

Leveraging Vocal for Local

Amidst crisis at three different levels - health, economic and climate-change related, 'vocal for local' has emerged as a new course of development. A holistic and robust 'vocal for local' narrative could play a decisive role not only in strengthening rural India but also could feed into India's journey towards the third largest economy in the world.



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Of late, the 'vocal for local' has become a focus of attention for policymakers, and India's policymaking is increasingly geared towards resuscitating economic growth and job creation through this strategy. Policies such as 'Make in India', 'Start up India', 'Skill India', 'ease of doing business', labour reforms, and so on are being initiated and adopted to boost the local or domestic economy. In addition to such efforts by the Central Government, individual states are also offering incentives and promotional measures towards a conducive investment climate to strengthen local economies. But there are many barriers to this goal, including a conventional

set of constraints relating to skills, technology and innovation, finance, infrastructure, marketing, export, and so on. The Covid-19 pandemic and the subsequent intense and prolonged lockdown have accentuated the livelihood crisis in rural areas, which was already reeling with agrarian distress, declining female participation rates, rising youth and educated unemployment, and the disappearance of livelihood avenues. During this pandemic, we also saw millions of migrants walking back to their villages. However, these adversaries have reiterated the role and importance of family and the local economy. The rural households learned to design and adopt a variety of coping strategies in response

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to the pandemic. Local entrepreneurs, especially the women-led, household-based, and SHG-based enterprises emerged as a safety net for the family. In such testing times, 'vocal for local' could be a key driver for a self-reliant India. It is time to build the local economy through the tools of micro and small enterprise and making Indian villages and small town thrive with entrepreneurial possibilities so that people can earn their livelihoods close to their families and their communities.

The Rationale of Vocal for Local

The concept of 'Vocal for Local' saw a resurgence during a speech provided by our Hon'ble Prime Minister on 12 May 2020, which emphasised 'Think Local Go Global', self-sufficiency, and looking into our own neighbourhoods to create local goods with locally available resources. Of late, in the wake of pandemic-led socio-economic crises, the term 'vocal for local' as an emerging development paradigm and a practice has gained currency in India's development planning and policy. The five pillars of the Self-reliant India Movement were economy, infrastructure, governing system, vibrant demography, and supply chain. An attempt has been made by various stakeholders, including central and state governments, NGO, and the corporate sector, to formulate different policies and schemes envisaging 'vocal for local' to address issues of rural transformation, inclusion, and steady recovery. The larger goals are to promote the development of rural areas in tune with Gandhi's vision of being self-sufficient and self-reliant, based on local resources and using decentralized, eco-friendly technologies so that the basic needs of food, clothing, shelter, sanitation, health care, energy, livelihood, transportation, and education are locally met, and the goals of faster and more inclusive growth are realised.

India's emphasis on growth through exports is being bolstered by a focus on domestic demand and a reduction in its reliance on imports from other economies. India is also exploring ways to tap the potential of its huge domestic market, but it will not completely close itself off from the outside world. Therefore, a strategic balance needs to be maintained between self-reliance and opening up. India's vocal for local strategy will reposition the production systems to focus more on demand at home than abroad. This strategy will flourish if both supply and demand, i.e.,



household income and consumption expenditure, get boosted. Because the recovery in consumption has lagged behind production amid job losses and economic uncertainties brought about by the pandemic and subsequent lockdown.

The 'Vocal for Local' strategy is not just about made in India but also about the promotion of local brands, manufacturing, and supply chains and making local products competitive vis-a-vis global brands. The basic ideas of this is to promote and support small firms with limited resources and markets. It was also envisaged that 'Vocal for Local' would sensitise Indians to building an appetite for consuming local products and goods. It can open plenty of opportunities for small industries, handicrafts, traditional artisans, SHG-based enterprises, and so on, which mainly operate on local resource availability combined with entrepreneurial skills and limited market coverage. Entrepreneurial initiatives such as dairy firms, food processing units, hotels and restaurants, bakeries, jewellery manufacturing units, packaging industries, horticulture, etc. can emerge from local resources where people do not require high skill, promotion, or pricing strategies. Such enterprises can expand and scale up by looking into the needs and demands of the local market and also the availability of local resources, i.e., physical, human, and natural. Small firms need to design products that are best suited for the local market. Effective use of local resources will help them fix a competitive price. Small firms also need to design their marketing and product distribution to attract customers to buy their products.

The strategy was also promoted to preserve several indigenous crafts and practices passed down across generations of artisan communities. Crafts and artisans are one of the critical components of the rural non-farm economy. However, the vast majority of artisans operate at subsistence level and in informal work settings. Under Atmanirbhar Bharat, with its focus on vocal for local and products to be made in India and their promotion, there are schemes and programmes by multiple central

Government ministries. The Ministry of Textiles has launched an initiative to set up an e-commerce platform for artisans. The Ministry has tied up with India Post to leverage 4,00,000 Common Service Centres (CSCs), which have been primarily set up to offer government e-services in areas with limited availability of internet and computers, to enable artisans to go online with their products and become competitive.

Framework to leverage 'Vocal for Local'

The 'Vocal for Local' strategy could be an important ingredient of rural development policy to create healthy, environmentally resilient, and economically robust places. A comprehensive profiling or mapping of local resources and demand and supply at the village level should be the starting point of this strategy. The local economy needs to be strengthened by:

- efficient planning practices with strong coordination among various line departments working in the rural areas;
- skill and economic development planning covering the issues and opportunities for strengthening the local economy;
- aligning local plan with national and sub-national development strategy;
- local institutions, such as panchayats in coordination with other stakeholders creating a system of visiting local businesses periodically to discuss their needs, challenges, and opportunities and also helping both aspiring and existing enterprises to get benefits from schemes and programmes.

Local institutions can also help these enterprises to participate in chamber of commerce and other local business organisations' events to build connections with the business community for marketing and networking supports. Local institutions may also design contracting procedures, including incentives or requirements to buy local products and services. A local vendor programme can also be thought of to encourage and help local firms getting government contracts.

The Gram Panchayat Development Plan (GPDP) can play a direct role in identifying sectors, sub-sectors, and activities by their respective business potential and devise a mechanism to prioritise resource allocation, and helping those entrepreneurs and rural artisans who

suffered varying degree of losses during the pandemic times. Special Gram Sabhas may be conducted to flag up and discuss issues of local entrepreneurs and artisans. The panchayat secretariat can play a role of 'hyper local platform' or a 'point of contact' by connecting these entrepreneurs with various government schemes and programmes, and also help them to get access to support measures available on IT-enabled portals or websites. Thus, the Gram Panchayat Development Plan (GPDP) could be truly an effective tool to mainstream entrepreneurship and livelihood challenges in the rural development strategies and overall economic policies. Thus the Panchayati raj institutions, being the last mile institutions can play a significant role, with support from various stakeholders, such as SRLMs, NGOs, CSR affiliates, and create an ecosystem for strengthening this strategy.

A robust convergence framework is required to accelerate 'Vocal for Local'. For seeding and supporting local entrepreneurs, efforts need to be made so that these entrepreneurs get benefited from programmes of multiple ministries and departments such as MUDRA, PMFME, SFURTI, Van Dhan Vikas Kendra, One District One Product (ODOP), Cluster Development Programme (CDP), Common Facility Centres (CFCs), One Stop Facility Centre (OSFC), Producers Companies (PCs) and Farmer Producers Organizations (FPOs). In addition, a special package for traditional artisans and craftsmen under the PM Vishwa Karma Kaushal Samman was announced in the budget 2023-24 to integrate rural artisans with



MAKE IN INDIA
Revolutionising Manufacturing

ONE DISTRICT ONE PRODUCT

One unique product from each district to be promoted

106 products identified

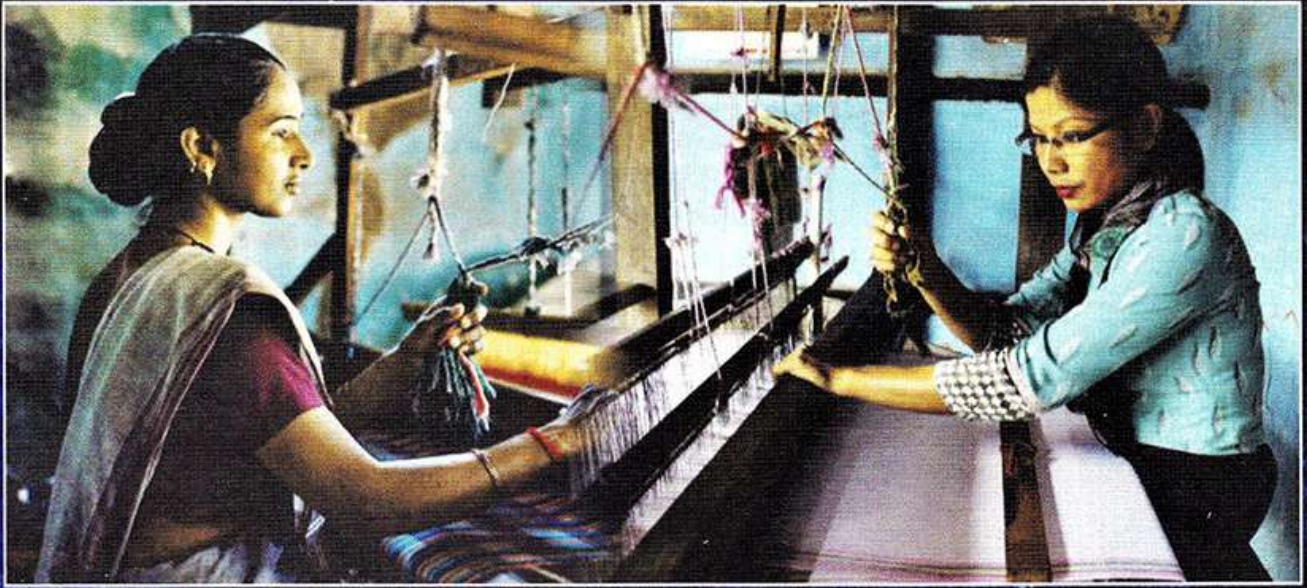
the MSME value chain and enable them to improve quality, scale, and reach of their products. Hunar Haat, the Minority Affairs Ministry's flagship initiative to encourage master artisans, is playing a phenomenal role in making 'Vocal for Local' campaign a mass movement. The Prime Minister in various episodes of Maan Ki Baat has shared stories of local entrepreneurs, which has also created a big impact on 'vocal for local'.

A wide network of extension machineries needs to be created to provide regular and continuous mentoring, handholding, and counselling. Local entrepreneurs need mentoring and handholding not only on business and technical skill but also to deal with various psychosocial problems. Mentoring and handholding services may include digitisation and formalisation, availing of government loans, subsidies, or other benefits, ensuring compliance with local, regional, and national regulation, aiding partnerships with digital marketing platforms and digital payment platforms, etc. We have a large cadre of Community Resource Persons (CRPs) such as Kisan Sakhi / Krishi Sakhi, Pasu Sakhi (Livestock CRP), Doctor Didi, NTFP CRP, Matsya Sakhi (Fisheries CRP), Udyog Sakhi (Value Chain CRP), CRP-Enterprise Promotion (CRP-EP), Bank mitras, e-CRPs, Setu Didi (a change agent-bridging the gap between the services, service providers, and the beneficiaries and whose key responsibilities are making the benefits

of government schemes and entitlements reach their intended beneficiaries), Tablet Didi, Patrakar didi, and so on, implementing rural development schemes and programmes. The success of the CRP-led mentorship model lies on the methodology and curriculum adopted for imparting training to these CRPs. There is a need to improve the training and capacity development of these CRPs with a regular interval to appraise them about changes in the policies and programmes, and also impart them new skills to facilitate them to implement both on-farm and non-farm livelihood programmes more effectively.

Local entrepreneurs are also to be aggressively sensitised about IT-enabled portals, e-commerce platforms, and other digital tools. Adequate funding along with training and capacity development of rural entrepreneurs to navigate smoothly to a digital ecosystem is required. Such digital services may also be provided in Common Service Centres, or Me Seva Centres, or in Panchayat offices. Panchayats should collaborate with other stakeholders, such as officials of SRLMs, MSME-Development Institutes, District Industries Centres (DICs), MSE Facilitation Councils (MSEFCs) operating in rural landscape to leverage on these digitisation efforts. It is also important to enhance the access to information and support for these enterprises, and provide all support measures on a single platform.

In order to become self-reliant, it is essential to concentrate on local business opportunities using local resources, for which providing skill orientation is the need of the hour to improve the quality of the products. The hesitation to buy local products among consumers and the preference for branded and quality products are changing very fast. Vocal for local does not mean not buying products that are manufactured in other countries or stopping imports but rather giving sufficient importance to the local markets and protecting our local economy in such a way that we can be self-sufficient. 'Vocal for Local' is an important component of 'Make in India' strategy, which is designed to facilitate investment, foster innovation, build best-in-class infrastructure, and make India a hub for manufacturing, design, and innovation. 'Make in India' also recognises 'ease of doing business' as the single most important factor in promoting entrepreneurship.




To conclude, the 'Vocal for Local' initiative has the potential to promote self-reliance, boost economic growth, create job opportunities, reduce dependence on imports, and provide a much-needed boost to small, micro, and SHG-based enterprises in the country. However, to leverage this strategy, we have to focus on:

- a) A robust mix of quality, innovation, and pricing;
- b) Preserve and promote local skills and products;
- c) Generation of employment through localised manufacturing;
- d) Establish reliable and independent sources of local raw materials;
- e) Think local be global; and
- f) Usage of resources in a rational and integrated way.

Big Cabinet Decisions 16th August 2023


Promised & Delivered PM VISHWAKARMA SCHEME



₹ 1 lakh loan will be given under the scheme

18 traditional trades covered

To provide Skill upgradation, Toolkit Incentive, **Marketing support**



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