

► **Summary: Rajasthan Natural Stone Strategy 2021-2025**

Sustainably and responsibly enhancing the competitiveness of Rajasthan's natural stone industry with productive employment and decent work

► The strategic context

Rajasthan has abundant resources and varieties of natural stones. If managed sustainably and productively, this asset can generate substantial income for the people through employment in the rural economy, additional revenue to the government, and decent livelihoods in downstream businesses for Rajasthan's growing workforce.

Natural stone is a critical part of Rajasthan's economy. The state's minor minerals sector, of which natural stones are a crucial constituent, generated USD 1.31 billion in revenue in 2017-18. Rajasthan accounted for 18.2 per cent of India's total minor mineral production. The sector is also a significant employer, with over 400,000 people (or 1.5 per cent of households in Rajasthan) earning their primary income from mining and quarrying. Thousands more are engaged in processing, logistics, trade, and other supporting services. Substantial advances in decent work and sustainable production have been made over the past twenty years.

This finite geology of the State of Rajasthan may be converted into cash in the form of incomes to the miner and processing unit workers and enterprises and those involved in the downstream value chain. Significant tax revenue through extraction, processing, transportation, and trading may also be generated. The incremental tax revenue will enable the government of Rajasthan to build necessary transport, logistics and energy infrastructure, not only to support the industry to reduce costs but also to create valuable common public goods. The extraction process may create decent work and benefit from a multiplier effect through upward and downward linkages throughout the value chain and fostering sustainable enterprises.

While most of Rajasthan's natural stone is produced for the domestic market, India's natural stone exports have grown at an average of nearly 8 per cent per annum over the past 20 years, with export revenues nearly quadrupling over this period. India now holds a 9.2 per cent share in the USD 11 billion global export market for natural stone. Despite this growth in output and sales, national export data suggests a 30 per cent decline in unit prices for natural stone in India over the last ten years. There is limited information on the specifics of exports of natural stones originating in the state of Rajasthan.

Buyer preferences in high-value international markets are increasingly concerned with sustainable and responsible sourcing alongside traditional factors such as quality and cost to drive commercial decisions. Leading international buyers state that Rajasthan has a substantial opportunity to increase market share in high-value markets such as Europe and the United States of America by demonstrating sustainable and productive employment and decent work alongside environmental management. International buyers believe that Rajasthan is uniquely placed to meet international buyers' evolving needs in a way that maximizes economic growth, social development and mitigates against ecological damage.

▶ The aims of the Strategy

This Strategy aims to increase the competitiveness and sustainability of Rajasthan's natural stone sector in a rapidly changing global marketplace, and to do so in a way that drives economic growth, supports social development, and minimizes environmental impact.

The Strategy seeks to achieve these aims by bringing together all relevant stakeholders from mines, quarries, and processing units in Rajasthan's natural stone sector – government, enterprises, workers, and civil society – under a single platform with a common set of shared goals to derive long-term solutions for sustainable development of the sector.

Key objectives

- ▶ Accelerate the transition from the informal to the formal economy
- ▶ Grow market share in higher-value international markets
- ▶ Demonstrate to buyers and investors Rajasthan's commitment to sustainable and responsible natural stone production
- ▶ Open new opportunities to businesses of all sizes engaged in responsible and sustainable production
- ▶ Implement labour laws and ensure benefits reach workers
- ▶ Support improved collaboration and policy coherence at all levels: government, industry, workers

The Strategy has been developed with a five-year timeframe in mind, with a phased implementation:

▶ Strategy phases

Phase 1 (2021 – 2022)

- Address immediate and short-term challenges
- Build momentum around broader sector development agenda
- Develop detailed action plans for each strategic goal
- Lay foundations for implementing the action and resource plans
- Data collection on production, employment, revenue, productivity and margin

Phase 2 (2023 – 2025)

- Implement the action and resource plans
- Consolidate the work on resolving short-term challenges
- Activities can be deepened and amplified or adjusted and reworked according to context

► Strategic priorities

The Strategy has been developed by the ILO in collaboration with the Government of Rajasthan and in consultation with employers' and workers' organizations in India. It is based on the in-depth [study of challenges and opportunities for productive employment and decent work in the natural stone mining industry supply chain in Rajasthan](#), which the ILO Sectoral Policies Department and ILO Decent Work Team Technical Support Team for South Asia and Country Office for India conducted in 2020, with the support of the Government of Flanders.

► Strategic priorities

