

# PANEL DISCUSSION: Sustainability, Circularity & Net Zero in Handicraft Sector

Greater Noida, 17<sup>th</sup> March 2023

This panel discussion had eminent speakers bring forth and discuss pressing issues concerning the environment today and how the handicrafts industry can work in sync to use resources judiciously to reduce wastage. The interaction was on importance of circular economy, accessing waste and understanding the waste supply chain, using waste to create value through craft, role of the government in the up-cycled crafts supply chain, working with informal workers, innovation, as well as support available.

Mr. Atul Bagai explained the global concept and context of circularity pointing out the ongoing triple planetary crisis : Climate change, Pollution and Change of nature that is impacting the textile industry. Further, while textile is the need of 7 billion people, only 12% of all textile manufactured is recycled, out of which 1% is upcycled. The rest 88% goes to the waste stream.



*Mr. Atul Bagai, Country Head, UNEP, India*

The UNEP's approach here is - Reduce by design and follow a principle of sustainable consumption - Consume less. However, with the ever-rising growth of the fashion industry, the consumption is increasing by the day, hence the need for intervention. He added that learning can be taken from the handicrafts sector that uses traditional manufacturing techniques that are highly sustainable, but with new methods and technology, such sustainable techniques are no longer used. There must be focus on bringing back the traditional methods of production. Mr. Bagai also mentioned, circular economy is part of the G20



discussion of which India is a participant. India has taken steps to set up a circular economy by setting up centres of excellence. NITI AAYOG conducted studies of 11 sectors to plan on how to achieve circular economy. Mr. Atul Bagai is the Country Head for United Nations Environment Programme's (UNEP) India Office.

Ms. Kanika Ahuja outlined the importance of sustainability through circularity and its impact on climate change and the future as such. She brought to the notice of the audience the magnitude of waste that is produced, its management and recycling options as they exist. She informed, how waste is treated has changed drastically with Introduction of EPR (Extended producers responsibility), Polluter pay principle, Single use plastic ban, etc. She added, infrastructure for sustainable production is now in place for practice so as an industry, it must be made sure that the transition to a sustainable future does not cause any collateral damage. Old production practices are getting obsolete which has become troublesome in the context of sustainability. She described how her company is dedicated to creating fashion out of waste. It is very



*Ms. Kanika Ahuja  
President, Plastiskul  
and Founder, LIAFFA*

important to promote such initiatives. The UNEP circular design challenge, retail fairs and exhibitions are helpful in explaining upcycling to consumers. Pricing is a big challenge but more recently, we have seen a trend in consumers who are willing to pay premium price for recycled products. We have engaged in the USA market for 10 years which has been successful from a pricing/profit point of view, she concluded.

Mr. Iqbal Ahmed was of the opinion that going green is not an option for MSMEs but a necessity so businesses must focus on raw material usage and opt for sustainable alternatives like bamboo that has more tensile strength than steel, is malleable and durable; organic cotton in textiles provides immense benefit to the farmer who grows it. The markets for organic cotton and bamboo are expected to grow 10 times in the next 5 years. He informed, it is the goal of the National Rural Livelihood Mission (NRLM) to create 1 million jobs in bamboo production. The govt. is willing to fund supply chains that support sustainable goals.

The NRLM (National Rural Livelihood Mission) runs around 500 common facility centres where local artisans work and look after machinery and equipment. They are seeking collaboration from the private sector. The Ministry of MSME makes it a goal to ensure that the lot size is big enough and the quality is supervised at the common facility centres. "We have been working in Moradabad to convert a coal based furnace into a gas based furnace. So, enabling legislation is the step ahead for change," he added.

Dr. Ambika Sharma, a development sector professional, said, behaviour studies have suggested that consumers are unwilling to switch to sustainable products not because an incapacity to pay but rather due to there not being enough clarity. There are



**Mr. Iqbal Ahmed,**  
*General Manager,  
Foundation for MSME  
Clusters*



**Dr. Ambika Sharma**  
*CEO, Association of  
Business Women in  
Commerce & Industry*

enough urban informed markets that need to be explored. Example - Fab India - 55,000 artisans directly connected to urban markets; Kanpur tanneries are connected with UK buyer platforms where 10-15 companies are purchasing through the platform. In this model, the facilitators are responsible for supply chain. Handicraft exports are up by 28% and buyer platforms could definitely take advantage of such growth, she suggested.

Mr. Ram shared, "we run a buying agency which sources globally. We observed a trend change where textiles move from cotton to materials like viscose, linen, etc. So, major focus should be on sustainable supply chain. It must also be made sure that the factory worker maintains a good work-life balance. The work environment should be supervised regularly to ensure workplace enthusiasm. Recycled polyester cotton can only be claimed to be truly made from recycled materials with appropriate GRS certification and OCS certification. Environment protection - Can definitely be used a claim while marketing."



**Mr. Ram Agarwal**  
*Senior Manager,  
Product Integrity and  
Safety/certification/  
vendor management /  
Color at Li and Fung  
(India) Pvt Ltd*

Dr. Manish Pande is associated with QCI, Ministry of Commerce. He emphasised that buyer certifications must be given out by a 3rd party certifying agency. There must be quality infrastructure to ensure quality. Thereafter, he explained how certification processes works in most countries including India. To ensure that products labelled organic are truly organic one can look into the chain of custody through invoice tracking, he said and added that the need of the hour is to focus on empowering artisans, sustain industrial growth, involvement of stakeholders and recognition efforts.



**Dr. Manish Pande**  
*Director & Head, Project  
Analysis and  
Documentation Division,  
Quality Council of India*

Ways to move forward include, achieving sustainable goals, expansion of coverage of handicraft sector, sustainable implementation of plans, etc. ■