or not) and accordingly pays for it to consume / use the same.

*External stakeholder:*

- Geographical Indication Registry: This is an office established under Central Government notification, for the purpose of facilitating the registration of GIs.
- Regional / local Government: These are departments established under the State Government specific to the core activity mandated to be executed by them such as the State Textile Department, State Agriculture Department, State Handloom Department, State Handicraft Department, etc.
- NGOs: In the context of GIs, this refers to non – governmental organisation(s) or not-for-profit entities, registered either as society or as public trust under the State laws (regulated by the central legislations viz., Societies Registration Act, 1860 and the Indian Trust Act 1882, respectively).

### 1.3.2 Socio - Economics and GIs

Socio Economic Development focuses on raising the levels of holistic well-being and expanding and widening people's choices. It covers almost all aspects of human life and people's choices like economic, social, political, cultural, educational, physical, biological, mental and emotional.

For the purpose of this study, socio-economic benefits are defined in accordance with the UN SDGs as follows:

- Poverty Relief: Through employment generation, GIs can boost the incomes, alleviate the suffering, and build the resilience of those individuals still living in extreme poverty. Also, implementation of significant mobilisation of resources from a variety of sources, including through enhanced collective co-operation.
- Hunger Relief: GIs have the potential for development relating to agriculture, textiles, handicrafts, manufactured and natural goods. Through GI registration, social development can increase capacity for agricultural productivity, textile (handloom) industry, handicraft industry, etc.
- Good Health and Well-Being: Since GIs are closely related to community livelihoods, as a spill over effect, certain indigenous communities' good health and well-being can be closely related to GIs. Also, the nature of some GIs, as it is the case of Navara Rice with its medicinal characteristics, can contribute to this aspect. Further, through Government support health schemes, GI producers can have access to basic medical benefits, health – care services and health insurance benefits.
- Quality Education: Through production of GI goods, a healthy society where families benefit from employment, results in families investing in the education of their children, avoiding child labour, increasing literacy and numeracy levels, acquisition of knowledge and skills, etc. and thus contribute to inclusive and equitable quality education through various means.
- Gender Equality: Specific GIs in India can create substantial employment for women, e.g., Toda Embroidery as crafted by the Toda women or the contribution of women in the making



of the Pochampally Ikat particularly in the pre-weaving stages. This empowers craftswomen and prepares the girl child in various societal roles especially financial independence.

- Clean Water and Sanitation: The development of irrigation systems and infrastructure can contribute to access to clean water systems and sanitation. In this sense, GIs are closely related to management of freshwater ecosystems, being essential to human health and to environmental sustainability and economic prosperity. The ‘Swachh Bharath Abhiyan’ initiative<sup>42</sup> by the present Indian Government can further be implemented in all GI areas of the registered GIs.
- Affordable and Clean Energy: Infrastructure for production may have spill over effects to affordable and clean energy. Renewable energy and energy efficiency require some investment which in the long run derives in lowering prices of GI goods. Under renewable energy, solar energy can be tapped by providing (i) solar energy for working spaces likes individual sheds / community centres, (ii) solar lighting for residential units, (iii) solar heating units for comfortable and convenient living and for colouring and dyeing activities in the case of Pochampally Ikat, and (iv) solar water pumps for agricultural activities.
- Decent Work and Economic Growth: GIs a priori registration portray sustainable means of production that exist since various generations and this might be an indicator of decent work conditions and economic growth. In this sense, increasing labour productivity, reducing the unemployment rate and improving access to financial services and benefits are assets that can be obtained with GI products accessing new markets.
- Industry, Innovation and Infrastructure: As GIs access new markets, efficient transportation services, the manufacture industry, the application of technologies in marketing strategies, logistics, efficient and less energy-intensive industries are all valuable assets that characterise the production of GIs in relation to this goal.
- Reduced Inequalities: Through the empowerment of indigenous communities that may be seen as marginal, these can slowly become integrated into the international trade system. Moreover, the fact that India is increasingly gaining ground in the world of GIs, it may mean that its strength in decision-making forums will grow. Also, due to the nature of GIs, being sustainable assets in India and of great value, this may lead to favourable access conditions for exports. Also, GIs can be seen as a contribution of India in its share of benefits of sustainable development and thus, this may attract international aid fund from the numerous existing agencies intending to invest together with the private sector and NGOs in sustainable means of growth.
- Sustainable Cities and Communities: GIs in various cases mean sustainable livelihoods in communities outside urban areas. Industrialisation leads to rapid urbanisation that leads to enormous challenges and thus in some cases GIs in India can integrate marginal communities from the rural areas without having to move to highly populated urban areas and thus preventing immigration of rural population. In doing so, GIs protect and safeguard cultural and natural heritage.

42 Launched on October 2, 2014, ‘Swachh Bharat Abhiyan’ is a campaign in India by the present Indian Government that aims to clean up the streets, roads and infrastructure of India’s cities, smaller towns, and rural areas, accelerate efforts to achieve universal sanitation coverage. Various Ministries have started implementing this initiative all over India e.g., Ministry of Drinking Water and Sanitation <http://sbm.gov.in/sbm/>, Ministry of Housing and Urban Affairs <http://www.swachhbharaturban.in/sbm/home/#/SBM>



- Responsible Consumption and Production: In various cases in Indian GIs, responsible production is part of the added value in terms of the quality of products. For e.g., in agriculture, chemical pesticides are not being used but rather natural pesticides, in handloom weaving, natural and eco friendly dyes are used instead of chemical dyes, etc. The respect of the environment is also a priority and hence, these types of products are produced in harmony with its ecosystem. This is one of the major reasons why certain GI products have a long history in terms of the life of a product and even sustainable manufacturing means which create employment without polluting substantially. Further, GIs create sustainable tourism that creates jobs and promotes local culture and products, including local / regional cuisine.
- Climate Action: In terms of GIs, products highly rely on their origin and thus on their ecosystems. Where these are produced, require climate action and thus GIs can be seen as important defenders of their environment. Some of the GI practices like organic farming, usage of chemical free dyes, use of traditional cooking methods, hand weaving / crafting production, etc. protect and sustain the environment.
- Life Below Water and Life on Land: The unique aspect as a characteristic of a GI relies essentially in avoiding the use of economies of scale at the various stages of the production value-chain. In this sense, GIs in India can be seen as sustainable means for community livelihoods. For e.g., usage of organic fertilisers or natural dyes protect ground water and do not pollute water sources.
- Peace, Justice and Strong Institutions: GI protection therefore means efforts towards peaceful and inclusive societies for sustainable development. GI being a community right, brings at par all like minded stakeholders on a common platform to share collective benefits, while offering fair level – playing opportunities. Indeed efforts towards a functioning GI system in India and its alignment to the International GI system together with the EU, would contribute to this goal.
- Partnership for the Goal: GIs basically encourage partnership at all levels of the value chain – horizontally as well as vertically. Three different levels of partnership can be identified. (i) partnership among producers to become authorised users under a GI registration which will make its collective branding strategy stronger, whilst providing for a better ground as contributors to socio-economic benefits, (ii) India as an important GI country, in partnership with other agents such as the EU to contribute for effectiveness of the GI system as well as encouraging sustainable trade relations, and (iii) The GI system in India can be seen as a model of sustainable development and contributing efforts that require coherent policies, an enabling environment for sustainable development at all levels and by all actors and a reinvigorated Global Partnership for Sustainable Development.

## 1.4 Purpose

The purpose of this study is to carry out an independent research so as to identify the potential benefits of GI registration through a comprehensive case study based approach involving a socio-economic analysis of some of the most reputed Indian GIs which have been registered. An attempt will be made to identify at least one registered GI for representing each of the productive sectors whether of the nature of





agricultural or non-agricultural goods, as the case may be. i.e., Handicrafts, Manufactured, Agricultural, Natural goods and Food Stuff.

However, the purpose has changed given the circumstances of not being able to identify sufficient authorised users per GI. Hence, the purpose of the study is to identify socio-economic benefits of GIs in the present context and potentially. Therefore, the study hopes to provide the Government of India, decision-makers and the private sector with useful information and recommendations to further improve the system of GIs in India and worldwide, particularly in relation with the EU.

This is a case study that aims at documenting the findings of 'socio-economic benefits' of registered GIs in India through a number of case studies from the following categories of goods, products and/or crafts<sup>43</sup>:

1. Hyderabad Haleem – Food Stuff

As already mentioned in the Executive Summary, this GI registered since September 2010, is sold as a special dish in restaurants throughout the world. The market share in India is substantial compared to other countries as stated below in the case study. This product has a long history dating back to 500 years ago. Its main uniqueness characteristics compared to other non-registered products are not clear, although its origin is in existence since the 16th Century. A wide number of producers in and around Hyderabad city benefit from this product, but until recently, there was only one authorised user. Very recently, four additional authorised user applications have been advertised and are pending registration. The socio-economic benefits deriving from the GI registration is observed to be limited as for this case study, there is only one authorised user. Since the baseline is clear, the focus of analysis is on the potential benefits given the magnitude in terms of market demand, number of producers and varied range of quality expectations world-wide.

2. Pochampally Ikat – Manufactured

Pochampally Ikat, registered since 2004, is a special weaving technique practiced mainly in Nalgonda and Warangal districts of the new State of Telangana. The name is derived from a village by the same name of Pochampally, which is 45 kms. from the city of Hyderabad. Its origin is from the late 19th Century. This type of weaving comprises of resist dyeing which involves natural yarn such as cotton or silk or a combination of both, where the yarn is tied in sequence (or wrapped) and dyed in bundles to a pre-determined colour scheme prior to weaving. The main beneficiaries of this textile craft are the weavers situated in the above mentioned two districts. This GI has only one authorised user and the socio-economic benefit arising thereof, is limited to this single authorised user. Since the baseline of producers is large in the GI area, the scope for potential benefits is proportionately related to the large number of producers and the demand for this GI product from consumers in India and outside.

3. Toda Embroidery – Handicrafts

This GI, a unique needle craft, made by the Toda tribal women only, was recorded first in the 1800's. Hand embroidered on the traditional garment of the Toda tribe, this exquisite craft was granted GI registration in September 04, 2008. The women artisans of their respective tribal community, in keeping

<sup>43</sup> For the purpose of this study, potential benefits to consumers are generic in nature and accordingly, consumers are not taken into consideration as beneficiaries of GI socio – economic benefits and that they are only dealt as inputs for socio – economic benefits for GI Stakeholders.



with the consumer demand, have translated their heritage skill to attractive diverse products, apart from their traditional shawl. This unique embroidery has both traditional and contemporary motifs and designs. Since the numbers of the Toda community itself is limited, the Toda women practising this craft are approximately half their population. Around 70 producers have been recently granted as authorised users of the GI. This GI is known locally and amongst tourists and hence the focus is on the potential benefits given the popularity of the craft.

4. Navara Rice – Agriculture

Navara Rice is an endemic rice variety originating and restricted to the Northern territory of the State of Kerala. This ancient rice variety, having medicinal properties, dates back to over 2500 years. It is consumed orally as well as used in Ayurvedic practices. This GI was granted registration on November 23, 2007. This indigenous medicinal rice is traditionally cultivated organically to avail the maximum benefits for various treatments. Currently, a total of 50 acres land is being cultivated by the Registered Proprietor and out of this, 24 acres is grown organically. There are limited number of producers of this unique rice and only one authorised user as on date. Since this endemic rice variety is having medicinal properties, the focus of analysis is on the potential benefits given the demand from specific type of consumers.

5. Makrana Marble – Natural Product.

This GI is the only natural product registered so far, which was issued registration on March 30, 2015. Its uniqueness is for being pure white crystalline marble mined from Makrana and the surrounding areas in the State of Rajasthan. It retains high grade polish for a very long time and the presence of impurities is in very negligible quantities. These can be evidenced from by some of the ancient monuments built from this stone in India viz., the Taj Mahal in the 17th Century and the Victoria Memorial at Kolkatta in the 19th Century. It has a huge market potential in India and overseas and its beneficiaries are not only the miners but a large number of workers related directly and indirectly in its employment. Recently, the first authorised user has applied for authorised user registration.<sup>44</sup>

## 1.5 Objectives

Prime areas of this present study research:

1. The level of awareness on:
  - the GI status among various stakeholders,
  - how the quality parameters increase and enhance the economic value of the GI,
  - Infringement management mechanisms,
2. The use of branding and marketing instruments such as logos, marketing collateral, etc., and Accordingly, this study attempts to:
  - To articulate a case study that records the socio - economic benefits for relevant stakeholders and its potential post grant of GI status, and

<sup>44</sup> AU Application No. 3979 filed on September 7, 2017 as advertised in GI Journal No. 102 published on November 30, 2018.



- To synthesis a set of recommendations based on the case studies analysis that can inform policy makers and other stakeholders, with the purpose to enhance the potential of socio-economic benefits.

## 1.6 Hypothesis:

- GI registration as a legal instrument is designed to protect rights of producers (registered / authorised) who engage in the business of the GI product and such protection will potentially cause socio - economic development among the stakeholders.

## 1.7 Methodology to demonstrate the hypothesis

This research study uses a case study approach as the means to use available empirical data from primary sources of information in addition to other general available secondary sources with data and concluding remarks to demonstrate the hypothesis. Since the aim of the study is to understand socio-economic development in India deriving from existing GIs (pre and post registration), a constructive approach where empirical and deductive analysis is mutually constitutive will be used throughout.

This will allow decision-makers to use this study to:

- Formulate other research studies on the subject with a greater budget,
- Understand GI registration implications in socio-economic development, and
- Value GIs in India as a potential tool for poverty relief in addition to other UN SDGs and perhaps to be used as an example to study socio-economic (potential) benefits from GI registration in other developing countries.

Since GI economic benefits do not always reach the artisans, weavers or other stakeholders as part of the GI value chain, this study intends to cover as well all other stakeholders in each of the GI case study.

To understand the potential causal effect between GI registration in India and socio-economic impact, a qualitative research approach will be used. Since socio-economic benefits are not yet obvious, empirical data is used to pin-point that there are hardly any observable socio-economic benefits deriving from GI registration.

During the period of February 2017 to May 2017, empirical data was gathered covering the states of Andhra Pradesh, Tamil Nadu and Kerala not only at locations as defined by the GI area, but also including important and relevant cities such as Hyderabad, Bangalore, Chennai, Palghat and Mysore. The qualitative analysis was drafted up until the first quarter of 2018.

The study largely relies on observations, depth interviews and to an extent on quantified responses about employment, income and education of GI beneficiaries. This study may be used for conducting further research, and it intends to support policy makers.



### *Case Study Approach*

The study began with interactive sessions with key stakeholders including the Registered Proprietors of the GI with a view to sensitise them about the importance and value of the Project. Thereafter, an extensive review of secondary data and published literature was conducted.

Secondary data was collected from the GI Registry, various departments under the Ministry of Textiles, Ministry of Tribal Development, Department of Agriculture, Agricultural Universities, ICAR - National Research Centre for Meat, published statistics from various sources and personal contacts with opinion makers.

Based on the above preparation, a depth interview guide and questionnaires were formulated. These were further validated for their suitability to administer and record feedback. Requisite improvements and refinements were done after pre-testing. A small subset of GI producers and consumers were identified as respondents. Care was taken to ensure that the selected respondents were a representative sample.

Depth interviews were conducted using a discussion guide to formulate a structured simple questionnaire and quantify relevant and feasible aspects of the identified stakeholders' perceptions.

As a result, field structured interviews covered provided useful data to understand:

- The awareness levels of the stakeholders on GI and their rights thereto,
- The marketing strategies, marketing collaterals, promotional activities, etc. used by the said stakeholders as on date post GI registration,
- Understanding of potential support by Stakeholders,
- The parameters / standards adopted, certifications obtained, etc. for quality control of the registered GI product at stake,
- The revenue (turnover and sales) generated from the registered GI products post its registration in relation to non-registered GI products,
- Any socio-economic benefits accrued to the internal stakeholders by virtue of the GI registration,
- Living standards of internal stakeholders prior to and post GI registration,
- Potential socio-economic benefits of the respective GIs under study in relation to the UN SDGs and in connection to internal and external stakeholders.



## PART II

# CHALLENGES







# CHALLENGES

In the Indian context, many of the GIs have been issued to goods produced with traditional knowledge held amongst indigenous and marginal communities. In these conditions, there is a paucity of authenticable data from public bodies or the communities themselves. Hence, sourcing information was a challenge for researchers. Non-availability of information led to unstructured case studies where qualitative assessment was indispensable.

This research paper provides a 'macro-view of the socio-economic situation' due to resources constraints i.e., looking at causality of GI status and socio-economic conditions of the stakeholders of the said GI. A micro-view or a detailed research may be explored after actionable points emerge post this study.

This study is indeed an opportunity to identify observable socio-economic benefits deriving from GIs pre and post registration in the case studies chosen. Little researched material on the subject matter is currently available.

To do justice to any impact study, there must be two similar studies with an identical set of empirical observations over time. In the absence of such data, any articulation of developments may be questioned as being conjectures of the researcher.

While, there are case studies written about these GI goods, there is no benchmark study with empirical data and hence, the impact assessment of this research deriving from some quantitative data and substantial qualitative analysis, has been used to further deepen on a baseline study, source the direction for further research on the subject matter, particularly as a guide to understand the status quo of GIs in India and its potential as a contribution to socio-economic benefits.

It is considered that in India for several sectors, there is no recorded data on socio-economic aspects at the required level. This is particularly so in the context of GI status. Hence, much of the findings of the study, concluding remarks and recommendations are based on depth interviews and direct feedback from stakeholders.

In preparation of the case studies, this study attempts to quantify socio economic benefits with numerous challenges stated below in order of priority:

- The number of authorised users according to the GI Act 1999 definition are limited to observe important socio-economic benefits deriving from the GI registration, namely with Pochampally Ikat and Navara Rice as in these two case studies in this paper, has one single authorised user per GI. In the case of Hyderabad Haleem, at the end of this study, four authorised users were added to the single authorised user who marketed the GI product for a long time. In the case of Toda Embroidery, about 68 artisans or authorised users were identified as producers who were recently awarded with the GI status.



- Accordingly, the limited numbers of respondents (most of which were not registered as authorised users) were not willing to collaborate with the researchers in investigating the purpose under study, the socio-economic benefits deriving from GI registration at present. The study will therefore focus on identifying potential socio-economic benefits provided that the GI system in India allows for a growing number of authorised users.
- In relation to the stated cases, the study did find out that potentially a larger number of producers (who are potential authorised users) may be integrated, and this aspect is of importance to understand the potential magnitude of socio-economic benefits in the future.
- The GI producers studied for this research, although represented by a collective body such as a co-operative society / registered association; they continue to behave as independent economic entity, without actions that can be construed as in the economic interests of the common body. Being fewer in numbers (demographically) than the larger society around them, and by behaving as economic entities at a family level, these families are referred to as being 'un-organised'. At a family enterprise level, they often do not keep records of sales and purchases, income and expenditure, they do not undertake formal marketing activities and their skills are known only within the value chain. Hence, the researchers had no access to formal data to make observations on their operations and they largely relied on the replies given out of memory by the respective respondents.
- Moreover, data published on socio economic status of the stakeholders is inadequate to draw conclusions. Academically, no consensus was identified among researchers as to the magnitude of socio-economic benefits of GIs, in the context of developing countries. The lack of empirical evidence is pronounced in the case of developing country GIs<sup>45</sup> as it is the case for India. However, there is academic consensus and it is a fact that GIs per se do cause socio-economic development. GIs do have the potential to contribute towards the socio – economic well being of the actual producers / artisans, provided they receive a fair share of the benefit pie.<sup>46</sup>
- Government bodies - such as State Department of Textiles, Development Commissioner of Handicrafts, Tamilnadu Handicraft Development Corporation Ltd., etc. who bear a mandate to support and contribute to the socio-economic development at community level, are indirectly associated with the GI status and shared little data about their role, contribution and fall out of their programs. These government departments are expected to support the collective dimension of the relevant producers. Their relevance is seen as proof of adequate connection with the registered GI whilst providing support in terms of skill upgradation, product development and diversification, technological advancement, etc. Most often, information provided was generic in the sense that data furnished was relating to (i) overall expenditure on different schemes in promoting various arts / crafts / textiles, etc., (ii) their role in promoting these GIs, (iii) total number of artisans in each district for all crafts, etc., whereby the researcher was unable to correlate data substantially or to the extent the analysis did not reach expectations desired as the means to really test the initial hypothesis.
- As part of the study, the researchers initially looked for pre GI registration data of the respective GI groups and the post GI registration data for a comparative understanding of the impact of registration. Subsequently, during field study, when the data on the focus of study was unavailable, this study shifted

45 Cerkia Bramley, 'A Review of the Socio - Economic Impact of Geographical Indications : considerations for the Developing World', paper presented at the WIPO Worldwide Symposium on Geographical Indications June 22 – 24 2011, Lima, Peru, [http://www.wipo.int/edocs/mdocs/geoind/en/wipo\\_geo\\_lim\\_11/wipo\\_geo\\_lim\\_11\\_9.pdf](http://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_lim_11/wipo_geo_lim_11_9.pdf)

46 Kasturi Das, 'Socio - Economic Implications of Protecting Geographical Indications in India', Centre for WTO Studies, August 2009, pg. 34.



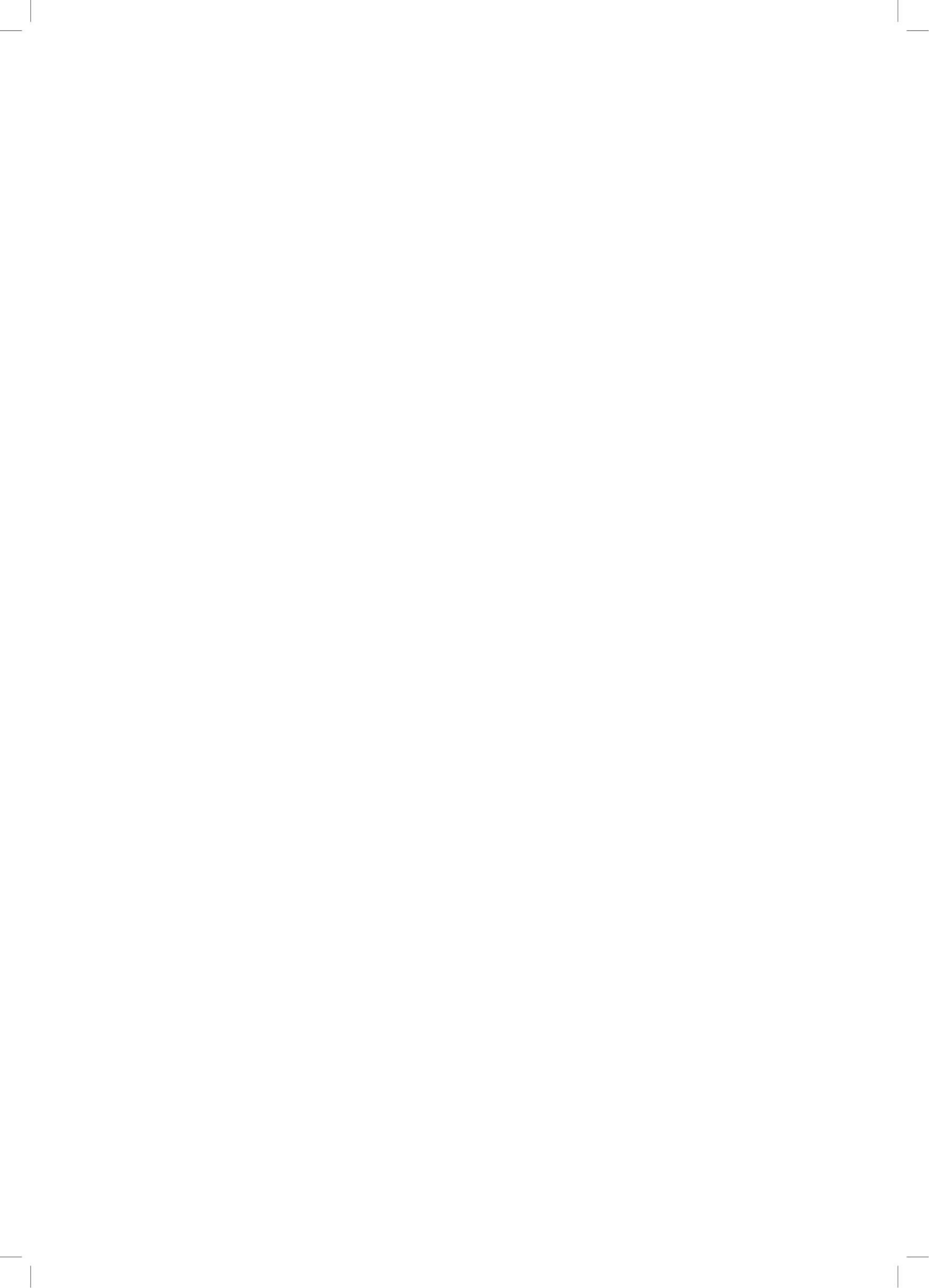


its focus and laid emphasis on the potential benefits of the respective GIs.

- The researchers identified that in various occasions Government departments have programs of intervention for the development of specific GI communities.<sup>47</sup> In fact, in all identified cases, there were contributions to socio economic development, particularly at the Pochampally Ikat weaving community, where there is substantial evidence and indeed is part of our case study analysis. However, while they all work for a common objective, data provided by them was only indicative despite time consuming efforts to follow up actions.
- Amongst the trading community, where most business is done by way of cash transaction, there exists a barrier of not accurately disclosing these figures openly. The traders also refuse to share recorded figures relating to turnover, sales, income, profit and expenditure (viz., marketing, promotional expenses, advertisement, etc.) towards account heads required for the study.
- Literacy level amongst the artisans / growers / manufacturers was either absent or the awareness quotient of GI related issues were consequently low.
- In the case of Hyderabad Haleem, the business is largely seasonal and thus, many factors observed during the study which was during the non-seasonal time, blurred the responses.
- About Toda tribes, their numbers are not only limited due to their demographics, but also spread in the hilly and inaccessible terrain in the GI area. Therefore, access to information was complex in logistical terms and not always possible due to limited resources.
- In case of Navara Rice, the limited number of farmers growing Navara Rice in the GI area in Kerala could not lead to a meaningful sample to measure significant socio-economic benefits. Nevertheless, the potential is analysed.
- In terms of consumers, the study of perceptions and shopping habits was difficult when the market was also throughout India and not only local within or near by the GI delimited area. This was the case for Navara Rice and Hyderabad Haleem.
- In the case of Hyderabad Haleem, restaurants are a 'for-profit' set-ups, which is cash based personal businesses and these are not eligible for Government financial aid or support. Only the high-end restaurants come under the tax bracket. Thus, there is a challenge to quantify sales and revenue.

Despite above limitations, researchers expect that these findings will form the basis of further studies wherein bench marking would enable comparable data for planning interventions and decision making by all stakeholders.

<sup>47</sup> Eg., In the case of Pochampally Ikat, there are interventions from the Department of Handlooms and Handicrafts, Govt. of Telangana State as well as from Central Office viz., The Office of the Development Commissioner (Handloom), Ministry of Textiles, Government of India and various statutory bodies such as The Telangana State Handloom Weaver's Co-operative Apex Society Ltd. (TSCO), etc. Similarly, in the case of Toda Embroidery, The Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India, Tamil Nadu Handicraft Development Corporation (TNHDC), Tribal Co-operative Marketing Development Federation of India Ltd. (TRIFED), etc. together work for the improvement of the GI concerned.





## PART III

# CASE STUDIES







# CASE STUDIES

## 3.1 CASE STUDY – HYDERABAD HALEEM

Hyderabad Haleem is delicacy food item prepared and consumed traditionally, during the holy month of Ramazan. This slow cooked special gastronomic delicacy / cuisine is made of equal proportions of essential ingredients viz., meat (halal cut goat meat), wheat and ghee (clarified butter obtained from buffalo milk). Added to this are: pulses (lentils), ginger - garlic paste, various spices, dry fruits, aromatic Basmati rice, rose petals, herbs and milk (obtained from buffaloes). It takes 12 to 16 hours to prepare the dish. The furnace (firewood used) and the vessels used in the cooking process are conventional. The origin of Hyderabad Haleem as per the GI Registry details dates to the 16<sup>th</sup> Century.

One of the popular brands of Hyderabad Haleem is the 'Pista House Hyderabad Haleem'. Other popular places where Haleem in Hyderabad is available include - Shah Ghouse Café and Restaurant, Café 555, Hotel Shadab, Four Seasons, Sarvi Restaurant, Paradise Food Court, Café Bahar, Hyderabad House, Point Pleasant Restaurant and Hotel Niagara.

The same dish is also offered as street side food by many small and unorganised food stalls. During the holy months of Ramazan, when the demand is at its peak, several hundred 'Quick Serve Outlets' emerge all over city to make available much needed nutrition after long hours of fasting.

As on date, no statutory body or research institution has documented the size and scale of the business. While the consumption of Haleem acquires 'frenzy' status during the holy month, it is also prepared on a need basis for occasions like marriages and other social events. Some restaurants and street side vendors offer the dish throughout the year.

As per an abstract of a report published in the year 2013, an empirical study was done during the month of Ramazan,<sup>48</sup> there are 6,000 Hyderabadi Haleem makers and more than 25,000 employees during Ramazan at Hyderabad. About 6,000 goats are supplied from the neighbouring districts every day of Ramazan. It is estimated that the Haleem sale is valued around Rs. 4 crore a day (€ 554,170),<sup>49</sup> making it a Rs. 120 crore industry (€ 16,625,130), in the city alone during Ramazan.

According to a recently published report by Tech Sci Research "India Ready-to-eat Food Market Forecast and Opportunities, 2019",<sup>50</sup> the country's ready-to-eat (RTE) food market is projected to grow at a CAGR of

48 Prarthana Kumar, 'Sustenance of Hyderabadi Haleem From Local To Global', Excel International Journal of Multidisciplinary Management Studies, Vol.3 (9), September (2013).

49 Value of 1 € = INR 72.18 (prevailing as on June 17, 2017).

50 <https://www.techsciresearch.com/news/253-india-ready-to-eat-food-market-to-grow-at-22-during-2014-19.html> last visited on May 24, 2017.



around 22% during 2014-19. The market is anticipated to grow on account of increasing working population, growing per capita disposable income, rising per capita expenditure on prepared food, increasing middle class and affluent consumers, etc. With the rising employment opportunities and changing lifestyle of consumers, the demand for ready-to-eat food products in the country is projected to grow during the forecast period as well. India has a large base of young consumers, who form majority of the country's workforce. These young consumers hardly find time for traditional cooking due to their busy life styles which further creates significant potential for RTE at food products.

Hyderabad Haleem is traded around the world today with its GI tag and India benefits from its GI tag in various socio-economic ways.

### 3.1.1 Registration of GI

The 'Registered User' status is held by "Haleem Maker's Association", and its President is Mr. Mohammed Abdul Majeed. The application was applied for in December 18, 2009 and it was granted in September 03, 2010.

It will be due for renewal in December 2019.

### 3.1.2 Authorised User

The only 'Authorised User' status is held by Mr. M. A. Mohsi (son of Mr. M. A. Majeed).<sup>51</sup> Mr. M. A. Majeed (who is also the President of "Haleem Maker's Association"), has been involved in the business of food for a long time and has been trading under the name and style of 'Yousufains Pista House', where they operate a chain of (number) bakeries and restaurants under the name 'PISTA HOUSE' in India.<sup>52</sup> The direct employment generation under 'Yousufains Pista House' is 400 jobs created post GI registration as against 50 prior to registration. The GI product Hyderabad Haleem is a flagship offering of Pista House.

There are 4 other Hyderabad Haleem makers who have applied for the GI status as 'Authorised User' sometime in September 2013, however their applications as still 'pending'.<sup>53</sup> There are many other players in the market and as on date, they have neither registered themselves as 'Authorised User' nor leveraged the GI status for their business. None of them mention the GI status while marketing their dish. It is Pista House alone which has an independent and internally driven approach to developing and promoting the 'Hyderabad Haleem'.

Though the sales of the various manufacturers and other stakeholders<sup>54</sup> have been collective to promote the business of Hyderabad Haleem especially during Ramazan, none of them have made efforts to be a part of the 'Authorised User' status. This despite, National Research Centre for Meat<sup>55</sup> and several other institutions have conducted awareness workshops of the benefits of GI status.<sup>56</sup>

51 Certificate No. 116, applied in the name of Mr. M. A. Mohsi, submitted application on 03.04.2011 and granted on 11.08.2011.

52 <http://pistahouse.in/locations.html> last visited on May 7, 2017.

53 AU application nos. 1761, 1762, 1763 and 1764, submitted on 13.09.2013.

54 Some of the manufacturers are : Shah Ghouse Café and Restaurant, Café 555, Hotel Shadab, Four Seasons, Sarvi Restaurant, Paradise Food Court, Café Bahar, Hyderabad House, Point Pleasant Restaurant and Hotel Niagara

55 This is a Central institute located near Hyderabad [www.nrcmmeat.org.in](http://www.nrcmmeat.org.in) last accessed on May 7, 2017.

56 The GI Registry has conducted these workshops / seminars in the city of Hyderabad.



### 3.1.3 Enterprise Structure

Almost all the producers of Hyderabad Haleem are proprietorship businesses with one or more family members actively participating in daily operations. The others like a few luxury hotels operating as corporate legal entity such as Taj Falaknuma and Taj Krishna located in the city of Hyderabad, are exceptions. Almost all of them operate one production unit and one sale point. During Ramzan, more than one sale point is temporarily setup.

All the producers surveyed have been in business for more than 10 years. Only, recently the restaurant business is being operated as an organised business. These traditional restaurants have their gourmet offerings and Hyderabad Haleem is one of the star dishes during the season of Ramazan. They guard their kitchens and recipes and the proprietors of such restaurants would not like to train up or bring in any new workers because they fear that their trade secret will be known to those outside their respective family and who will subsequently turn to be competitor(s).

This sector of restaurant business does not attract any direct Government support. Although many raw materials are locally sourced (mainly the meat), none of them leverage the GI status in any manner for their business.

Quality process for maintaining the identity of this food item was a challenge to discuss. There is no collaborative effort to engage customers about quality of the dish. Common historical / traditional understanding of the ingredients and process of making, is topped up with a minor variation at times. Other than Pista House,<sup>57</sup> no producer has any quality certificates or endorsements for their dish.

Being a competitive seasonal market, market forces determine prices. According to our survey, no player portrays any significant product premium over the other. However, varieties in relation to GI registered quality specifications were observed.

None of the surveyed respondents conducted any special marketing or branding efforts (other than Pista House<sup>58</sup>). During festive season, customers seek nutritious and delicious food after fasting hours followed by prayers and thus it is a large market for each of the restaurants. By common yardsticks, all these entities are small and micro enterprise.

M/s. Agway International <sup>59</sup> is listed on Amazon portal and offers the dish under the brand name 'Bande Nawab's Haleem'.<sup>60</sup> We identified a few companies in India that market ready mix spices for Hyderabad Haleem preparation at home.<sup>61</sup>

57 Certifications such as ISO 9001 2008.

58 The Authorised User has registered various trade names as trademark since 2003 (about 10 TMs filed) with the Trade Mark Registry [viz., 1256664, 1246665, 1246666, 1246667, 1291134, 1610834, 1610835, 1610836, 1777276 and 1777276].

59 A different legal entity that is not yet registered as authorised user.

60 [http://www.amazon.in/Ethnic-Hyderabad-Haleem-Masala-Delivery/dp/B00303LY1I/ref=sr\\_1\\_1?ie=UTF8&qid=1495603967&sr=8-1&keywords=haleem](http://www.amazon.in/Ethnic-Hyderabad-Haleem-Masala-Delivery/dp/B00303LY1I/ref=sr_1_1?ie=UTF8&qid=1495603967&sr=8-1&keywords=haleem) as visited on May 24, 2017.

61 Such as Special Food Products (through brand name 'Lucky Masale' which is a spice mix at Rs. 90 for 600 gms. + delivery charges) [http://www.amazon.in/s/?ie=UTF8&keywords=haleem&tag=googinhydr1-21&index=aps&hvadid=183109807883&hvpos=1o1&hvnetw=g&hvrnd=2232041677420299974&hvpone=&hvptwo=&hvqmt=b&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9062022&hvtargid=kwd-500467415&ref=pd\\_sl\\_13luo6vzqh\\_b](http://www.amazon.in/s/?ie=UTF8&keywords=haleem&tag=googinhydr1-21&index=aps&hvadid=183109807883&hvpos=1o1&hvnetw=g&hvrnd=2232041677420299974&hvpone=&hvptwo=&hvqmt=b&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=9062022&hvtargid=kwd-500467415&ref=pd_sl_13luo6vzqh_b) last visited on May 24, 2017. Others being sold under the tradenames of 'National', 'Anjum', 'Shan', 'Suhana', etc.



### 3.1.4 Overall Living Standards

With the market for Hyderabad Haleem growing, living standards of producers and those under their employment as workers have generally improved. Incomes of producers / manufactures is significantly higher than the pre-GI days i.e., prior to 18 December, 2009. During the study respondents (producers) said that the education levels of their children have improved. They also mentioned increase in wages and employment.<sup>62</sup>

On being asked specifically about the education levels of the families, nobody mentioned of their children discontinuing education.

### 3.1.5 Employment Generation

With the dish being popularised across the country and the world, production and hence employment would concurrently be growing. As mentioned above, as per an empirical study done during the month of Ramazan, there are 6,000 Hyderabad Haleem makers and more than 25,000 employees during Ramazan at Hyderabad.<sup>63</sup> Our estimations indicate that it could be more than this. However, tracking is challenging, as the entire business is largely a seasonal activity.

### 3.1.6 Revenue and Sales

Though there is a registered body representing the producers, only a few producers are members of it. As this business is in an un-organised sector, a majority of the producers do not belong to any formal/informal body. At one extreme, the business of the one single Authorised User has grown by at least 10 times and this growth has been significantly aided by the GI status. All other respondents have also mentioned growth in business. Growth is often a mix of – growth in unit sales and growth in price / value. The festive season lasts about a month.

It has been estimated that the ‘Hyderabad Haleem’ is a Rs. 1000 crore (€ 138,542,532.55) brand.<sup>64</sup>

### 3.1.7 Branding and Promotion

Although, there is widespread awareness of the GI status, thanks to several media mentions,<sup>65</sup> the researchers observed that majority of the producers who are non authorised users, are potential authorised users. As on date, Pista House is the only one leveraging both GI status and trademarks in its promotional activities. The marketing collaterals used for this purpose is the mention of ‘Haleem’ on its food packages (food grade plastic containers), posters within the outlets and on its website.

62 Based on interaction with Mr. Md. Mohddis Ali, s/o Mr. M. A. Majeed, Proprietary of ‘Pista House’, Hyderabad, who shared information of the staff working with them prior to and post grant of the GI registration.

63 Prarthana Kumar, ‘Sustenance of Hyderabad Haleem From Local To Global’, Excel International Journal of Multidisciplinary Management Studies, Vol.3 (9), September (2013).

64 Bismilah Fatima, ‘The Hyderabad Haleem’ is now a Rs. 1000 crore brand, India News (online news), July 23, 2013. <https://innlivenetwork.wordpress.com/2013/07/23/the-hyderabad-haleem-is-now-a-rs-1000-crore-brand/>

65 Newspapers, social media such as various online food apps, websites, food channels on TV, food blogs, etc.





### 3.1.8 Gap Analysis

The Registered Proprietor in this case study viz., 'Haleem Maker's Association'<sup>66</sup> till date does not appear with a branding and promotional strategy and does not use therefore the GI status in any of its marketing actions identified.

Most producers / manufacturers of Hyderabad Haleem are family based enterprises who have invested their own capital. One of the reasons for such personal investment is that there is no Government program / scheme to further the business of Hyderabad Haleem. For any financial enhancement, the producer has to approach for personal loans from banks or private investors.

The one and only registered Authorised User<sup>67</sup> is fully exploiting the commercial benefit by stating the GI status in all its promotional material i.e., on packaging material, website, hoardings, display posters, etc.

In this context, all producers / manufacturers of Hyderabad Haleem need to either be brought into the fold of the already registered association / similar entity as members, and / or sensitise them to avail the GI registration benefits as 'Authorised Users'.

### 3.1.9 Need to address Existing Gaps

Firstly, the "Traditional Knowledge / product" is not perceived to be under threat, it is rather a growth story and is in tandem with the growth of India as a market. Secondly, consumption of all ready-to-eat foods is growing and Hyderabad Haleem is a part of such growth.

The product under discussion being a food dish (recipe), there will always be a challenge of getting more than one entity to prepare the product with identical characters. The business is going to be built on "Taste" as an attribute, which is an 'experience-feature'. To get more than one producer to harmonise on quality and yet build their private business and simultaneously expand the market will require a deep level of engagement with the community. Such common communication channels or need is not felt by the community involved.

In this growing market, surprisingly there hasn't been intense competition among the various producers resulting in disputes and legal debates of the various possible interpretations of protection given to a 'Traditional Skill / Knowledge'.

However, the spirit to presenting GI as a tool to protect the business / livelihood of one or more entities will stand diluted, if more players (non authorised users) continue to operate in the market and of presenting products which are 'look-alikes' and 'similar'. The idea that GI protects the 'intellectual property' of a community of people needs to be reinforced, in a tactical manner. The stake holders by themselves are unlikely to engage 'co-operatively or competitively', in exercising the GI status.

The renewal of the GI status may be made as a function of the community involvement in the growth and preservation of "Traditional Knowledge".

<sup>66</sup> This is a separate legal entity under law registered as a 'Society' under the Andhra Pradesh Societies Registration Act, 2001.

<sup>67</sup> Mr. M. A. Mohsi (son of Mr. M. A. Majeed, the owner of Pista House).



### 3.1.10 Supply Benefits in terms of Socio – Economic Development

It is observed that majority of the producers are having sole proprietorship concerns, with more than one family as members in their business set up. This being a traditional and heritage delicacy, the recipe is considered as a 'family legacy / heirloom'. It is seen that this family know-how or business secret is handed down from one generation to another generation and this has set businesses in place collectively.

Overall the GI registration of this product has benefitted not only the producers, but also those in the supply chain such as master chefs, assistant chefs, helpers, etc. About 92 % of the respondents are having proprietorship businesses, which had one or more family member participating in the business. They were explicit about continuing to remain a family business for the foreseeable future. These respondents operated at least one production unit and one marketing unit. 79% of the respondents claimed to be in business during the last 10 years.

### 3.1.11 Recommendations

A need to create more awareness amongst the different types of stakeholders as defined under conceptualisation was identified as follows:

- Registered Proprietors: All members registered under the association and potential members who intend to join the same association.
- Authorised Users: Such of those producers / manufacturers who are part of the supply and value chain and have been granted 'Authorised User' status through GI registration.

On the other hand, promotion actions to raise awareness on the value of the GI at stake towards consumers are also needed. However, it is strongly recommend that a logo for this GI is need to be registered to facilitate the task of branding and marketing uniformly for all registered producers.

If awareness raising actions are increased and if efforts towards this direction are pursued, there would be a potential for appreciation of GI registered products and there will be more informed choices made by the stakeholders and consumers shall be conscious while buying authentic GI products.

Through tailor made training sessions on the relevance of GI registration and applying for to become authorised users would result in the producers / manufacturers availing benefits of Authorised User registration potentially. Accordingly, the GI marks (with logos) should be better used as marketing collaterals in all promotional materials along with the potential India GI official logo, which at present it does not exist.

There is a need for some mechanism to record sales. Perhaps the new General Sales Tax (GST) laws can capture this data to understand the quantum of turnover, sales, profit, etc.

To boost such traditional and heritage foods, there can be incentives for the relevant stakeholders to register the GI, who can then avail 'reverse charge' under the new GST laws.

Also financing and providing related support and assistance to the business of Stakeholder by recognising their role in propelling the local economy, could lead to the understanding of how competition forces interplay in the domestic and international markets.

### 3.1.12 Summary

The market for Hyderabad Haleem has grown exponentially after the issue of GI status. The overall business of the sole Authorised User as well as other producers / manufacturers has increased over the years. The sole Authorised User has availed the promotional benefits of the GI registration in the domestic and international markets. However, there is low awareness of its implications or business utility among the larger group of producers.

## 3.2 CASE STUDY – POCHAMPALLY IKAT

Pochampally Ikat, a weaving technique, is practised mainly in Nalgonda and Warangal districts of the new Telangana State and Pochampally, is a village approximately 42 kms. from Hyderabad town.



Around 10,000 people are involved in the production of tie and dye activities in and around Nalgonda.<sup>68</sup> Weaving is the major livelihood in Bhoodan Pochampally village, with an annual turnover exceeding \$ 22 million<sup>69</sup> (€ 19764514).

Pochampally Ikat weaving is a hereditary occupation, where more than one family member directly contributes to weaving and only one member operates the loom. There are many pre-loom and post-weaving that are done by one or more family members. These include preparing the yarn, spinning, tying, dyeing, bleaching, etc. These activities are skills developed over time.

Majority of the handloom set ups are unorganised and informal. The few ones which are organised operate as self-help groups (though they may / may not have a separate legal entity) or as registered bodies such as registered societies, co-operative societies and in rare instances, as 'Producer Limited Companies'.

After agriculture, handloom weaving is the second largest source of livelihood in India.<sup>70</sup> This sector has seen periods of acute crisis and periods of promising growth. The erstwhile earlier State of Andhra Pradesh

68 Comprehensive Departmental Note (as on 31.04.2017), Govt. of Telangana, Dept. of Handlooms and Textiles, pg. 15; [www.tghandtex.nic.in/open\\_record.php?ID=95](http://www.tghandtex.nic.in/open_record.php?ID=95) last accessed on June 10, 2017.

69 N. Vishwanadham and S. Kameshwaram, 'Ecosystem – Aware Global Supply Chain Management', World Scientific Publishing Co. Ple. Ltd., 2013, pg. 185, <https://books.google.co.in/books?id=HjG7CgAAQBAJ&pg=PA185&lpg=PA185&dq=revenue+turnover+of+pochampally+ikat&source> last accessed on June 10, 2017.

70 Dr. Dharam Chand Jain and Ms. Ritu Gera, 'An Analytical Study of Handloom Industry in India', International Journal of Science Technology and Management, Vol. No. 06, Issue No. 01, January 2017; p. 663; [http://www.ijstm.com/images/short\\_pdf/1484975178\\_K1059ijstm.pdf](http://www.ijstm.com/images/short_pdf/1484975178_K1059ijstm.pdf)



(combined new states of Telangana and Andhra Pradesh as on date) has the second largest concentration of handlooms.

Handloom industry contributes around 14 % of total production of textile industry and 30 % of the total export business from the sector of textiles in India.<sup>71</sup> According to India Brand Equity Foundation, in 2015-16, India exported around \$360 million USD of handloom products, that's almost a three percent increase on the previous year.<sup>72</sup> Estimatedly, there are about 12.5 million people dependent on handloom weaving.<sup>73</sup>

### 3.2.1 Registration of GI

The GI was applied on December 15, 2003 and granted on March 09, 2004. The registered proprietors of the GI are:

- 1) Pochampally Handloom Weavers Co-op Society Ltd, and
- 2) Pochampally Handloom Tie & Dye Silk Sarees Manufacturer's Association.

The registered proprietors have filed separate GI application for registration of Logo for Pochampally Ikat on August 8, 2016 and it's been granted on January 30, 2017.

### 3.2.2 Enterprise Structure

Indian Cotton Textiles Industry can be broadly divided into two sectors viz.,

- (i) Mill sector and (ii) Decentralised sector.

The Decentralised sector can further be classified into two sectors –

- (i) Handloom and (ii) Power loom.

The Handloom industry is spread to all the regions in the country.

Handloom weavers in the State of Andhra Pradesh are broadly classified into five categories, viz.,

- (i) Independent weavers,
- (ii) Master weavers,
- (iii) Weavers under middle men,
- (iv) Co-operative weavers and
- (v) Labour weavers.

71 Dr. Dharam Chand Jain and Ms. Ritu Gera, 'An Analytical Study of Handloom Industry in India', International Journal of Science Technology and Management, Vol. No. 06, Issue No. 01, January 2017; p. 664; [http://www.ijstm.com/images/short\\_pdf/1484975178\\_K1059ijstm.pdf](http://www.ijstm.com/images/short_pdf/1484975178_K1059ijstm.pdf)

72 'Indian Fashion Designers Take Handloom Industry Global', The Quint, March 28, 2017 (Video) <https://www.thequint.com/news-videos/2017/03/28/amazon-india-fashion-week-indian-fashion-designers-take-handloom-industry-global-waewers>

73 'Handloom Sector in India: The Current Status and Shape of Things to Come by 2015', Dr. D. Narasimha Reddy, Centre for Handloom Information and Policy Advocacy, <ftp://ftp.solutionexchange-un.net.in/public/emp/resource/res18050802.pdf>



**(i) Independent Weavers**

The Independent weaver is totally independent of any outside agency. He has his own looms and works in his own or rented house. He purchases yarn in small instalments either from the local yarn merchants or travelling yarn dealers or in weekly market and sells his cloth to the same people or to the customers directly. The difference between the cost of yarn and the sale price he is able to realise for his cloth, represents wages for all the labour of all the members of his family who assist him mostly in pre-weaving process like winding, warping, sizing, starching, etc. Such weavers are very rare in Andhra Pradesh.

**(ii) Master Weavers**

The Master Weaver is similar to the independent weaver in many respects except that he employs outside labour for weaving for him. This practice is a common phenomenon in India, though often the looms belong to the weavers themselves and they work from home, relying on the master weavers for the supply of dyed and sized yarn and marketing. He specifies the designs and does the marketing once the product is woven. There is another class of master weavers, who can't strictly be called 'weavers', since they no longer engage themselves in weaving activity but concentrate on trading yarn and cloth.

**(iii) Weavers under Middle Men**

There are some weavers working under master weavers or dealers and they are technically skilled and independent with their own houses and looms. The master weaver or middle men supply yarn either in processed or unprocessed form and specify the pattern, design and standard of cloth to be woven. Some of the weavers under middlemen get cash advances through master weaver or middlemen and orders of production for varieties and quantum of production. This is an arrangement like a 'job work'. Once the product is finished, it will be handed over to the master weaver or middlemen. This is the dominant system in Andhra Pradesh.

**(iv) Co-operative Weaver**

A weaver, who becomes a member of co-operative society, obtains yarn directly from the society (at subsidised cost). The weaver has to weave according to the specifications of the society and handover the finished product within the stipulated period to the society. The weaver obtains a piece wage for his weaving effort, in addition to wages. Being a member of the society, he is entitled to have divided equity on his share capital.

**(v) Labour Weaver**

The weavers who work under Master Weavers are called Labour Weavers. The Master Weavers construct work sheds and provide suitable looms with equipments to the Labour Weavers. The wages of the Labour Weavers, under nearly all systems, are paid based on piece rate. The dividing lines between the various forms of organisation are fluid than rigid. Most weavers who are the members of a co-operative, also occasionally work for Master Weavers. They remain members of the co-operative in order to benefit from government subsidies or credit schemes, but they may supply more of their produce to the Master Weavers than to the co-operative.

The major player in handloom marketing in Andhra Pradesh is the Master Weaver. The Master Weaver has a vested interest in controlling information and consequently, today in



most places, the co-operative and Master Weaver work in tandem to provide the necessary credit and entrepreneurial functions that necessary for the production market linkages.

### 3.2.3 Marketeers

#### *Designers:*

Designers are influencers of how the trends are shaping up in the market and their inputs accelerate the participation of goods into the value chain. This definitely boosts the promotion of the arts and crafts and ultimately drives up incomes of weavers.

The critical link in this supply chain is the designer who conceptualises the art / craft on the fabric which is chosen for a specific event. These designs are translated into saris (garment worn by Indian women) or running fabrics intended to be used for converting into garments such as 'salwar kameez' (the Indian dress worn by women), 'kurtas' (short blouse or shirt like clothings), etc. and even (high end) fabrics made especially for home furnishings which are later converted into various products.

Well known names who have explored Pochampally Ikat onto various garments are Chelana Desai (Mumbai based)<sup>74</sup>, Gaurang Shah (Hyderabad based), Sailesh Singhania (Hyderabad based), M. V. Chandrashekar (Bangalore based), Mamatha Tulluri (Hyderabad based), Rahul Mishra (Delhi based), Shilpa Reddy (Hyderabad based), etc. have provided a lot of design intervention for the promotion of good quality work for Pochampally Ikat. Except for Gaurang Shah, Sailesh Singhania, Rahul Mishra and Shilpa Reddy, in-depth interviews were conducted with the other 3 Designers on their views on the present status of Pochampally Ikat.

Senior Designer Chelna, an expert in Ikat craft, mentioned that the weavers' understanding of design concept, colour, technique, etc. has lost link with their customers. As most weavers have not even cleared higher schooling level, these weavers are unable to comprehend the present design trends demanded in the current market. According to her, they are not in sync with contemporary design trends as they do not have forecasting skills and knowledge. These weavers are not even aware of the GI status granted to Pochampally Ikat.

Her views on designs were that the tradition needs to be balanced with new modern look / requirements. The weavers need assistance in improving their techniques, learning new ways to present ideas within the given framework, etc.

Chelna often visits the Pochampally Handloom Park Ltd. (PHPL) for assisting them in their design requirements and also has high end clients who order Ikat works from her and hence, she too places her orders with PHPL. However, we observed that though she was aware of the grant of GI status to Pochampally Ikat, she has not promoted the nomenclature. She continues to patronise the same as 'Ikat' only.

### 3.2.4 Overall Living Standards

A majority of the artisans are now prospering as the demand for hand woven fabrics is gradually increasing.<sup>75</sup> This has led to increase in incomes. The indepth discussion in our studies revealed

74 [www.chelnadesai.com](http://www.chelnadesai.com)

75 'Cotton, Khadi in high demand this year', The Times of India, Patna Edition, March 31, 2017; <http://timesofindia.indiatimes.com/city/patna/cotton-khadi-in-high-demand-this-summer/articleshow/57924816.cms>



that earlier due to low incomes, the children of weavers assisted their parents in the weaving profession and hence, their education level was low. Currently, as the weavers are able to earn decent incomes, their children are looking for a better future and hence seeking higher education relating to college / professional courses. After being so educated, these children are not interested in carrying on the profession of their parents and they intend to deviate. Most of them are connected to Hyderabad city for better opportunities of living and earning, with the result they have a secondary establishment in Hyderabad.

### 3.2.5 Employment Generation

About a decade ago, the GI area prior to GI registration had over 20,000 families engaged in the weaving activity. Due to adverse market conditions,<sup>76</sup> the number of families engaged in the activity fell below 200, until about three years ago. However, during the last three years again, improved market conditions have resulted in more than 2000 families coming back to the livelihood. GI status has probably had a role to play in the matter.

The registered proprietor(s), who are also the authorised users, are in their own ways are popularising and promoting the craft by welcoming well known designers to work with them.<sup>77</sup> The value of the genuine GI products is priced at a premium<sup>78</sup> and some enterprising weavers are taking benefit of it by offering good quality products in cotton and in silk.

Due to these profits, many skilled workers who had migrated to urban cities are returning to continue with this profession. However, the next generation of artisans, are becoming self-educated and a meaningful percentage are attending higher and professional courses. The probabilities of such children carrying on their ancestor's profession, is doubtful.

### 3.2.6 Revenue and Sales

The market for handwoven fabric has improved<sup>79</sup> and hence, there is an overall increase in revenue and sales.

The Indian handloom industry is placed in the category of small and tiny manufacturers. It is a fact that one does not witness medium and large-scale enterprises in this sector. The production of the Pochampally Ikat however has been catering mainly to the demand of the domestic consumers as the main product remains the sari, a traditional drape garment worn by most Indian women. The sales turnover of the enterprises being in small and tiny, their sales turnover most often doesn't go beyond 40 lakhs. Moreover, apart from the sale of saris which is a perennial market, the other garment that is becoming most popular is the running fabric which is used for contemporary garment making such as the India popular dress called 'salwar kameez' with the stole called 'duppatta'. This running fabric is also used to make

76 The adverse market conditions during pre GI days here would refer to lack of raw material, functioning of power loom sector, absence of buyers, etc.

77 As mentioned earlier, well known Designers such as Chelana Desai (Mumbai based), Gaurang Shah (Hyderabad based), M. V. Chandrashekar (Bangalore based), Mamatha Tulluri (Hyderabad based), Rahul Mishra, etc. have provided a lot of design intervention for the promotion of good quality work for Pochampally Ikat.

78 At high end boutiques (such as 'Anonym') please rephrase which sell Ikat products under the label 'Translate' as designed by Mr. M. V. Chandrashekar. However, this store is not selling it as 'Pochampally Ikat' though the technique used is the same.

79 Handloom Industry, India 2015, New Media Wing, Publications Division Ministry of Information & Broadcasting.



different kinds of skirts, palazzos, tops (blouses worn either on trousers / skirts), etc. Another area which is fast catching up is the home furnishing section. The conscious Indian is now looking for trendy Indian fabrics to furnish their homes and living surroundings.

Most of the manufacturers i.e., 73 % fall in the sales turnover range less than Rs. 20 lakhs (€ 27708.50). While 19 % trade sales in the range of Rs. 20 – 40 lakhs (€ 27708.50 - € 554170.13), 8.1 % of the manufacturers are doing business above Rs. 40 lakhs (€ 554170.13).

### 3.2.7 Branding and Promotion

Typically, the weaver family does not do any form of branding or promotion. Generally, saree as a garment, is understood to be a commodity and hence, branding efforts are far and few. All the same, markets are changing and well known big brands like Allen Solly (as mentioned above) have launched premium range of men's shirts. Significant product diversification has helped such as home furnishing, dress materials, and high end designer garments. Private initiatives to promote are more than Govt. initiatives.

Recently, the registered proprietors of the said GI have applied for the registration of GI logo and it is in the process of being registered.

### 3.2.8 Gap Analysis

The registered proprietors of this GI on their own account have not engaged themselves in either branding or promotional activities. The same is for the Authorised Users.

Since 2004, there are only 2 Authorised Users (who are the same association as that of the registered proprietor). Although there are plenty of GI producers (some of them are established mid-sized and large players who are retailers / wholesalers, exporters, designers (mid to high end), online sellers, including all types of weavers, etc.) using the GI name, none of them have stepped forward to register themselves as GI users and take benefit therefrom.

As the industry size is very large, this needs to be considered urgently.

### 3.2.9 Need to Address Existing Gaps

There are many gaps existing as on date – lack of participation by authorised users, quality parameters, processes and procedures not yet being documented, inspection mechanism / protocol not yet set up, etc.

There also needs to be one artisan repository / registry to avail early benefits relating to them for being an artisan. This would assist the Govt. (State and / or Central) to dole out various incentives, grants, technology upgradation, modern facilities to ease out cumbersome processes related to various obstacles in the supply chain, etc.

#### *Infringement:*

With competition increasing by the day along with the increasing demand for hand woven fabrics, there are many counterfeits floating in the market and this is affecting the sales of genuine weavers.





In the case of Pochampally Ikat, it was noticed that there was a parallel market for counterfeits in the market. One of the main violators had been M/s. Vipul Printers<sup>80</sup> who were infringing the GI rights by screen printing the Pochampally Ikat designs and selling these fakes in the GI area and outside as Pochampally Ikat saris. Subsequently, the Society and also the local traders gathered all the information and material like the catalogues used by M/s Vipul in this regard.

Going forward, the Society and the Association both took the matter collectively for the infringement.

Initially APTDC - CII, Hyderabad was approached for taking up the case in a legal way by filing a case at the Bhongir District Court. As the legal process would take much time, they were advised to first lodge a First Information Report (FIR) in the local police station.

Accordingly, during Oct. 2016, a FIR was registered against M/s Vipul at the local police station of Pochampally. After this filing of FIR, the infringer viz., M/s. Vipul is making efforts for out of the court settlement / withdrawal of FIR, which in any case they are not agreeing.

Now the issue is in the knowledge of the State Enforcement and also the Weaver Service Centre Enforcement Wing and also in the knowledge of the officials of Development Commissioner (Handlooms) (DCHL). These concerned authorities have promised of extending all possible help to the Society for fighting this case to its logical end. APTDC - CII has requested for financial support from the O/o DCHL, New Delhi to meet all the costs involved for taking up the court case.

Further, there exists a Centralized Public Grievance Redress and Monitoring System (CPGRAMS) brought by Department of Administrative Reforms & Public Grievances for the benefit of consumers. This is an Online Public Grievance Lodging and Monitoring System.<sup>81</sup> Here consumers can log in their grievances on any matter and the same benefit can be taken up by an aggrieved consumer in the area of counterfeit in handloom products.

### 3.2.10 Supply Benefits in terms of Socio – Economic Development

The GI registration of this product has brought this GI into the limelight through various media exposure in newspapers, television, online media, social media, etc. However, with no usage of the GI logo specific to the product, the consumers are unaware of its registration.

It is observed that some of the producers are members of local associations relating to Pochampally Ikat, while the majority of them, who are not members of any association, are operating individually with their family members within their units. The traditional skills and techniques of weaving are handed down from one generation to another generation and the collective action as a larger group is missing.

<sup>80</sup> Information given by Mr. T. K. Routt, Deputy Director of the Textiles Committee, Mumbai.

<sup>81</sup> <http://pgportal.gov.in/> last accessed on June 10, 2017.



### 3.2.11 Recommendations

An integrated approach of the collective dimension would assist all producers particularly the small weavers to overcome their supply – side constraints and enable this collective group to reap the benefits of the GI registration in an effective manner by building ‘Pochampally Ikat’ as a brand.

### 3.2.12 Summary

Pochampally Ikat as a handloom weave is well known amongst customers. However, the legal implications for business are still not percolated amongst either the stakeholders or the purchasers. This being a popular craft and a revenue earner for the community, Government has supported sufficiently well overall. However, a lot more effort is required especially in bringing in more artisans under the ambit of the GI Act.

## 3.3 CASE STUDY – TODA EMBROIDERY

The Toda tribe is a small community of people with unknown origin; they live exclusively at the Nilgiris Hills. They have been identified as a ‘Scheduled Tribe’<sup>82</sup> (more particularly primitive tribe)<sup>83</sup> or also called as ‘Particularly Vulnerable Tribal Groups (PVTGs).’<sup>84</sup> According to the 2011 census <sup>85</sup>, there is an estimated population of 2002 persons living in just 538 households. With 957 males and 1045 females, their population has increased marginally from the previous figures.

They have a unique language, with no script. They also live in small groups of not more than 6 – 10 homes forming a village (called ‘Mund’ in their native language). There are 75 Mund spread all over the Nilgiris Mountains.

The Toda craftswomen practice a heritage and traditional embroidery craft unique to the Toda tribe. The tribe members are easily identified by their traditional clothing. In the local language, it is called the ‘Poothull(zh)y’. It’s a large rectangular piece of cloth, wrapped around the upper and lower parts of the body. This traditional attire has red and black bands. It is almost always decorated with a unique form of embroidery made of red and black (acrylic threads). Though, the art form is practiced for traditional attire, the bulk of the embroidery work that Toda women now produce is for commercial purposes.<sup>86</sup>

Quite like their language, origin, religious practices, nobody is sure about the origin of their embroidery skills. It has slowly caught the attention of tourists and fashion markets across the last two decades.

82 <http://www.tribal.nic.in/ST/LatestListofScheduledtribes.pdf> (last accessed on May 22, 2017).

83 [http://www.spc.tn.gov.in/tenthplan/CH\\_8\\_1.PDF](http://www.spc.tn.gov.in/tenthplan/CH_8_1.PDF) (last accessed on May 22, 2017).

84 PVTGs is a Government of India classification (2006) of those tribal communities earlier known as the Primitive Tribal Groups, meant to enable the particular development of those communities with extremely low development indices, [http://www.pudhuvaazhvu.org/documents/latestnews/TNRTP\\_Tribal\\_Development\\_Plan\\_Draft\\_Final\\_Report.pdf](http://www.pudhuvaazhvu.org/documents/latestnews/TNRTP_Tribal_Development_Plan_Draft_Final_Report.pdf) (last accessed on May 30, 2017).

85 Statistical Profile of Scheduled Tribes in India 2013, Ministry of Tribal Affairs Statistics Division Government of India, <http://www.tribal.nic.in/ST/StatisticalProfileofSTs2013.pdf> (last accessed on May 22, 2017).

86 Dr. Tarun Chhabra, ‘The Toda Landscape – Explorations in Cultural Ecology’, Orient Black Swan and Harvard University, 2015, pg. 130.



Thus, this art form is now a source of cash for the women of the tribe to manage the family needs. From our discussions with the artisans during the survey, we understand from them that the price of the embroidered goods has increased after the receiving the GI status.

### 3.3.1 Registration of GI

The GI was applied on September 11, 2008 and was issued on March 04, 2013.

The registered proprietors of the GI are three institutions, viz.,

- 1) Toda Nalavaazhvu Sangham, a not-for-profit trust formed to protect the interests of the tribe in many ways,
- 2) The Keystone Foundation, another not-for-profit Foundation, with a focus to protect bio-diversity of the Nilgiris and the various forest and tribal produce, life-style and culture, and
- 3) The Tamilnadu Handicrafts Development Corporation, a Government of Tamilnadu enterprise – for profit entity set up to preserve all forms of handicrafts of the state (TINHDC).

Currently, there is no GI mark for Toda Embroidery and the respective applicants are in the process of creating one.

### 3.3.2 Authorised User

As on date, a total of 71 women craftswomen have submitted for registration as 'Authorised User' and about 69 artisans have been granted the Authorised User certificates.

### 3.3.3 Enterprise Structure

Traditionally, the Toda women have practiced the Toda Embroidery for their sacred ceremonies and for their traditional wear. Now that it has caught the attention of tourists, they also do it for earning extra cash for family needs.

Most often, they receive the base cloth on credit from the co-operative society or the self-help help group (SHG). They take the forthcoming week to do as much work as possible and get paid wages on their next visit to the co-operative.

The sale counter at the Primary Co-operative Society is operated by the Toda women themselves. Most customers are informed tourists who are aware of the Toda tribe. The artisans also participate in exhibitions organised during the tourist season.

The Shalom Welfare Society, a SHG is their largest marketing avenue. They also market some of their produce through other self-help groups formed among themselves and a few times directly to visitors to their hamlets.

Organisations involved in marketing, express difficulties in balancing customer needs with sourcing from tribe members who live away at long distances and produce goods at their convenience. On the other hand, the tribal women feel they lack market opportunities and deserve higher wages. An interpretation of this situation may be that it is a healthy friction.



The registered proprietors particularly Keystone Foundation, is involved in the marketing in a limited way. The artisans or the agencies marketing the goods do not leverage the GI status in any form either in the marketing and / or promotion. Infact, their marketing efforts are at the rudimentary level of participating in exhibitions.

Organisations who market the goods online <sup>87</sup> or at premium events, often source their requirements from the co-operative or SHGs. Some of the products sold online are contemporary and high end too such as the craft done on accessories, jewellery, women garments, stoles, shawls, etc. ranging from Rs. 4000 (€ 55.41) onwards.

Often the tribal women do basic embroidery on pieces of cloth given out to them and the value addition by way of creating small affordable art pieces such bags, purses, pillow covers, etc. are done by Shalom.

The tribal women are challenged in their abilities to reach out and communicate to high value customers. They do not understand fashion trends and customer needs.

### 3.3.4 Overall Living Standards

The current socio - economic condition of the Toda tribes must be seen in the context of the political ideology of the State of Tamil Nadu. For the last few decades, irrespective of the party in power, several welfare programs have been given out to the poor and needy. Support from the State Forest Department, support from Ministry of Tribal Welfare and every other possible department have been made available to not just the Todas, but all identified scheduled castes and scheduled tribes. The freebies include from consumer durables such as TV's, fans, induction cook stoves, to housing assistance / loans, free electricity, food grains under the Public Distribution Scheme, education, self-employment opportunities, subsidised loans, etc. are just a few of the benefits.

So, a quick visit to the Toda village (Mund) may leave you with a doubt about their tribal status, primarily due their concrete homes. When one visits interiorly located Munds, we see their traditional barrel shape homes made of forest produce. They have been provided with small concrete homes to discourage them from harvesting endangered resources of the forest.

Traditionally, this tribe leads a pastoral life, which over time has been threatened for various reasons. The whole economic life of the Toda rotates round the buffalo and they have remained static or developed along their own line of social evolution embracing the all-important buffalo.<sup>88</sup> As per traditional buffalo rearing / dairying is done particularly by the menfolk and these buffaloes are a breed unique to region. The reducing forest covers and grazing lands are among the top factors for this tribe to venture into new profitable ventures such as farming activities relating to agriculture and horticulture. Further, the women too have begun to supplement the household income viz., crafting the 'Toda Embroidery'. What was once a craft activity confined solely to the community, it now becoming a potential income

87 Toda embroidered products that are being sold on various e-commerce platforms such as Jaypore, Dastkar, Co-Hands, Amazon, Gaatha, Go-Coop, Zola India, etc.

88 D. K. Sinha, 'Pattern of Distribution of the Tribal Groups in India', 2016 (undated), <http://www.yourarticlelibrary.com/tribes/pattern-of-distribution-of-the-tribal-groups-in-india/42403/> last accessed May 25, 2017.



generating activity<sup>89</sup> and the women folk have taken up their sacred and ritualistic practice for commercial reasons. However, most Toda craftswomen do 'job work' and they primarily get paid labour wages for the work done - it could be for a shawl, table runner, a stole, linen for furnishings, accessories, various types of bags and pouches, small trinkets, etc.

A few of the tribal families have been given land rights by the Government. Historically, they did not farm. Now, they have been given agricultural training too. However, the income from farming activity has been unpredictable as anywhere in India. The entire state is facing drought,<sup>90</sup> which has put huge stress on the farm economy. On the hills, it is also difficult to get large patches of land to do profitable farming.

Earning from the sale of their produced handicrafts has assumed an important role in their lives.

### 3.3.5 Employment Generation

Although this art is a home based activity practiced at available convenient time, there are nearly 300 – 400 Toda women practising the art. As the total population of the Toda women is restricted, there is no concept of increased employment. With limited marketing initiatives from organisations involved with sales, there is no apparent growth in business.

### 3.3.6 Revenue and Sales

The craft is done by the Toda women in their free hours of the day after completing their household chores and the sale of the products are linked to tourist season at Ooty. The total revenue of this craft is estimated to be a total not more than Rs. 35 – 40 lakhs (€ 48489.66 – 55417.01). Typically, the average woman earns Rs. 3000 to 8000 (€ 41.56 – 110.83) a month. Given the low supply base and nature of goods, there are few organisations that engage in sales of the products.

A lot many tourists (who are potential buyers) are aware of this GI product and look for sale points situated at different locations in the GI area. This is a serious limitation for the conduct of business. These visitors do intent to purchase some product which has the Toda Embroidery, as per their budget.

### 3.3.7 Branding and Promotion

The marketing of embroidery by the artisans, SHGs and the co-operative is largely by way of displaying products on sale counters. Shalom SHG is probably the only organisation that has received support from organisations like Keystone Foundation, Chirpy India, TRIFED, etc. and is leveraging their presence on social media like Facebook.

While, there are a few organisations looking at online sales and sales at premium outlets, these ranges of goods are often a minor part of their portfolio. They also complained of difficulties

89 'Poothukuly – The Toda Ceremonial Shawl', <http://www.parikramaholidays.com/pdf/Poothukuly-A-Toda-Ceremonial-Shawl.pdf> (last accessed on June 10, 2017).

90 The year 2016 declared as drought year <http://www.thenewsminute.com/article/saving-sholas-overcome-drought-nilgiris-forest-communities-return-traditional-wisdom-62729> (last accessed on May 29, 2017).



in sourcing goods consistently in ways that would justify significant investments.

There is no umbrella initiative to drive the quality identity of the craft and develop markets.

### 3.3.8 Gap Analysis

While quite a few members have attended sensitising workshops, the artisans still do not work in a collective manner to expand markets and increase revenues. There is notional branding effort, GI is yet not a part of their marketing. They are yet to develop a common logo for their artwork. One of the limitations is that the registered proprietors do not currently participate directly in business development.

As on date, there are a few marketing avenues and not all Toda women have access to it. Also, the Toda women by themselves have little exposure to market needs and necessary skills to communicate with market stakeholders. There are cultural and language barriers. A few artisans have travelled far and wide for Government exhibitions only in India. But these continue to remain one off limited interventions.

Recently, the non Toda women viz., the local Tamilians are learning the art form and there is unrest amongst the Toda women for promoting the training to such women. At the same time, it is also seen that though the Toda women are skilled at the embroidery, the value addition such as finishing of these embroidered pieces, or tailoring of it into a finished product, is done by the non Toda women for the purpose of sale.

As this heritage and traditional craft is in the unorganised sector, there are various bodies i.e., Government and private who are operating in this space and there is no centralised operation of this activity. This is resulting in the limited resources not being available to the genuine beneficiaries.

### 3.3.9 Need to address existing gaps

Most artisans are illiterate and therefore their exposure to marketing, branding, production processes, etc. is minimal. Hence, the artisans need support in numerous ways - beginning with technical support, training for product diversification, design intervention including old design restoration / preservation, skills to improve the quality and finish of products, to developing marketing collateral and finally, opportunities to sell and exhibit their produce by the community members themselves on various platforms (in India and outside) including online.

Some GIs in the area of textiles and / or handicrafts, though under one Ministry i.e., Ministry of Textiles, multiple departments are engaged in its welfare and promotion for example in the case of Toda Embroidery, the Government offices so engaged are : The Office of the Development Commissioner (Handicrafts), TNHDC, TRIFED, etc. These can be brought under one nodal agency to avoid overlapping and costs.

There are no documented quality parameters except for one Authorised User who has a team of artisans working exclusively on finishing raw work done by the tribe members. Shalom Welfare Society has a 'Craftmark certification' for the quality of their products.



Similarly, there is no inspection process in place as on date and hence, the quality parameters are not yet laid down. With the result, the base fabric is not standardised nor the embroidery (woollen) threads. Assistance of established and well known agencies such as the Textile Committee or Craftmark can be sought to set the criteria for quality.

There has been no standard pricing adopted uniformly either by GI producers or sellers / vendors in the supply chain. Hence, the pricing in certain cases is arbitrary i.e., either undervalued / over valued.

The Toda tribe itself is devoid of any tribal chief as their functioning is democratic. Accordingly, the women lack leadership qualities. It is seen that neither any Toda man or a woman (artisan) have stepped forward to take the initiative of enhancing the craft for commercial reasons though the opportunities and market potential is plenty. Hence, presently, it is seen that they are governed by non Toda persons either individually / collectively (through SHGs or co-operative societies, NGOs, etc.).

For the survival of this craft, there is an urgent need to diversify the product range. As the craft is painstaking and time consuming, the cost of the hand made craft is high. This can be made available for the price conscious customers in various price ranges. Most customers buy Toda products for their attractive designs and embroidery patterns on it. However, some customers are not aware of the GI status granted to the GI product. Accordingly, they are unable to look for the genuineness of the craft as there are no certification marks on it.

Some of the survey women have an awareness of them being registered as authorised users. However, they do not know much about GI and / or its benefits. As awareness levels are very low, various stakeholders can undertake steps to create awareness amongst the various platforms available today, including social media.

### **3.3.10 Recommendation**

In the case of this registered GI, since the community is indigenous and very few in number, this craft is to be exclusively done by the Toda women only. For this, steps need to be taken to bring all such Toda craftswomen on record with the assistance of the State Government. This will ensure the implementation of various schemes for the benefit of this niche community.

### **3.3.11 Summary**

Though the commercial opportunities are plenty, as on date, there has been no leadership role taken by anyone from the tribe (either any Toda man or a woman) to further / increase the potential revenue of the craft as their political organisation is devoid of any tribal chief. Hence, a mechanism is need where the Todas take the lead in all areas of the craft.

Also, since the GI status has not yet been leveraged to its full potential, more steps can be taken in this regard.



### 3.4 CASE STUDY – NAVARA RICE

Navara' is a rice crop variety originating and confined to Northern territory of Kerala State. It is ancient medicinal rice referred to one of the ancient Sanskrit text on medicine and surgery called as 'Susrutta Samhiti', which makes a reference on its usage in a particular Ayurvedic treatment called 'Panchakarma'. This rice variety is cultivated organically as per customs and traditions implemented in particularly prepared paddy fields of Kerala. 'Navara' rice, known as the "wellness rice", is grown in Palakkad, popularly known as the Gateway to Kerala. It is also the rice-bowl of Kerala, the land of Navara rice.

The agro climatic conditions of North Kerala are conducive to the growth of this unique rice and it dates back to over 2500 years. There's a mention of this rice in the ancient text 'Ashtanga Hridaya' (Vagabhata, 500 BC) and also in 'Susrutta Samhiti' (Susrutta Acharya, 2500 BC), which cites 'Navara' as a special cereal having curative and medicinal properties to rectify health conditions relating to circulatory, respiratory, digestive and rheumatic issues. It is known in Ayurveda as the 'Shashitika' rice due to its short duration of just 60 – 90 days to grow and mature. These ancient texts also refer to it as 'pious grain' used on auspicious occasions. 'Navara' rice being one of the native genetic resources of Kerala is considered as an endemic crop. This has a distinct gene pool.

This indigenous medicinal rice belonging to 'Oryza sativa' L., is unique in its medicinal composition as it has high content of free amino acid including Cysteine and Methionine. Due to the short duration of harvest, 2 – 3 crops can be grown during a year depending upon the climatic conditions. It is the shortest period paddy crop ideally grown post monsoon.

Navara was traditionally cultivated organically. Because of its poor yield and difficulties in controlling pests and diseases, modern method of farming was adopted by farmers. Moreover, Navara bran and root is also used in ayurvedic treatments (bran for ulcers and root for urinary tract problems) and health rejuvenation therapies. Any chemical or pesticide residue in the course of conventional farming might not yield the desired results. Therefore, as this is medicinal rice, it is cultivated organically to avail maximum benefits for various treatments. Accordingly, such cultivation practices requires use of organic manure (i.e., chemical free such as cow dung manure, vermicompost and a traditional method of fertilising and plant protection called as 'panchagavya') to maintain the medicinal quality and effectiveness of the crop for its intended usage. Organic cultivation helps to retain the medicinal properties of the rice and has good effect on treatment due to the non-use of fertilisers and chemicals.

In today's health conscious world market, Navara rice popularity is increasing day by day and it can play a dominant role if marketing channels open up to farmers who have preserved Navara rice against all adversity.

Currently, a total of 50 acres land in Palakkad is being cultivated for Navara Rice by the Registered Proprietor. Out of this, 24 acres is organic and certified while 26 acres is not yet as certified organic. Other than Palakkad, Navara also grows in neighbouring districts such as Thiruvananthapura, Alappuzha, Kottayam, Thirussur, Calicut, Wyanad, Kannur and Kasargode,<sup>91</sup> which have the same soil type and climatic conditions. Navara grains are classified as black glummed, golden yellow and Navara Punja, but the rice itself is red in colour.<sup>92</sup>

91 Shiny Mary Varghese and May C. Nair, 'The Rice Landrace Oryza sativa Linn. cv. Navara in Kerala – A Review', Samagara, Vol. 7, 2011.

92 There is no public data about area under cultivation by variety of rice.





### *Medicinal and Health Benefits:*

The main customer base of Navara Rice is the Ayurvedic practitioners (who are the major influencers in directing the consumption of this GI product) who prescribe this for treatments called as 'Navara Kizhi' and 'Navara Theppu' for patients along with a select consumer who eat the rice for building a strong immunity. 'Navara Kizhi' is the cooked Navara rice tied in a cloth and used for massaging the body. It is this which is widely used for 'Panchakarma' treatment for nerve and spine related disorders, arthritis, paralysis, polio and muscle degeneration. 'Navara Theppu' is also a paste of boiled Navara rice of light warmth, is applied on the body. This is recommended for patients unable to bear the 'Navara Kizhi'.

The rice also has demand during the onset of monsoon season as a health tonic called "Karkkidakam" in the month of July - August, wherein it is consumed to build immunity and fight against various diseases. It is traditionally consumed as a replenishing drink, called 'karkidakakanji' or 'Marunnukanji' (medicinal food) which is effective in curing general fatigue.

This is not only beneficial as an energy giving food but also as nutraceutical rice, especially for children with anaemia, for women during lactation, in certain ulcers, tuberculosis, skin diseases (psoriasis), eye disorders, body pain, etc. As it is easily digestible, it is used as a health and safe food for infants and aged people. This has also proved to be a good for diabetic patients as it decreases the blood sugar levels. It is also has good anti-oxidant properties, anti-cancerous (especially against breast cancer) and anti-inflammatory properties. It has been evidently treating diseases like chronic gastritis and peptic ulcers for a long time. It has also been recommended for acute complaints of piles. It is also considered as a safe food for snake – bitten patients. Consumption of Navara rice flakes, pounded with roots of 'Aswagandha' and sugar increases vitality, vigour, body weight and acts as an aphrodisiac according to traditional healers.

Various research institutions in Kerala are now conducting research on the therapeutic aspects of Navara. These are listed below:

- The Regional Research Laboratory, Trivandrum is experimenting on the nutritional and therapeutic uses of Navara rice and bran,
- The Kerala University is conducting its own experiments,
- The Rajiv Gandhi Centre for Bio Technology is doing DNA fingerprinting of Navara,
- The Dept. of Biochemistry, University of Kerala, Trivandrum is conducting a project on the anti – inflammatory effects of Navara, and
- M. S. Swaminathan Research Foundation, located at Kalapetta, Wayanad, Kerala made a study on 'The Rising Relevance of Speciality Rices' under the project titled 'Medicinal and Speciality Rice Varieties of Kerala' (2004 – 07), as supported and funded by the National Medicinal Plant Board, focusing on conservation and revitalisation of Medicinal and Scented rice varieties of Kerala.

All these institutions are using Navara rice, roots and bran from Unny's Navara Farm (UNF).<sup>93</sup>

#### **3.4.1 Registration of GI**

The Navara Rice Farmers Society (Society) is the Registered Proprietor of the GI registered on Nov. 23, 2007 (applied for in Nov. 25, 2004) for 'Navara Rice'. Upon completion of the first 10

<sup>93</sup> Video link <https://www.youtube.com/watch?v=XVbCXVAAF9I>



year tenure, the said Society has applied for renewal of the registration status in Nov. 2014 and it has been granted. Currently, the Society has 20 members and they all are into farming of Navara Rice.

The Registered Proprietor of the Navara Rice is now taking this GI towards sustainability and slowly reaping the benefits of GI.

The GI logo is yet to be registered.

### 3.4.2 Authorised User

Mr. P. Narayanan Unny, the owner of Navara Eco Farm (NEF), is the only Authorised User of Navara Rice. This was applied for in March 01, 2011 and was granted in December 2011 (Application No. 224 and Certificate No. 114).

### 3.4.3 Enterprises Structure

There are various people in the supply chain – retailers (outlets) of all sizes from a single small proprietor to bigger ones having larger market share, dealers who trade the goods to various places in bulk or otherwise, practioners / traditional healers and the actual growers / farmers. A few of them in the supply chain have been covered viz., retailers, growers and practioners / healers.

This GI product, being an agricultural product, is dependent on the vagaries of nature. As the work is manual and laborious, there are few who like to either grow it or work as manual labourers in the field. As the harvest is dependent on many aspects of the climate / weather, the probability of losses is higher. So, the employment generation is restricted only to the family members of land holders as finding paid labourers in the State of Kerala (where most of them are expats to Gulf countries) is extremely difficult.

There has also been an ease in production due to adoption of improved techniques of farming.

### 3.4.4 Overall Living Standards

The GI registration has helped the socio - economic status of various stakeholders such as the producers, growers, traders, Ayurveda practioners, traditional healers, etc. to a certain extent. But apart from the GI registration, for an agricultural product, factors like climate, policy and other collaterals are very vital for its commercial success.

Standards of the actual growers / farmers have improved marginally as the produce is very limited and dependent on weather / climate. Today, financial support is also provided to employees for their well – being.

Also today, 70 % of children of the growers / labourers either are going to school / college or working. Earlier, prior to GI registration, only 2 -3 children were educated.



### 3.4.5 Employment Generation

Further, prior to GI registration, the total land area using for cultivation was about 15 – 20 acres and today, the area of all members of the Society together has increased to a total of 50 acres, which includes the area of 30 acres belonging to the Authorised User.

Mostly women are being engaged in the Navara cultivation activities and this has helped the rural women in their livelihood. A total of 8 - 10 daily wage workers work in the farm which has also helping the livelihoods of the local women.

The traditional method adopted for this GI in case of cultivation is labour intensive.<sup>94</sup> The wages also have gone up after the GI registration of Navara Rice. In the year 2003, the daily wage was Rs. 50/-, while in the year 2007, it was Rs. 70/- per day and currently, it is at Rs. 250/- per day. The increased percentage of wages is 80 %. Income of the labourer has also gone up. In the year 2003, the annual income was about Rs. 20,000/- and today, it is Rs. 90,000/- per annum and this percentage increase is 77 %.<sup>95</sup>

Employment generation is restricted only to the family members of land holders as finding paid labourers in the State of Kerala is difficult.

### 3.4.6 Revenue and Sales

Currently, the total turnover of the Navara Rice grown by the Registered Proprietor viz., Society is estimated between Rs. 6 - 8 lakhs per annum (€ 8312.55 - € 11083.40) with total sales of 1.5 tonnes a year.

Moreover, it is estimated that approximately 300 tons of this rice is used for Ayurvedic treatments, in the State.<sup>96</sup>

The GI tag has helped to increase the price and it being sold as premium rice. Prior to the GI registration (2003), the price of Navara Rice was Rs. 100/- per kg. . During the year of its grant (2007), the price was increased to Rs 250/- (€ 3.46) per kg. .The price of Navara Rice is remained at Rs. 396/- (€ 5.48) per kg. even till now from the year 2008. There has been an increased percentage of 75 % from the year 2003 to 2017 w. r. t. price. Further, GI has brought in a premium status to the Navara Rice and as per the survey conducted, the customers are willing to pay 10 – 20 % more for GI registered Navara Rice.<sup>97</sup>

Following is the table of estimates relating to production, sales / revenue generated and the price of Navara Rice of the Authorised User viz., NEF:

94 Helga Joshua, 'Navara, A Medicinal Rice : An Exploration of the Changing Production and Consumption System', Dept. of Plant and Environmental Sciences, Norwegian University of Life Sciences, 2012. pg. 14, [https://brage.bibsys.no/xmlui/bitstream/handle/11250/189537/Joshua\\_Helga.pdf](https://brage.bibsys.no/xmlui/bitstream/handle/11250/189537/Joshua_Helga.pdf) last visited on March 07, 2017.

95 Figures given here are of Navara Eco Farm as stated by Mr. Unny N.

96 Helga Joshua, 'Navara, A Medicinal Rice : An Exploration of the Changing Production and Consumption System', Dept. of Plant and Environmental Sciences, Norwegian University of Life Sciences, 2012, pg.20, , [https://brage.bibsys.no/xmlui/bitstream/handle/11250/189537/Joshua\\_Helga.pdf](https://brage.bibsys.no/xmlui/bitstream/handle/11250/189537/Joshua_Helga.pdf) last visited on March 07, 2017.

97 Figures given here are of Navara Eco Farm as stated by Mr. Unny N.



| Year <sup>98</sup>                        | Production<br>(in kgs.) | Sales<br>(in kgs.) | Revenue<br>(in INR) | Price – per kg.<br>(in INR) |
|---|-------------------------|--------------------|---------------------|-----------------------------|
| 2000                                      | 1000                    | 100                | 3000                | 30                          |
| 2003                                      |                         | 300                | 12000               | 40                          |
| 2004<br>(GI applied for in Nov. 25, 2004) | 1500                    | 400                |                     |                             |
| 2005                                      |                         |                    |                     | 100                         |
| 2006                                      |                         |                    |                     |                             |
| 2007<br>(GI granted on Nov. 23, 2007)     | 2000                    | 400                | 1,00,000            | 250                         |
| 2008                                      | 3000                    | 500                | 1,98,000            | 396                         |
| 2009                                      |                         |                    |                     |                             |
| 2010                                      |                         |                    |                     |                             |
| 2011                                      |                         |                    |                     |                             |
| 2012                                      | 5400                    | 1500               |                     |                             |
| 2013                                      |                         |                    |                     |                             |
| 2014                                      |                         |                    |                     |                             |
| 2015                                      | 6000                    | 2000               |                     |                             |
| 2016                                      | 3000                    | 2000               | 7,92,000            |                             |
| 2017                                      | 3000                    |                    |                     | 396                         |
| 2018 (as on date)                         |                         | 300                | 1,18,000            | 396                         |

Prior to the GI registration in the year 2000, the sales were about 100 kgs. and the sales were very nominal of Rs. 3000/-. The sales touched Rs. 1 lakh (€ 1385.42) in the year 2007, the year of grant of GI registration. The percentage of sales prior to GI registration in 2000 is increased from 100 kgs. to 2.0 tonnes in the year 2015 and 2016, is 95 % and the increase in value of sales is about 99.6 %.

The quantum of production prior to GI registration in 2004 has been 1.5 tonnes (1500 kgs.). This has increased post GI registration fluctuating from 2.0 tonnes in 2007 to 6.0 in 2015 and then 3 tonnes in the last 2 financial years i.e., ending 2016 and 2017. The sudden decrease in the last 2 years has been due to agricultural fluctuations such as drought, power shutdowns and other issues.

Post the GI registration, the numbers of customers of registered proprietors have increased from 30 to 300 + in the country.<sup>99</sup> Today, there are also 5 dealers. Most of the customers prefer an authentic registered GI Navara Rice variety and agree to pay 20 % more on organic GI registered Navara Rice. Mr. Unny on behalf of the Society, conducts different awareness programs and spreads information on medicinal properties of Navara Rice.

Online sales of Navara rice began in 2015 which helped in boosting the economics of the rice and this comprises 10 % of the overall sale per year, while 90 % is through direct sales to customers / dealers. An average of 800 – 900 kilos of Navara rice is being sold through the

<sup>98</sup> Calculated as per the Financial Year starting April 01 of a particular year to Mar. 31 of the following year.

<sup>99</sup> As stated by Mr. Unny N. of Unny's Navara Farm.



dealers in a year and the rest is being promoted through direct sales by online, trade fairs, exhibitions, workshops seminars, conferences and other sources by direct promotion. The Navara Eco Farm also conducts the “Navara Utsav” annually to popularise the rice and also have a forum of all rice growers to share their experiences.

### 3.4.7 Branding and Promotion

UNF or Navara Eco Farm is the only enterprise which is active in the branding, promotion and sales of organic Navara Rice. The other members of the Society have not been able to produce good quantity due to lack of demand and erratic climatic conditions.

Navara Eco Farm sells its Navara rice directly to consumers through online portal, in trade fairs/exhibitions and also through the dealers in Calicut, Cochin, Chennai, Kanyakumari and Pallakad.

The Registered Proprietor and the Authorised User regularly participate in national and international fairs, exhibitions, workshops, seminars, conference, etc. These are held on various platforms by either the Government bodies (Central or State) such as academic institutions, department of agriculture, bodies doing research on rice / traditional varieties of rice, department relating to organic farming, department of tourism, etc. which either deal with discussions on rice varieties or GIs, traditional knowledge, etc. in India and outside, to tell this story of conserving, preserving and protecting and endemic species of this rice variety.

The stakeholders have done a lot to package this premium rice into a brand and promote this as wellness rice to customers. Navara rice is a niche variety with premium customer base. The GI tag has helped to increase the price of this rice and give it an edge over the other varieties of the rice and non-organic Navara rice.

### 3.4.8 Gap Analysis

Branding and promotional activities / strategies are carried out by the only authorised user on own account and expenses. As on date, there has been limited Governmental (Central or State) assistance<sup>100</sup> by way of participation in fairs, exhibitions, workshops, seminars, etc. at national and international level, organised either by the Govt. or Govt. related agencies. This participation is extended to the Registered Proprietor and Authorised User to disseminate information on this GI.

Firstly, there were limited initiatives taken in the area of creating awareness amongst the GI product and its benefits amongst various stakeholders. Hence, there needs to be an ongoing exercise of creating awareness amongst many stakeholders such as the growers / producers, dealers / vendors and also amongst consumers.

The paddy plants of Navara Rice are very delicate and slender that these are susceptible to vagaries of nature like rain, wind and can even be spoiled with the morning dew, so the farmers need to be very attentive to safeguard the fields. This causes excessive damage to the crop by not only resulting in low productivity, but also in financial losses.

<sup>100</sup>By ‘limited government assistance’ we mean limited subsidies, marketing support, financial assistance, agri-tech support, etc.



The production area for Navara rice cultivation is decreasing gradually. A host of challenging factors like water availability for irrigation, pest control, power breakdowns, labour and cost in organic farming are the current causes. Navara rice also faces habitat destruction which is an agro – ecological constraint such as erratic monsoon causing intermittent soil moisture stress, poor irrigation facilities, water logging due to poor drainage, salinity, loss of soil fertility followed by inorganic farming, environmental pollution due to use of fertilisers, pesticides and industrialisation.

Crop loss is required to be controlled. Pest Management (insect and rodent attacks) is done manually and needs a good innovation to devise a method to control pests without chemicals and pesticides. Navara Rice crop also have threats from peacocks, wild boars, etc. which destroy the crop and they are not able to control the same or devise a fool proof mechanism to curb these animals.

Navara rice framers are struggling for the need of infrastructure support in terms of proper water storage tanks, availability of electricity, modern irrigation methods along with mechanisation of harvesting and post-harvest support systems. Currently, all activities are labour intensive as it is grown and managed manually. As the area of cultivation is very small due to small land holdings in Kerala, mechanised cultivation is a challenge.

Organic Navara Rice is the most ideal to capture the essence of medicinal properties that this rice has to offer (as any chemical or pesticide residue in the course of conventional farming, will be a health hazard). However, conversion to organic farming of this variety is risky, laborious and costly.

Good packaging and branding is the key for all the members of the Society. Only UNF brand from Navara Eco Farm has emerged as the sole brand and the other members of the Society have not taken the benefit of either branding or promotion. There needs a great effort to create more brands of Navara Rice for better socio - economic development of producers. More awareness and sensitisation programs need to be held on an ongoing basis for all the small number of growers / producers to ensure they understand the benefits of the GI registration. As on date, even after 10 years, there is only 1 (one) authorised user and for the longevity of this crop, it is important that steps be undertaken to involved all those connected in the supply chain to look into their roles.

Accordingly, upon such awareness, they need to register themselves as 'Authorised Users' and the community as a whole, can avail collective benefits of the registration.

Due to paucity of pure and authentic seeds, the farmers are unable to cultivate this variety on a large scale. Any assistance from various rice institutes and universities in this regard, shall boost not only the morale of the farmers / growers but also its productivity.

The GI tag itself has not helped to increase the market for Navara rice as the awareness of GI among consumers is not adequate. A well informed consumer needs to specifically ask for a GI registered product and these are encouraging signs for a mature market. Hence, engagement with consumers needs to be on an ongoing basis to disseminate regular information on GIs and its benefits.

These growers do not produce good quantity Navara Rice due to lack of demand and erratic climatic conditions and hence, farmers are hesitant for cultivation owing to poor marketing



network and the absence of remunerative price. Further, there is a need to support and assist them in disseminating information to increase the yield and create awareness of the benefits of the GI product.

There are still many gaps with regard to : proper storage, value addition, packaging, branding, marketing, advertising and promotion of Navara rice. The sole Authorised User has brought this to the notice of the concerned Government authorities for the last 5 years by way of letters, but response on these matters has not yet been received. Relevant authorities need to intervene and interact with the last generation of farmers, in order to prevent this crop from being extinct.

The said GI has not registered for itself a logo which can be used as a GI mark for the GI product. This needs to be filed at the earliest to benefit not only its branding, but also acts as a certification mark for genuine Navara rice.

### 3.4.9 Need to address Existing Gaps

The Government (Central and State) can provide schemes, support, incentives and programs to protect traditional rice varieties from Kerala. It also needs to support in providing better seeds, uninterrupted power, health schemes for labourers, irrigation facilities, pest management, training on farming techniques / upgraded technology, supply chain management, logistics, lucrative finance options, etc. Recently, the State Government has announced a scheme<sup>101</sup> to enhance production and to sustain rice cultivation by increasing productivity to around 3.3 MT / Ha by the end of the year on an allocation of Rs. 5500 lakhs. Under this scheme, various steps are laid out for sustaining and improving rice cultivation in the State including traditional varieties of rice, such as Navara Rice. Through this scheme, cultivation of Navara Rice, will be promoted in an area of 35 ha. in the districts of Thrissur (2), Palakkad (23), Wyanad (5) and Kannur (5) and the funds allocated for it is Rs. 3.5 lakhs.

Government should look to promote “Navara Farm clusters” for GI tourisms, which will increase the socio - economic status of the GI producing area.

Training on branding and promotion of GI in India and international arena has to be imparted to not only the registered proprietor, but also to all authorised users, practioners, traders / dealers / vendors, in the supply chain to boost sales and stop infringement of GIs.

A national level panel on GI on a PPP mode needs to be created to help stakeholders on post GI hand holding with enforcement support services.

State Government should roll out new schemes for GI producers on exports and domestic sales.

Lastly, the State department of Organic Farming needs to encourage the farmers to register themselves under the ‘Organic Farming’ schemes which provide financial assistance, technical assistance, knowledge sharing and any related assistance, for farmers to sustain themselves on a continuing basis.

<sup>101</sup>Circular dated March 23, 2017 issued by the Directorate of Agricultural Development and Farmers Welfare Department under the ‘Comprehensive Rice Development Scheme 2017 – 18’ [http://www.keralaagriculture.gov.in/APS\\_2017-2018/wi\\_2017\\_pdf/26519\\_2017.pdf](http://www.keralaagriculture.gov.in/APS_2017-2018/wi_2017_pdf/26519_2017.pdf)



### 3.5 CASE STUDY - MAKRANA MARBLE<sup>102</sup>

In our country, the one famous marble name is Makrana Marble, which is available in the Krishnagarh region,<sup>103</sup> State of Rajasthan. The marbles of Rajasthan are in various colours and shades. The Makrana area is famous for pure white crystalline marble. Other varieties found in Makrana area are : Albata, Adanga, Dongri Pink, etc. The marble from Rajsamand area is mined extensively. It is off-white and greyish white.<sup>104</sup> With nearly 600-800 mines present, the place offers a huge market potential for various companies.<sup>105</sup>

The quality of marble stone obtained in this region, is believed to be one of the best in the world. It retains high grade polish for a very long time and the presence of impurities is in very negligible quantities. These can be evidenced by some of the ancient monuments built from this stone, are traced back to the 17th Century when the 'Taj Mahal' was constructed and in the construction of the Victoria Memorial at Calcutta in 1900. Both these buildings have not lost their luster and shine in spite of them being many centuries old. These are standing examples of the fact that Makrana Marble has withstood the vagaries of nature over a period of many centuries.

Makrana Marble is calcitic marble from the Makrana and Parbatsar Tehsils (Makrana Region) of Nagaur District of Rajasthan, in India. It is considered as one of the best marble in the world, which retains its shine which also increases during its life. This is because the calcium carbonate content in it is more than 98% and the presence of various impurities and other constituents such as magnesium oxide, iron oxide, silica, alumina, sulphur, etc are less than 2 %. The Makrana Marble known for its purity, colour and grain quality and has been regarded as the one of the best marble for carving and sculptural work. This marble has been quarried in the Makrana region of Nagaur District of Rajasthan in India, for centuries.

Further, in view of its water absorption capacity being minimum among all calcitic marble, Victoria Memorial at Calcutta has been unaffected by the salty sea winds. This is because as mentioned earlier, Makrana Marble comprises of about 98 % of the calcium carbonate and presence of impurities / other constituents such as magnesium oxide, iron oxide, silica, alumina and sulphate are less than 2 % and accordingly, it retains its white colour (original colour) and the shine increases through use.

In Makrana Marble, due to the presence of various impurities and other constituents such as magnesium and iron content, which is negligent, the shade / colour varies from pure shades of white to white with grey / pink shades across. It retains its white colour (original colour) for hundreds of years, while other marble stone change colour from white to grey, black or yellow shade due to the oxidization of magnesium and iron respectively over the years to their respective oxides.<sup>106</sup>

Further, another factor which leads to the continuous shine is the close interlocking of grains, which is yet another unique feature of Makrana Marble. This interlocking of grains also gives it strength, hardness and translucency. It retains its high grade polish for a very long time and this is evidenced by some of the ancient monuments built from this stone such as the 'Taj Mahal' (1631 – 53 AD). Hence, it is known for the best quality monumental marble.

102 Secondary research through data available in various journals, websites of respective authorities, online sources, etc.

103 Indian Minerals Year Book 2015 (Part III : Minerals Review), 54th edition, Govt. of India, Ministry of Mines, Indian Bureau of Mines, Nov. 2016, p. 35 – 2; [www.ibm.nic.in](http://www.ibm.nic.in)

104 Ibid p. 35 – 3,

105 Viswakarma Amit and Rajput Rakesh Singh, 'Utilization of Marble Slurry to Enhance Soil Properties and Protect Environment', Journal of Environmental Research And Development, Vol. 7 No. 4A, April - June 2013, pp. 1479 – 1483;

106 Further details have been included in Annexure 3 as attached.





Its unique features include fine grained, exhibits stable, well distributed colours, pleasing and attractive designs and patterns. White and Albata varieties of Makrana Marble are preferred over other marbles for the best quality monumental marble. As it contains high amount of calcium carbonate, it is chemically different from the other marbles. Accordingly, it does not become yellow due to various external factors and remains white and is long lasting. The chemical structure is so nicely blend that it is very strong, yet easy to carve with the normal chisel.

In India, 90 % of marble is from Rajasthan. Of this, only Makrana Marble from Nagaur District and Sirohi Marble from Sirohi District are the calcitic marbles. All other marbles in India are dolomitic marble, which becomes yellowish after some time period.

In view of their commercial potential, adequate legal protection of Makrana Marble, became necessary to prevent their mis-appropriation, notably, at the national and international level, which led to registration under the Geographical Indications of Goods (Registration & Protection) Act, 1999.

### 3.5.1 Registration of GI

An application for registration of 'Makrana Marble' as GI was filed by the Makrana Rajasthan State Industrial Development and Investment Corporation Area Marble Association, located at Makrana, Rajasthan (Association), on April 09, 2013 bearing GI Application No. 405 in Class – 19 with respect to Marbles (classified under Natural goods). Upon completion of process of examination, the application was notified in GI Journal No. 64 dated Nov. 28, 2014. Upon completion of mandatory period of 4 (four) months of advertisement, the said application was registered on 30th March, 2015 bearing Certificate No. 233.

### 3.5.2 Authorised User

There are no 'Authorised Users' as on date and the association has taken steps for creation of awareness among the producers for registration of Authorised Users.<sup>107</sup>

### 3.5.3 Revenue and Sales

The present rate of marble production from Makrana is about 19.20 million tones per year with annual revenue of Rs. 10,036 crore (€ 1,390,412,856).<sup>108</sup> There are about more then 5.5 million tonnes of deposit presently available.<sup>109</sup>

The present rate of marble production from Makrana is 1.20 lakh tonnes per year with annual revenue of Rs 36 crore.<sup>110</sup>

107 Makrana RIICO Area Marble Association (located at Makrana, Rajasthan).

108 <https://www.indiamart.com/makrana-marble-india/profile.html> last visited on May 15, 2017 and <http://janpratinidhi.com/Makrana-4908/About> last visited on May 20, 2017.

109 As stated in the GI application.

110 <http://janpratinidhi.com/Makrana-4908/About> last visited on May 20, 2017.



Prior to GI registration, the annual production<sup>111</sup> was as follows:

| Year    | Production | Sale Value  | Revenue   | Employment |
|---------|------------|-------------|-----------|------------|
|         | (Tons)     | (INR)       |           | (Nos.)     |
| 2011-12 | 742195     | 4071536500  | 206178000 | 10095      |
| 2012-13 | 747195     | 4471536,500 | 220530000 | 11097      |
| 2013-14 | 744195     | 4824536500  | 260567000 | 11097      |
| 2014-15 | 603570     | 3923205000  | 192910000 | 11000      |
| 2015-16 | 562954     | 4948196500  | 234448000 | 11380      |

Post GI registration i.e., after March 30, 2015, the annual production for the following years was:

| Year    | Production              | Sale Value | Revenue   | Employment |
|---------|-------------------------|------------|-----------|------------|
|         | (Tons)                  | (INR)      |           | (Nos.)     |
| 2015-16 | 562954                  | 4948196500 | 234448000 | 11380      |
| 2016-17 | Data yet to be compiled |            |           |            |

Further, post GI registration, the sale rate of Makrana Marble increased to approximately 10%.<sup>112</sup> This has enabled the producers of the Registered Proprietor to in turn increase the labour wages of their employees involved in various roles of production. Though there is a Government rate of minimum wages required to be given to the labourers, the producers are providing more than the said minimum wages.

### 3.5.4 Employment Generation

At the time of GI registration, it is submitted that about 7000 families are directly involved in the mining of Makrana Marble and about 35,000 families are involved in its transport, processes and sale. On the whole, about 60 – 70,000 families are involved in the entire industry at various stages.<sup>113</sup>

However, it is understood that Makrana is source of employment to at least 1 million people of about 200 surrounding villages, in about 900 mines in the several ranges of the Aravallis.<sup>114</sup> Makrana, along with Rajsamand, is the main centres of marble in Rajasthan. The global marble

111 [www.mines.rajasthan.gov.in/minerals-statistics.html](http://www.mines.rajasthan.gov.in/minerals-statistics.html); as reported by Department of Mines & Geology, District wise Report (Minor Minerals).

112 Information as provided by Mr. Chandan Netra, Ex President of Makrana RIICO Area Marble Association (located at Makrana, Rajasthan).

113 As per the affidavit given by the applicant during GI registration.

114 <http://janpratinidhi.com/Makrana-4908/About> last visited on May 20, 2017. Welfare measures available for those working in the sector relating to the Marble industry are covered under the various schemes announced by the current Government. This is detailed in Annexure 3.



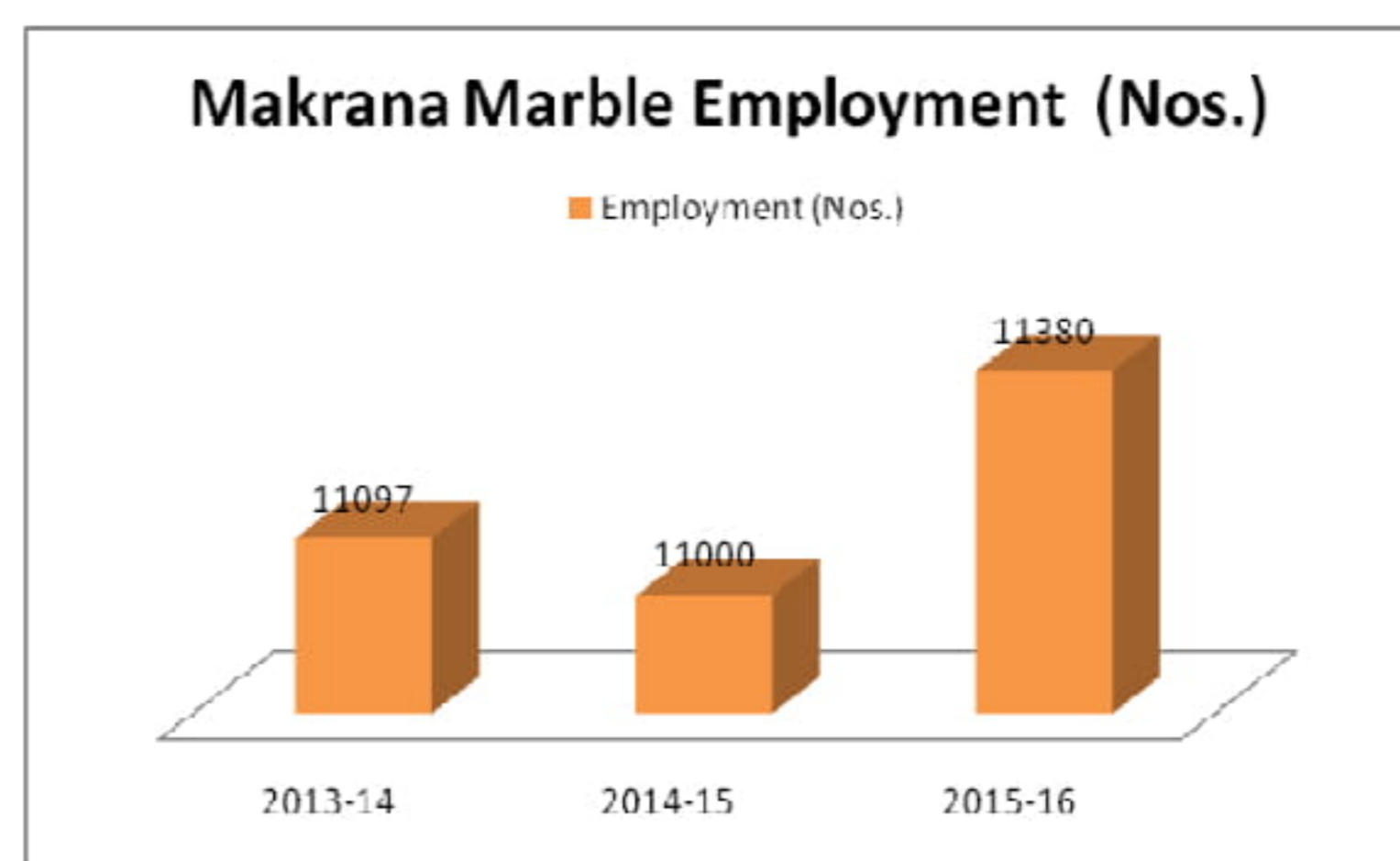
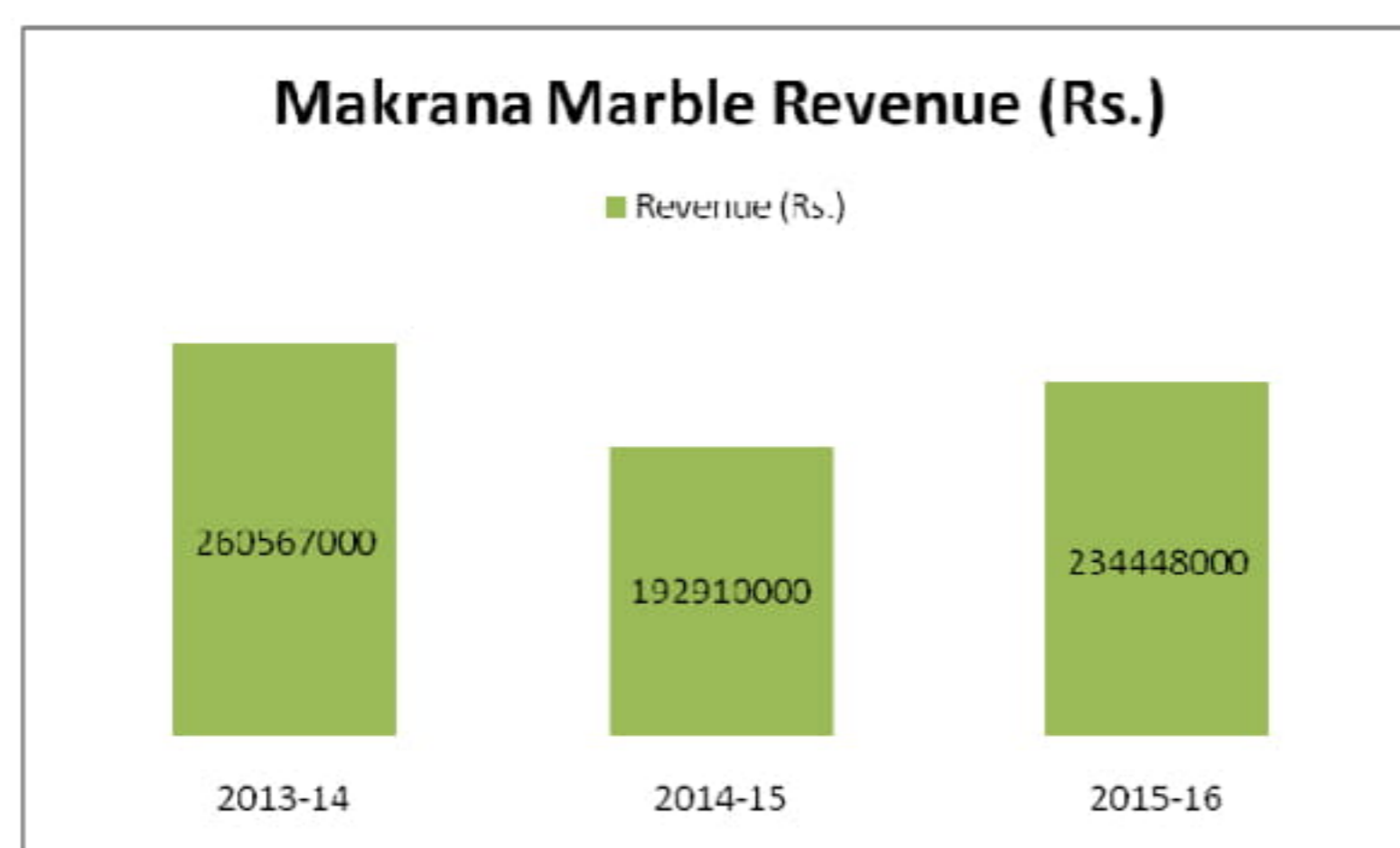
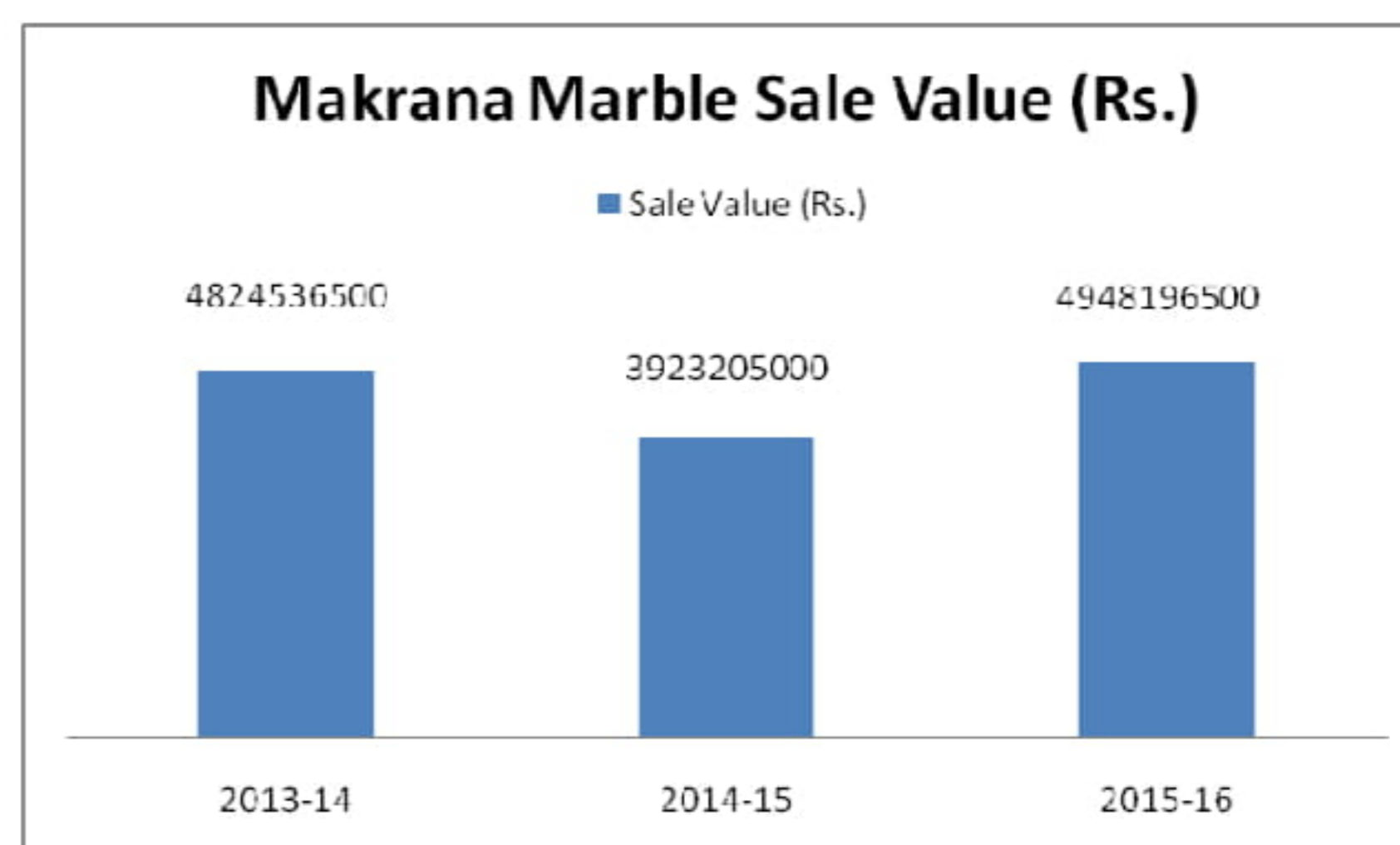
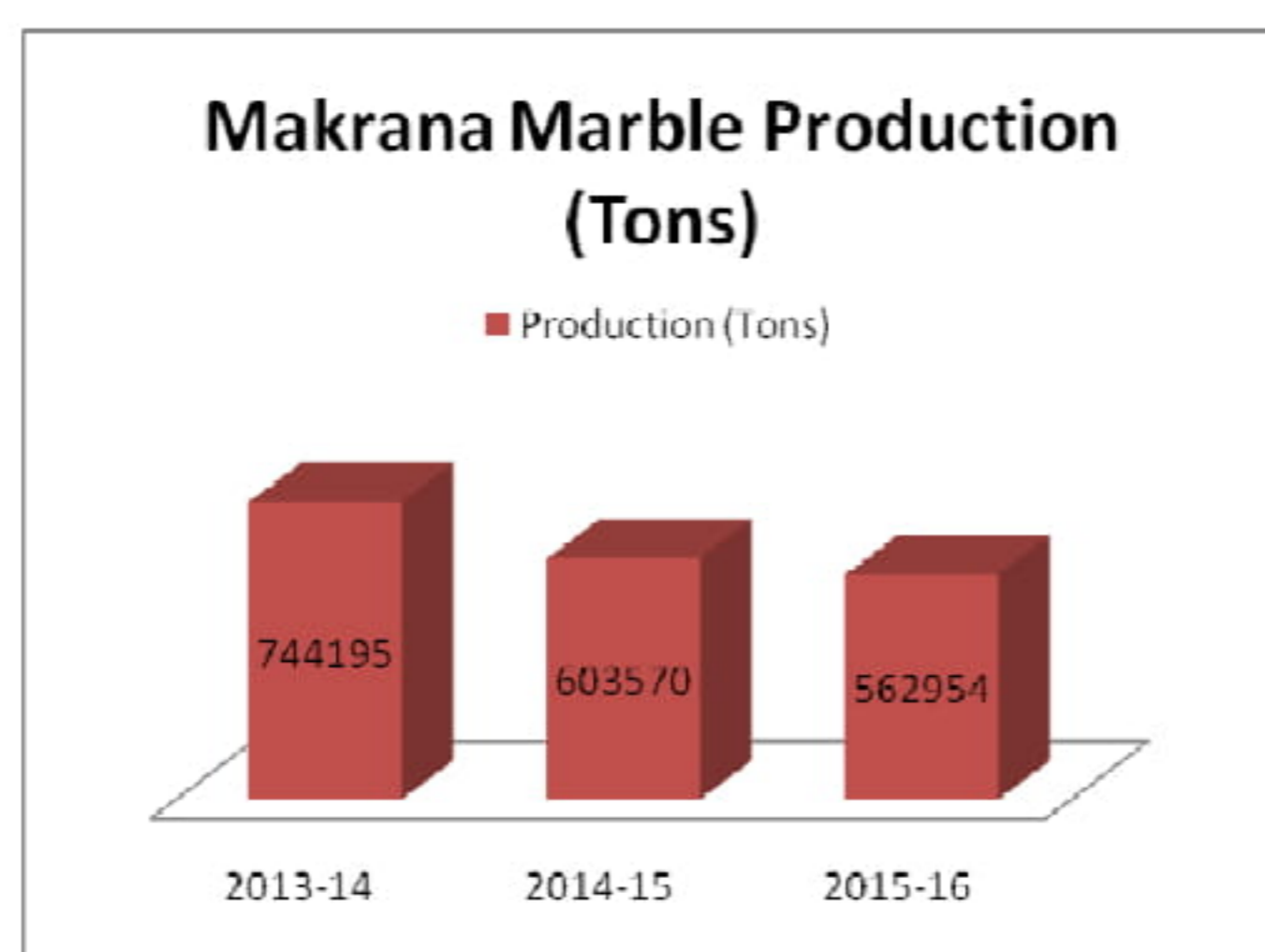
industry has expanded rapidly since 1990s and is expected to grow at more than 8 % per annum in the future. Marble industry is large and is continuously growing with most global producers focused on international trade.

Those employed in this industry operate in various sectors such as in mine operation, factory operation, marble processing activities (such as marble cutting, etc.), trading establishments and handicraft showrooms. Presently, per capita income of Makrana is Rs. 50,000/-, which is much higher than national average of Rs. 46,000/-.<sup>115</sup>

### 3.5.5 Sales, Production and Employment<sup>116</sup>

Since the GI registration has been granted very recently in March 30, 2015, there is no published data specific on the socio – economic benefits as received due to the said GI registration.

| Year    | Production | Sale Value | Revenue   | Employment |
|---------|------------|------------|-----------|------------|
|         | (Tons)     | (Rs.)      |           | (Nos.)     |
| 2013-14 | 744195     | 4824536500 | 260567000 | 11097      |
| 2014-15 | 603570     | 3923205000 | 192910000 | 11000      |
| 2015-16 | 562954     | 4948196500 | 234448000 | 11380      |



115 <http://janpratinidhi.com/Makrana-4908/About> last visited on May 20, 2017.

116 [www.mines.rajasthan.gov.in/minerals-statistics.html](http://www.mines.rajasthan.gov.in/minerals-statistics.html); as reported by Department of Mines & Geology, District wise Report (Minor Minerals).



### 3.5.6 Branding and Promotion

As the Registered Proprietor is an (registered) Association, the GI status (along with logo) is not used by the Association. However, the Association is willing to give user rights to the Authorised Users upon registration. Currently, the members of the association (producers) are promoting and publicising orally the GI registration amongst their buyers and these buyers are now getting aware of the grant of GI status to Makrana Marble.<sup>117</sup> These buyers are also getting aware of the uniqueness and quality of Makrana Marble vis-à-vis other variety of marbles. The Association has put forth their requests for support from the State Government, which is yet to take steps on it.

### 3.5.7 Gap Analysis

The market of Makrana Marble is no doubt growing and has a further potential to grow, especially for overseas markets. All the same, a large part of the community engaged in the industry, is not a part of this registration as there are no authorised user applications.

Though the Association is aware of the “Authorised User” benefits, the Association or the State Government needs to initiate steps to register other community members engaged in the entire supply chain, to obtain authorised user registration first and benefits subsequently.

### 3.5.8 Need to address Existing Gaps

Firstly, a lot of awareness and sensitisation seminars / workshops need to be initiated for all stakeholders to disseminate the information of the GI registration and its benefits.

Secondly, a census need to be done by the relevant government authority to record and document all the community members engaged in this GI. This will assist the concerned authorities to provide any government facilities such as subsidies, welfare measures for this GI related workers, export benefits, etc.

To identify small, medium and large players of Makrana Marble to propagate the benefits of authorised user registration in domestic as well as in international markets.

To also make the purchasers / customers aware of the GI status in all the advertisement media, promotional material, electronic media, expositions, etc.

### 3.5.9 Export of Makrana Marble

Makrana Marble is mainly exported to China, Egypt, Nepal, USA, Hong Kong, Italy, UAE, Saudi Arabia, UK, Turkey, Algeria, Canada, Belgium.<sup>118</sup>

### 3.5.10 Current Legislations

Makrana Marble is under the ambit of the following State and Central laws:

<sup>117</sup> Information as provided by Mr. Chandan Netra, Ex President of Makrana RIICO Area Marble Association (located at Makrana, Rajasthan).

<sup>118</sup> Indian Minerals Year Book 2015 (Part III : Minerals Review), 54th edition, Govt. of India, Ministry of Mines, Indian Bureau of Mines, Nov. 2016, www.ibm.nic.in



*Under State Laws:*

- The Rajasthan Minor Mineral Concession Rules, 2017, enacted Mar. 01, 2017,
- The Rajasthan Minor Mineral Concession (Amendment) Rules, 2016,
- The Rajasthan Marble Policy, 2002.

*Under Central Laws:*

- The Mines and Minerals (Development and Regulation) Act, 1957.

### **3.5.11 Recommendations**

In the case of this registered GI, as on date there is no single authorised user. Hence, steps are required to be taken for the registration of the same to enable various producers to take benefits of the said registration.

### **3.5.12 Summary**

Though the Registered Proprietor has taken initiative to register this natural product / goods as GI, it has not yet taken the potential benefit of the same, either in the domestic market or international. It is imperative that the GI holder promotes this certification in all its business propositions and promotional material and also sensitise its benefits to all stakeholders with the assistance of the State Government, if required.

There is also a need to register all stakeholders as Authorised Users.





## PART IV

# SWOT ANALYSIS OF GI BUSINESS IN INDIA









# CASE STUDIES

## CASE STUDY – SWOT ANALYSIS OF GI BUSINESS IN INDIA

### Strengths:

- The “Geographical Indication of Goods (Registration & Protection) Act, 1999, a Sui Generis act protects all Indian goods, manufactured, natural and agricultural, including those produced from indigenous and marginal communities. Most of them have been a part of Indian culture and tradition for decades, generations and more.
- The GI Act is open, flexible and provides for enforcement. It has provided protection and enhanced the economic contribution of several products such as Darjeeling Tea, Kashmir Pashmina, Basmati,<sup>119</sup> etc.
- This GI Act encourages GI registration to protect IPRs from production of GIs benefitting those involved within the value chain. This has prevented many of the GI products from becoming generic and provided for protection of Indian goods abroad to be able to enter international market, in addition to protecting consumers.
- The GI registration system has encouraged nearly 300+ applicants from marginal communities to file for the grant of GI registration, particularly, to address their problem areas, file for infringement, appeal, etc. This is a certification platform to seek assurance and recognition for their products deriving from traditional knowledge
- The registration system deriving from the GI Act and the GI Rules 2002 requires documenting the origin link of GI goods. This has aided in documenting history of heritage arts / crafts, traditional and endemic variety of food, agriculture, etc. for posterity.<sup>120</sup> The GI system has helped in reviving their sales and putting some of them on international platforms and saved them from getting faded / extinct.
- GI Act, by virtue of providing registration, has empowered indigenous people through social cohesion and integration in trade, particularly women, elderly, youth and people with disabilities, who are not the torch bearers of the ‘Software-IT-Services’ led ‘India-growth-story’.
- The GI status accorded to several of these goods has protected consumers from deception. The consumers’ confidence is greatly enhanced by the rule-of-law, its fairness and ease of access.

<sup>119</sup> Basmati is granted registration on 15 Feb. 2016 in India.

<sup>120</sup> In India, there are many GIs which are not documented properly as some information is orally passed down. Apart from providing information on the origin link of GI goods, other aspects like ‘Method of Production’, etc. are less documented. So in the Indian context, the Indian GI Act is aiding this process for posterity.



- GI attempts at maximising socio – economic benefits by increasing income / employment for the marginal stakeholders and facilitated development of rural communities comprising of small and medium size enterprises. Each stakeholder is a valuable contributor in the value chain.

### Weaknesses:

- Though the GI Act has been around for a decade and half, the Indian GI System is an incipient system where the rural / marginal communities are not aware of their rights under the GI Act and the related duties to be performed. The gaps are to be identified and awareness efforts are required to be streamlined to cater various stake holders in the value chain.
- The Registered Proprietors and Authorised Users are yet to gain the abilities to benefit from such a potential act. Their abilities to act collectively, ability to connect to fast and changing market, ability to embrace market practices is still at a nascent stage.
- There is no legal binding on the Registered Proprietors to bring stakeholders on board as ‘authorised users’ (cause collective action). Accordingly, the present legal framework is inadequate in fulfilling its own objectives. Currently, for several GI goods, there are producers (free riders) who are not registered (‘as authorised users’) and are accessing the same market. This, inaction by ‘Registered Proprietors’ causes unfair competition for genuine, registered authorised users.
- The ‘Inspection Mechanism / Body’ is yet to be functional in many registered GIs. In other words, though the Inspection Body is set up at the grant of the GI registration, there are no rules / regulations for the regularity of their meetings, or their role, or their objectives, etc. With the result, this committee is dysfunctional and defunct.
- Coming from rural and marginal backgrounds, many authorised users know less or little about branding / advertising / promotional activities and thereby are not aware of how to promote the GI status. They are not well – informed of the marketing strategies that is required to show case the registered GIs on different platforms.
- Due to the weakness in the Inspection System / Mechanism, the Code of Practice (CoP) is yet to be set up for many registered GIs even after many years of its registration. The articulation and documentation of a CoP will help the entire value chain of production, in maintaining the ‘quality’ identity and their ‘go-to-market’ efforts.
- Most registered GIs have not registered their product logo with the result that it is not being used as a promotional tool on their products and on their marketing collaterals. Further, as on date, there is no national GI logo,<sup>121</sup> which will certify the registered GI products and this is one of the impediments of the GI system.
- Most collective groups operate in informal set ups such a Self Help Groups (SHGs). For collective benefits, they need to belong to formal and legally recognised entities. Often, a participatory approach is missing amongst all stakeholders for a common vision and strategy for the GI products and for building a collective protection system.

<sup>121</sup> Government has made a call for the GI logo and a GI slogan. Once finalised, this will be notified for usage.



## Opportunities:

- This GI Act deeply resonates with the current Government's policy of 'Make in India' and Skill India initiative. The vision of the current Government is 'Subka Saath, Sabka Vikas' – 'Collective efforts, Inclusive Growth' and work is in progress to synchronise all steps towards this mission, which is also in alignment with the National Intellectual Property Rights Policy.<sup>122</sup>
- The documentation, registration and protection accorded by the GI Act, are a unique and modern way of preserving the cultural diversity and ethnic identity of communities in a globalised market place and yet gain economically in a commoditised world.
- The GI goods could create a higher sense of national pride and strengthen the patriotic feelings of citizens at large, including the producers and consumers.
- The GI Act opens up opportunities to export in traditional and new markets allowing for higher income than possible from domestic consumers.
- The opportunity to build tourism around the GI goods is yet to be exploited to its potential. GI System is a tool to promote local / regional tourism in the GI area which will ultimately benefit its stakeholders of the registered GIs. Each State can promote tour circuits entailing the textiles, handicrafts, agricultural and horticultural produce (like GI registered wines), manufactured goods (like registered local delicacies, cuisine), etc.
- Urban India is faced with a challenge of ever increasing migration from villages. In this regard, economic opportunities created by strong rurally produced GI goods, could greatly alleviate the pressures of Urban India.
- NGOs augment as partner channels to assist producers with their rightful due and further promote and patronise GI products.
- The confluence of unique product quality and geography is an opportunity not just for producers and consumers, but also an opportunity for NGO's, civil society bodies, Corporate Social Responsibility programs of corporate India to economically strengthen the underprivileged rural and marginal citizens of growing India.
- Intelligent and pro-active actions by various stakeholders to the GI goods help producers to meet expectations of a modern urban market (including international markets) and yet preserve the cultural and traditional identity of the community producing the goods.
- A platform to bring on board all fragmented stakeholders to share good practices amongst themselves which are sustainable and eco friendly for the common good in the value creation process, thereby strengthening a collective enterprise.

## Threats:

- Government departments hold most registered GIs viz., agriculture, horticulture, textiles, handicrafts, etc. These departments have not registered a single Authorised User for more than a decade of grant

<sup>122</sup> Released in May 2016.



of GI registration. These departments are often poor at taking commercial and business decisions. When producers of the goods are the 'actual' owners of the GI, their decisions are more likely to be economically sound.

- By not enrolling more and genuine 'authorised users' under the GI system, it gives scope for a parallel market of spurious goods to exist. All producers who conform to the quality standards as 'authorised users' either to be registered or restrict them from participating in the same market.
- The Government often walks a tight rope in enabling a modern India, while preserving the cultural and rural livelihood. Policies that promote industrialisation and automation are often counter-productive to the interests of handicraft and minority groups (which may or may not be registered).
- Often, the marginal and rural communities engaged in the production and business of GI goods need more than legal protection. Access to financial support by way loans, credit etc., access to market oriented policies and programs, would further the potential. Lack of such support defeats the economic opportunities created under the GI Act.
- Absence of a strong enforcement mechanism to identify, deter and punish infringers takes away the seriousness of the provisions of the GI Act. Urgent attention is required to the communities' ability to act as custodians or to support them in this necessity by creating an active external enforcement mechanism.<sup>123</sup>
- Lack of avenues to have civil society bodies and corporate participation by way of 'CSR activities' to be a part of the 'GI protection enabled economic growth' in the long run, is leading to slow adaptation and severe resource limitation.
- Lack of Governmental (or private) assistance in terms of technical and financial support, is constraining producers to depend on agents / middlemen for finance and raw materials, leading to increase of debts and financial liability.

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<sup>123</sup> The GI Act as such provides for penalties and imprisonment for infringement. However, as on date, there has been no implementation. Also, when the Inspection Body is strong and is serious on quality parameters, then there must be internal deterrents for various stakeholders.



## PART V

# RECOMMENDATIONS AND CONCLUSIONS







# CASE STUDIES

## CASE STUDY – RECOMMENDATIONS AND CONCLUSIONS

### Recommendations:

The GI Act is a powerful tool to fulfil India's socio-economic development objectives and initiatives taken by the current Government such as 'Make in India' 124, 'Skill India' 125, and 'Sabka Sath, Sabka Vikas'.<sup>126</sup> By promoting programs designed around these slogans, steps are being taken to boost development for national / domestic / regional / local / indigenous products as produced or manufactured in India.

The initiative relating to 'Sabka Sath, Sabka Vikas', though focuses on development of all sections of the society, is apt for the progress of GIs in the rural areas as it focuses on community development.

For example, the initiative relating to 'Make in India' campaign is to not only facilitate investment, foster innovation, enhance skill development and build best in class manufacturing infrastructure, but also protect intellectual property. This is also to boost entrepreneurship in India. So, in that context, GIs support and protect local production (as opposed to global production), generate local employment and are mostly untouched by industrialisation, originating in villages or small towns.<sup>127</sup> The tag of 'Make in India' itself relates to GI branded goods that are produced locally or regionally.

In addition to these initiatives, India is committed to development under the UN SDG's particularly to world sustainable development, inclusion of marginal / indigenous communities in trade. From the perspective of National IPR Policy of India, commitments under UN SDGs, and various other Government initiatives, the socio-economic benefits for all stakeholders are obvious because of the GI Act.

All the same, these socio-economic benefits are not sufficiently evident as stated in this research project. Based on the research study and the case studies prepared, the following key action areas are recommended to maximise the potential socio-economic benefits that will deeply impact the Producers and Consumers:

124 [http://www.pmindia.gov.in/en/major\\_initiatives/make-in-india/](http://www.pmindia.gov.in/en/major_initiatives/make-in-india/)

125 <http://www.skilldevelopment.gov.in/>

126 This translates as 'All of us, progress together' <http://pib.nic.in/newsite/PrintRelease.aspx?relid=136738>

127 Latha Nair, 'Making India GI Brand Conscious', The Hindu, March 17, 2016 <http://www.thehindu.com/opinion/op-ed/comment-article-by-latha-r-nair-making-india-geographical-indications-gi-brand-conscious/article14158353.ece>



### To reinforce the GI identity as a Social Asset

- Central to the GI as an IPR tool, is the fact that a community of people hold it. Potential socio-economic benefits would be tangible among the community when the members initiate collective action. A Code of Practice (CoP) may be agreed upon that ensures collective production and marketing.

Ideally, the community should be articulating a CoP, right from the stage of registration, to ensure that a common identity for the product is established and the resources necessary are shared. The CoP could be a guideline to include Producers and stakeholders to the value chain in enhancing the business of the product. This CoP may be vetted and supported by the GI Registry or relevant Government bodies that carry a mandate to support the community or product.

- The GI registration system is currently flexible to facilitate easy registration of GIs. However, the law and rules must ensure a clear definition of GI quality characteristics attributable to its origin and in connection to measurable indicators for official certified inspection as the means to: (i) protect consumers, (ii) ensure marketability and returns from GI corresponding premium prices, and (iii) provide for feasible means to maximise the potential socio-economic benefits.

It is observed that the quality (identity) of the product is articulated and recorded in either of the following phases: (i) during the submission of the GI application, (ii) during the pending of the said registration, (iii) prior to the grant of the GI status. Therefore, to establish GI's genuineness, authenticity and quality parameters, it is recommended that the scope of quality criteria be defined.

- Currently, the mechanism by which the Producers shall be monitored is seldom articulated and even less practiced. Hence, for the maximising the socio – economic benefits of the GI, they must create and exercise an active, stringent and quality based regular inspection mechanism to build consumer trust. Such a monitoring mechanism among the producer community will help address issues of 'pass-off' and fake products in the market and address such 'infringement' incidents. In this regard, to ensure an adequate inspection system, the law may be strengthened over time to provide for adequate official inspection bodies.<sup>128</sup> Such a monitoring mechanism will preserve the link between product and territory.
- Within the community of producers, there is a significant number of relevant stakeholders who are not recognised (granted status of Authorised User) under Part B of the GI Act, either because the Registered proprietors do not acknowledge them in the sense that the GI association is not making the effort to ensure a collective action, or because there are pending applications and government support cannot be acknowledged. The Registered Proprietors must be advised (by law or other suitable means) to bring on record, such producers who maintain the integrity of 'Quality of product' and are eligible to be recognised under Part B of the GI Act. Consumers will not value the GI status accorded to the product, if simultaneously there exists in the market similar products with and without GI identification.

<sup>128</sup> The quality inspection could be of a three tier system, which comprises of : (i) a producer internal control to ensure quality and efficiency to achieve best price for value, (ii) GI producers' association quality control as the means to comply with their internal CoP, and (iii) GI inspection from official certifying bodies as the means to comply with the CoP that qualifies for a GI product.





## Government Support and Assistance

- Since various related Government departments have supported the indigenous communities in more than one way under different State and Central schemes, these can be reviewed if there is overlapping of accountability and if these can be centralised to optimise financial resources along with focused departmental effort. This will enable public – private partnership to be implemented in a better manner.
- To benefit from economies of scale, the Government can plan well to provide the required natural resources by forecasting the demand and taking steps to boost the production at source. Prices can be rationalised if the natural resources are more accessible / widely and easily available in the GI area.

Since sourcing raw materials at subsidised rates is often an issue due to the quota system marked by the Government particularly for distribution of yarn (cotton and silk) for weaving, the artisans are constrained to procure them from the open market away from the GI area / territory, which increases the final sale price.

- Though the Government is considering the issue of implementing the GI logo and the GI slogan,<sup>129</sup> this certification may be granted to such of those registered GIs who have completed all the formalities of the GI application including providing details of the working of the inspection body / mechanism, CoP, quality parameters, etc. to be renewed every 3 – 5 years on submission of implemented steps to retain the same.<sup>130</sup>
- Though the Textile Ministry has announced a telephone helpline 131 for all India weavers <sup>132</sup>, more helpdesks can be created in each category such as agriculture, handicrafts, etc.
- Presently, there is no specific cell which deals with IP or IP related issues in any Government department. Hence, establish specific IP cells more particularly for GIs at related Government departments (along with their vigilance / inspection staff).
- The GI Registry website provides basic details of the products granted GI registration including the details of the Registered Proprietor only. Information relating to the Authorised Users can also be provided. Further, this website may be made more user-friendly to navigate location of stores where the registered GI products are available. This can be made available as a GI repository / data base with classification of GI details and filters to source the same.

<sup>129</sup> <https://www.mygov.in/home/71851/do/> and 'DIPP launches logo contest for Geographical Indications', The Economic Times' dated Oct. 18, 2017 <https://economictimes.indiatimes.com/news/economy/policy/dipp-launches-logo-contest-for-geographical-indications/articleshow/61130468.cms> (last visited on October 18, 2017).

<sup>130</sup> Details for procurement of the GI logo will emerge in due course by announcement from Govt. of India.

<sup>131</sup> As displayed on the website of The Office of the Development Commissioner (Handlooms) <http://handlooms.nic.in/Default.aspx?ReturnUrl=%2f>

<sup>132</sup> This toll-free helpline will enable weavers to lodge complaints with the Minister directly, and also give suggestions for development of the handloom sector. <http://www.hindustantimes.com/india-news/smriti-irani-announces-textile-ministry-helpline-for-weavers-to-conduct-census/story-LFcnqoZ6P4B4ejHiwrLOXK.html>



### Capacity Building and Training of Stakeholders to maximise potential socio – economic benefits

- Conduct of ongoing training and skilling to all stakeholders is necessary in areas such as branding, promotion, gauging market potential both domestic and international, best practices in the respective industry, setting quality criteria, setting up of inspection processes, obtaining and maintaining relevant certifications processes, understanding export exposure, etc. The current level of support on these matters needs be increased many folds.
- Several government departments at Central and State level such as The Office of the Development Commission of Handicrafts and Handlooms, GI Registry, Universities<sup>133</sup>, colleges, etc. are already conducting regular awareness, sensitisation, and promotion. GI Registry, on invitation, is one of the few departments that are participating in the GI exposition and exhibition activities overseas.<sup>134</sup> Further, under the aegis of the GI Registry, there have been GI workshops conducted with the assistance of WIPO<sup>135</sup>, non-governmental organisation such as Consortium for Women Entrepreneurs of India (CWEI)<sup>136</sup>, etc. In India, these workshops / seminars can be customised to cater to certain specific stakeholders within the value chain for enhanced understanding of their roles and possible contributions. For example, customised task oriented training programs for traders, exporters, and raw material suppliers, for enhancing the socio-economic benefits to all stakeholders.

### Marketing and Promotion Support

- GIs promote cultural identity of local and regional communities, which in turn may contribute to promoting cultural diversity, as they frequently relate to local and traditional knowledge of the region where the products are made. At all cultural festivities, at local and regional levels, it's an opportunity to highlight the registered GI of the area to promote the continuation of traditional manufacturing techniques, which would otherwise succumb to the competition of mass production techniques.
- Relevant information through homogeneous labelling about GI product can be provided on the packaging to protect interests of Consumers from deception and confusion, such as its geography, uniqueness, characteristics, quality, etc. may be provided. This will also protect genuine Producers from free riders from within India and overseas as enforcement will be easier for authorities.
- The quality criteria can be further enhanced with possible additional certifications. For example, such of those GIs which manufacture silk products can further certify their products by obtaining the 'Silk Mark' registration, or the 'Handloom Mark' for hand made products, or the 'Craft Mark' for handmade crafts. This will further guarantee the quality of the GI products.
- Quality identity description of the GIs can include information about the safety of the products

133 [http://www.tezu.ernet.in/tuipr\\_cell/activity-2016-2017.php](http://www.tezu.ernet.in/tuipr_cell/activity-2016-2017.php)

134 India participated in the Thaifex World Food Festival [International Trade Exhibition for Food & Beverages, Food Technology and Retail & Franchise in Asia] held in Thailand in 2017. Earlier, India also participated in First-ever Exhibition on Geographical Indications of India under 'Make in India' at WIPO, Geneva during October 2015 <http://www.pmindiaun.org/pages.php?id=1181>

135 [http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=17662](http://www.wipo.int/meetings/en/details.jsp?meeting_id=17662)

136 <http://www.cwei.org/activities1.html>



(particularly in the case of food products or toys using safe and natural colours or textiles using eco-friendly and natural colours), the practices that went into its manufacture, the impact of it on the environment, including the labour practices used (declaration that child labour is not used) and overall human rights that went into it. For example, in order to project the registered GIs as being sustainable and having less impact on environment, the stakeholders can also seek registration of 'Eco Mark',<sup>137</sup> particularly to fulfil requirements of the export markets. This shall be useful in the case of Pochampally Ikat, the colours / dyes used can be environment friendly to promote health safety for consumers.

- More GI exhibit centres on the lines as already set by the Delhi IPO office, can be promoted to create GI awareness amongst the public in each State capital. To begin with, these exhibits can be set up in the capital of the first five highest ranking states such Bangalore (Karnataka), Chennai (Tamil Nadu), Hyderabad (Telangana), etc.
- Regional / local reputed personalities can be good State and National Ambassadors for promoting GI products. For Pochampally Ikat, the regional actress of Telangana Ms. Shilpa Reddy inaugurated the 'Pochampally Ikat Art Mela' in 2015.<sup>138</sup>
- The electronic and social media are a great source of information to modern consumers. Except Navara Rice and Hyderabad Haleem, GI associations of producers of most other case study do not highlight their GI status online, i.e. on their website and social media. Hence, electronic media including online / e-commerce platforms, which trade GI products, to be encouraged to improve advertisement and promotional activities.
- Some registered GIs are held by state bodies such as Departments of Agriculture, Departments of Handlooms, Departments of Handicrafts, Departments of Textiles, State Universities, etc. Currently, it is observed that these departments have exhibited inadequate efforts in promoting the GIs owned by them and hence, each of these bodies need to undertake steps to advertise and promote the GIs owned by them on relevant platforms on an ongoing basis.
- GIs also have positive spillover effects on the GI area. There are ancillary activities that can thrive alongside the growth story of the GIs such as tourism industry including eco – tourism, various services providers of that region, etc. It would be in the interest to the respective State to involve related departments connected with the registered GI

### Creating Investments and Financial resources for GI Products and Producers

- Each of the GI producing community should ideally be 'economically self-generating / sustaining for their business development needs'. In this regard, the Government may consider of inviting participation from corporate and / or private players for attracting investments for protecting and preserving GIs : right from the initial stages of studying the feasibility of registration, protecting

<sup>137</sup> It's a scheme of labelling environment friendly products. The scheme was launched by the Ministry of Environment and Forests, and is administered by the Bureau of Indian Standards (BIS), which also administers the Indian Standards Institute (ISI) mark quality label, a requirement for any product to gain the Eco-mark label. The Eco-mark scheme defines as an environmentally friendly product, any product which is made, used or disposed of in a way that significantly reduces the harm it would otherwise cause the environment. The definition factors in all aspects of the supply chain, taking a cradle-to-grave approach, which includes raw material extraction, manufacturing and disposal <http://envfor.nic.in/legis/others/ecomark.html> (last visited November 15, 2017).

<sup>138</sup> <http://www.cinejosh.com/gallery-thumbs/23134/8/0/1/shilpa-reddy-at-pochampally-ikat-art-mela.html>



them by registering the same and preserving them through collective action on an ongoing basis with an aim to ensure self – generating and achieve sustainability. Where any assistance is provided by Government schemes, the progress of sustainability needs to be monitored on a regular basis to check the impact of the assistance given. In this regard, the respective government department can undertake impact assessment studies of its own schemes on the socio – economic development deriving from GI registration, to enable itself to improvise its policies.

- Provide financial support and commercialisation of GI assets through links with financial institutions (like rural banks, co-operative banks, etc.), venture capital funds, angel funds, crowd funding and seed funding.
- Government has ear marked financial resources for training and skilling, upgradation of technology, etc., it would be in the interest of both the Government and the beneficiaries to increase quantum of funds and number of interventions to enable the second generation of stakeholders be market ready. This will reduce the migration of skilled artisans to abandon their profession for unrelated jobs as it is the case with the weavers involving Pochampaply Ikat.

### Enforcement Enhancements

- Cell for IPR Promotion and Management (CIPAM)<sup>139</sup> has its dedicated website mentioning all IPR activities including GIs. There is also information relating to ‘IPR Enforcement – A Toolkit for Police’.<sup>140</sup> This kit provides information more specific to trademarks and copyrights. Accordingly, general information on GIs (including criminal offences and enforcement aspects) can further be added to it for creating better awareness amongst the Police as well at the public. CIPAM also has its social media presence viz., on Facebook <sup>141</sup> and on Twitter <sup>142</sup>, where it is already disseminating information on registered GIs.
- As on today, though the deterrents are provided under law, these have not yet been evoked in the case of infringements of counterfeits. The enforcement body which is the police and customs authorities can regularly be invited for stakeholder meetings to appraise them of any imitations and look-alikes floating in the market. Stringent steps can be initiated to counter these fakes and simultaneously, the public can be informed of the fakes so available in the market vis-à-vis the genuine ones on various websites (Government and private entities) and social media.<sup>143</sup> On similar lines, there can be an enforcement wing involving the local police with the customs authorities in case of counterfeit GI products being imported into / exported out of the country.<sup>144</sup>

<sup>139</sup> Cell for IPR Promotion and Management (CIPAM), is a newly constituted body under the Department of Industrial Policy and Promotion (DIPP) launched on October 24, 2017. [<http://cipam.gov.in/> (last visited on October 24, 2017)]. Presently, CIPAM has its own website and apart from information on various IPs, there’s a dedicated page for GIs viz., <http://cipam.gov.in/geographical-indications/> (last visited on October 3, 2017).

<sup>140</sup> [http://pub.flowpaper.com/docs/http://cipam.gov.in/wp-content/uploads/2017/10/IPR\\_EnforcementToolkit\\_06January2017.pdf](http://pub.flowpaper.com/docs/http://cipam.gov.in/wp-content/uploads/2017/10/IPR_EnforcementToolkit_06January2017.pdf) (last visited on October 3, 2017)

<sup>141</sup> <https://www.facebook.com/cipamindia/>

<sup>142</sup> Twitter handle is @CIPAM\_India.

<sup>143</sup> This can be on the lines of the EU Observatory (as hosted by EUIPO) which has a database to stimulate public and private collaboration on illegal trafficking of goods <https://euipo.europa.eu/ohimportal/en/european-observatory>

<sup>144</sup> In case of illegal trafficking of goods across borders where the border police / officers is / are involved as covered under the relevant laws viz., (i) Section 11 of the Customs Act, (ii) Notification No. 51 / 2010 – Cus and (iii) Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.



- As on date, there are no qualified and trained police personnel to specifically look into matters relating to IP infringements.<sup>145</sup> It is recommended that every State Police Headquarters can have a separate IP cell to look into specific IP counterfeit matters including those relating to GIs.

Actions, programs, and interventions based on above recommendations would go a long way in transforming potential benefits to tangible development and fulfilment of National objectives, namely - 'Make in India', 'Skill India', and 'Sabka Sath, Sabka Vikas'. By transforming potential benefits into tangible development among communities, India's commitment to UN SDG's shall be a beacon of hope to many developing countries.

## Conclusion:

The GI system of India is still in its nascent stage though some of the products have been registered, the full potential of its benefits is yet to be realised by the respective Producers. Whereas the GI products of EU have been protected under various international agreements since the 19th Century and as on date, it has granted registrations to about 3400 products under the EU scheme of PGI and PDO.

The regulatory framework of GIs, though primarily focused on protecting the GIs, is currently concentrating more on registrations across India. The main objective of this is to protect GIs against the misuse of the names by unauthorised users, nationally as well as internationally.

GIs promote the preservation of heritage, culture, indigenous knowledge, local know-how, bio-diversity and natural resources. When these are leveraged optimally, the working of GIs present a unique opportunity and a platform for converging different players in the value and supply chain including but not limited to Producers, Government bodies, NGOs and Consumers too. For this movement to be effective, a participatory approach involving inclusiveness is a key element to its success.

It is seen through this study that the collective dimension is a very important factor for managing common pool resources, whether these are natural resources or human skill. The findings of the study are that collective efforts are needed to build up and sustain the GI product, followed by monitoring the quality of it to maintain its reputation. To benefit from economies of scale and leverage the limited resources optimally, the Government may provide assistance in the form of incentives, training and skilling, technology transfer, assistance in promotional and marketing activities, etc. and also simultaneously strengthening the enforcement mechanism.

The registration structure needs to simultaneously focus on the need to maintain the quality and reputation of these GI products. The key element to preserve the premium value of GIs is the quality control, keeping up with its uniqueness and reputation of the product. One of the weak links in the GI Act is the propelling of strong compliances in the inspection structure or mechanism.

Providing quality assurance and promoting consumer welfare, is central to the success of any GI regime across the world, particularly found in the EU model. The symmetry of information can be restored by

<sup>145</sup> Recently, Telangana Intellectual Property Crime Unit (TIPCU) was launched sometime in June 2016 as India's first unit to deal with the Intellectual Property Crime. It is set up under the cyber crime wing of the CID to deal with complaints pertaining to online piracy particularly illegal download and spread of movies. Other aspects of IP violations will be brought under its purview gradually. <http://www.thehindubusinessline.com/news/national/intellectual-property-crime-unit-in-telangana-soon/article8607918.ece>



providing relevant and necessary product information on the product's quality and reputation at the time of labelling and packing.

Since the GI Act is in its incipient stage, an exercise with different Stakeholders is required to be conducted on an ongoing basis, by addressing various critical factors that sustain the development of the GI. Also leading the success of any GI would be its collective dimension which would potentially result in social cohesiveness. This ultimately is a way forward for sustainable development through collective benefits.

There are many challenges the Indian GI system is facing today and this could impede the ability of the framework to harness the potential socio – economic benefits and these can be possible by taking into consideration the agenda set out under the UN SDGs. For its success, collective dimension with adequate incentives, will indeed instil assurance for the Producers to be confident of a premium market and Consumers to be entitled to a high quality authentic GI product.

Potentially, the GI registration is capable of taking the collective benefits of this community right through the registration system of authorised users, who are key players in speeding up the enhancement of socio – economic in the country.

Overall from this study research, it can be concluded that these are the early years of the post GI registration phase. The socio-economic benefits are strongly connected to GI products and production world-wide. It is well accepted that GI products existed in India prior the registration system. However, this IP registration being relatively new in India, the impact of the post-registration is not yet observable.



