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PM Vishwakarma Scheme: Empowering Traditional Artisans through Skills, Finance, Formalisation and Market Integration

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Recent Developments:

- The **PM Vishwakarma Scheme**, launched on **17 September 2023**, is completing three years of implementation in September 2026 and has achieved its target of registering **30 lakh beneficiaries**, originally set for the scheme period. The registration milestone was achieved within about two years, significantly ahead of the original five-year implementation period.
- As of **August 2026**, more than **30 lakh traditional artisans** had been registered, while **24.32 lakh artisans had received skill training** and **17.70 lakh had received toolkits**.
- As of **March 2026**, more than **26.7 lakh beneficiaries had completed skill verification**, over **23.7 lakh had completed basic training**, and nearly **5.9 lakh loans worth around ?5,050 crore** had been approved.
- The scheme is increasingly connecting artisans with formal markets through **Government e-Marketplace (GeM)**, e-commerce platforms, trade fairs, exhibitions and the **Udyam Assist Platform**, thereby addressing the traditional constraints of limited market access and informal business operations.

PM Vishwakarma: Concept and Rationale:

Meaning and Core Objective:

- PM Vishwakarma is a **Central Sector Scheme** of the **Ministry of Micro, Small and Medium Enterprises (MSME)** designed to provide end-to-end institutional support to traditional artisans and craftspeople who work primarily with their hands and tools.
- The scheme seeks to combine **recognition, skill development, technology adoption, affordable credit, digitalisation and market access** so that traditional occupations can become more productive and commercially sustainable.
- Its broader objective is to strengthen the **Guru-Shishya parampara** and family-based transmission of traditional skills while integrating artisans into modern domestic and global value chains.

Three Pillars:

- The scheme is structured around **Samman, Samarthya and Samriddhi**, representing recognition of artisans, enhancement of their capabilities and improvement of their economic prosperity.
- This approach attempts to shift traditional artisans from informal and subsistence-level activity towards **skill-based entrepreneurship and formal economic participation**.

Institutional and Financial Framework:

Scheme Status:

- The scheme was approved in **August 2023** with a total financial outlay of **?13,000 crore** for **FY 2023-24 to FY 2027-28**.
- It covers **18 traditional trades** and provides support throughout the artisan's economic journey, beginning with recognition and training and extending to credit and market linkage.

Covered Traditional Trades:

- The 18 trades include **Carpenter, Boat Maker, Armourer, Blacksmith, Hammer and Tool Kit Maker, Locksmith, Goldsmith, Potter, Sculptor/Stone Carver/Stone Breaker, Cobbler/Shoesmith/Footwear Artisan, Mason, Basket/Mat/Coir/Broom Maker, Doll and Toy Maker, Barber, Garland Maker, Washerman, Tailor and Fishing Net Maker**.
- Among these trades, **Raajmistri (Mason)** was identified as the highest-registered trade in official scheme data available in 2025, demonstrating the substantial participation of construction-related traditional workers.

Eligibility and Exclusion:

Eligibility Conditions:

- The scheme is available to **artisans and craftspeople aged 18 years or above** who work with their hands and tools in one of the identified trades and are generally **self-employed in the unorganised sector**.
- The beneficiary must be engaged in the relevant traditional occupation and satisfy the prescribed registration and verification requirements.

Major Exclusions:

- **Government employees and their family members** are excluded from the scheme.
- Persons who have availed specified similar **credit-based self-employment or business loans during the preceding five years** are generally excluded, subject to prescribed exceptions.
- Beneficiaries of **MUDRA and PM SVANidhi** can become eligible where their earlier loans have been fully repaid, allowing successful beneficiaries of these programmes to access complementary support.

Major Components of the Scheme:

Recognition and Formalisation:

- After registration and successful verification, beneficiaries receive a **PM Vishwakarma Certificate and Identity Card**, providing formal recognition to occupations that have historically operated within the informal economy.
- Such recognition can facilitate access to institutional credit, training, government procurement and other formal economic opportunities.

Skill Development:

- **Basic Training** is provided for **5–7 days**, while **Advanced Training** lasts for **15 days or more**, with beneficiaries receiving a **?500-per-day stipend** during training.
- Training introduces artisans to **modern tools, improved production techniques, design innovation, digital transactions, marketing and entrepreneurial practices**, thereby combining traditional knowledge with contemporary requirements.

Toolkit Incentive:

- Beneficiaries can receive a **toolkit incentive of up to ?15,000**, generally provided through e-vouchers, enabling artisans to acquire improved tools and increase productivity.

- The intervention is particularly important because inadequate or outdated tools can constrain both product quality and the ability of traditional artisans to compete in modern markets.

Credit Support:

- The scheme provides **collateral-free Enterprise Development Loans of up to ?3 lakh** in two stages: **?1 lakh in the first tranche and ?2 lakh in the second tranche**.
- The first tranche has an **18-month tenure**, while the second has a **30-month tenure**, with the concessional interest rate fixed at **5%** and Government support through an **8% interest subvention**.
- Affordable institutional credit is intended to reduce dependence on informal lenders and help artisans purchase raw materials, upgrade equipment and expand their micro-enterprises.

Digital Incentives:

- The scheme promotes **digital transactions** among beneficiaries, helping traditional artisans participate in the formal digital economy.
- Digital payment infrastructure and partnerships with payment platforms have been used to facilitate QR-based payments and incentives, with more than **6.8 lakh artisans receiving digital payment incentives by December 2025**.

Marketing and Market Linkages:

- Marketing support includes **quality certification, branding, e-commerce onboarding, GeM access, advertising, publicity, trade fairs and exhibitions**, helping artisans move beyond local and intermediated markets.
- By December 2025, more than **30,000 Vishwakarma beneficiaries had been onboarded on GeM**, improving their access to institutional buyers.
- This component is particularly significant because skill and productivity improvements generate limited economic gains if artisans continue to face weak bargaining power, inadequate branding and restricted market access.

Significance for Indian Economy and Society:

Employment and Livelihood Security:

- Traditional artisans constitute an important segment of India's **informal and rural economy**, and strengthening their enterprises can support self-employment and livelihood diversification.
- The scheme can contribute to **inclusive growth** by directing institutional support towards occupations that often operate outside conventional formal-sector structures.

Preservation of Cultural Heritage:

- Many traditional crafts embody **local knowledge, cultural identity and intergenerational skills** that risk decline when younger generations shift away from traditional occupations.
- By combining economic incentives with skill preservation, PM Vishwakarma attempts to make traditional occupations more commercially viable and thereby strengthen the **intergenerational transmission of indigenous skills**.

Formalisation of the Informal Economy:

- Certificates, identity cards, digital payments, institutional credit and market platforms can progressively connect informal artisans with the **formal financial and entrepreneurial ecosystem**.
- This can improve access to banking, government procurement, formal markets and other support mechanisms.

MSME and Value-Chain Integration:

- The scheme seeks to integrate artisans into **domestic and global value chains**, thereby transforming individual traditional occupations into more productive micro-enterprises.
- Greater access to design, technology, finance and markets can improve product quality, productivity and income-generating potential.

Challenges and Critical Issues:

Access versus Effective Utilisation:

- Achieving 30 lakh registrations is an important outreach milestone, but **registration alone does not establish economic transformation**; sustained improvements in income, productivity, enterprise survival and market access are equally important.
- The substantial difference between registration, skill verification, training, toolkit distribution and credit uptake highlights the need to monitor the entire support chain rather than focusing exclusively on enrolment numbers.

Credit Absorption and Banking Constraints:

- Some artisans may face difficulties in accessing formal credit because of limited financial literacy, documentation requirements, risk perceptions and unfamiliarity with banking procedures.
- Ensuring that sanctioned credit translates into productive enterprise investment requires **financial literacy, handholding and post-credit support**.

Market Competition:

- Traditional artisans face competition from **mass-produced, mechanised and imported products**, while limited branding and weak design capabilities can reduce their market competitiveness.
- Market linkage therefore needs to be accompanied by sustained support for **quality improvement, packaging, design innovation and consumer outreach**.

Digital Divide:

- Digital incentives can improve formalisation, but artisans with limited digital literacy, inadequate connectivity or limited familiarity with digital payments may not fully benefit from digital platforms.
- Digitalisation should therefore be accompanied by **last-mile training and assisted digital access**.

Balancing Tradition with Modernisation:

- Excessive standardisation or mechanisation could weaken the distinctive character of traditional crafts, whereas inadequate technological upgrading can reduce competitiveness.
- The policy challenge is therefore to achieve **technology-enabled preservation rather than technology-driven displacement of traditional skills**.

Way Forward:

From Registration to Sustainable Enterprise:

- Policy implementation should increasingly measure outcomes such as **income enhancement, enterprise survival, productivity, credit utilisation, market access and employment generation**, rather than registrations alone.

Strengthening the Artisan Ecosystem:

- Greater convergence with **MSME formalisation, Skill India, digital public infrastructure, financial inclusion, GeM, e-commerce and export-promotion mechanisms** can create an integrated support ecosystem.
- Common facility centres, design laboratories, testing facilities, cluster-based infrastructure and local branding can reduce individual artisans' production and marketing constraints.

Improving Market and Export Access:

- Artisans should receive sustained assistance in **GI-linked branding, packaging, quality certification, digital cataloguing, e-commerce and export standards**, enabling traditional products to access higher-value markets.

Protecting Intergenerational Knowledge:

- The **Guru-Shishya model** should be strengthened through structured apprenticeships, recognition of master artisans and incentives for younger workers entering traditional occupations.
- This can help transform cultural heritage from a passive preservation objective into a **sustainable livelihood and entrepreneurship strategy**.

Value Addition for UPSC:

Prelims Pointers:

- **Ministry:** Ministry of Micro, Small and Medium Enterprises.
- **Nature:** Central Sector Scheme.
- **Launch:** 17 September 2023.
- **Outlay:** ?13,000 crore.
- **Period:** FY 2023-24 to FY 2027-28.
- **Coverage:** 18 traditional trades.
- **Core pillars:** Samman, Samarthya and Samriddhi.
- **Maximum toolkit incentive:** ?15,000.
- **Enterprise loan:** Up to ?3 lakh in two tranches.
- **Concessional interest rate:** 5%.
- **Training stipend:** ?500 per day.
- **Registration target:** 30 lakh beneficiaries.

Mains-Ready Conclusion:

- **PM Vishwakarma represents a shift from welfare-oriented assistance towards capability-oriented empowerment by combining recognition, skills, affordable finance, digitalisation and market access. Its long-term success will depend on converting high registration numbers into sustainable artisan enterprises, higher incomes, stronger value-chain integration and preservation of India's traditional knowledge systems.**