

# Indigenous Ethnicity and Contribution of Handicraft towards Economy

Raghav Wadhwa

Assistant Professor in Commerce, Dev Samaj Post Graduate College for Women- Estd. 1934, Ferozpur (India)

---

## ARTICLE DETAILS

### Article History

Published Online: 10 October 2018

### Keywords

Handicrafts, economy, market, industry

---

## ABSTRACT

Handicrafts have a customary esteem which holds the ethnicity of a specific district. The abilities to create those items have proceeds with spill out of generation to generation. Despite the fact that in the cutting edge world, the modern item has assumed control over the market still it has the popularity. Handicrafts are a vital profitable sector and export ware for some developing countries and in a few countries constitutes a huge piece of the export economy. The development of international markets for home embellishment items and an expanded enthusiasm for worldwide products have opened up new-market opportunities for artisans. In India, handicraft industry is a noteworthy wellspring of income for country networks utilizing more than six million artisans including an expansive number of ladies and individuals having a place with the weaker areas of the society.

---

## 1. Introduction

Based on the consumption and demand the products of handicraft industries are grouped into three. First is utility crafts - which are comparatively plain products with a purpose to serve for common use. Secondly utility - cum -decorative crafts, which possess ornamental value and their market, is selective. Lastly, art crafts, which are sophisticated and associated with aristocracy where, its production is on the basis of the caste of the artisans and skill inherited from ancestors. The production of handicrafts is in general complicated, involving numerous processes, taking time and labour. This calls the specialization and division of labour, as well as large machines, along with expert and efficient techniques of production. This entails high cost of production in this sector. However, lack of finance and assistance deprive these handicraft units from the benefits of internal and external economies.

In the above scenario, due to the limited holdings on the one hand and absence of an organized production facility on the other the artisans faced difficulties in their occupation. In many instances, they were at a disadvantage in bargaining with merchant traders, who were, dominants of the markets, for credit and services. Gradually the heavy burden of credit compelled the artisans to continue their work under these traders, who eventually, controlled the handicraft industry. It was in this context that the idea of decentralizing the small industries emerged with a view to lessen the problems of artisans. This idea evoked the concept of organizing artisans under the principles of co-operation in order to save them from the clutches of private traders. The co-operative organization could provide many facilities like legal status, advantage of limited liabilities, financial support along with production and 4, marketing assistance. Therefore, with an inherent necessity to organize co-operatives in this field vigorous efforts were taken by the government through the development plans.

Handicraft, also known as craftwork or simply craft, is a type of work where useful and decorative devices are made completely by hand or using only simple tools. Usually the term is applied to traditional means of making goods. The individual

artisanship of the items is a paramount criterion; such items often have cultural or religious significance. Items made by mass production or machines are not handicrafts. Handicraft activity is predominantly carried out in the unorganized household sector. Handicraft artisans/ manufacturers are household members practicing handicrafts activity jointly at their residence, who if need arises employ other handicraft artisans for work. In many regions of the world, handicrafts sector has been identified as the second largest sector of rural employment after agriculture. The handicrafts industry has over the years contributed significantly to the employment and foreign exchequer of the country. It is omnipresent with each state contributing through one or more crafts and has made tremendous progress during the last decade. However, despite the large production base the market at international level is still unexplored. India's share in the world handicraft exports is less than 2%. There is, therefore, an urgent need to raise the share of India's exports from about 2 - 4% of world exports in the next 5 years thereby ensuring that the contribution of exports sector to the growth of the economy is further enhanced.

## 2. Status of handicraft industries

Handicrafts constitute an important segment of the unorganized sector of Indian economy and provide employment to over six million artisans, roughly 1/5th of the total household industries scattered throughout the country especially in rural and semi-urban areas.

The carpet handicraft industry, wood ware handicraft industry and brass handicraft industry has been selected in the present study because these industries generate good amount of revenue through domestic sale and exports, provide employment opportunities to the large number items and is the worst affected industry by global recession.

India's rich cultural diversity and heritage gives a unique and huge resource for creating craft products.

- The Indian Handicraft Industry is indicating consistent growth rate of 20% consistently.

- Handicrafts industry is one of the imperative fragment of decentralized sector in India.
- Real parts of industry operates in rural and semi urban areas all through the nation and has potential Indian and International market with around 67000 exporters to tap the market.

As indicated by the national census of handicrafts, embraced by the National Council for Applied Economic Research the estimation of handicrafts created a year ago were of Rs.26,213 Crore

### 3. Constraints in the handicrafts sector

The handicraft sector in India, despite having economic and social significance, currently faces a number of threats and challenges which hamper its growth. These issues can be tackled through appropriate policy measures as well as developmental activities. Some of these issues have been highlighted in the following sections.

- **High state of decentralization:** Most of the artisans working in the sector prefer to work independently, not collectivized in any formal structure. Hence all their activities are decentralized, minimizing their efficiency and production capacity. This independent working structure has a huge impact on the individual cost of raw material, transportation and other ancillary activities.
- **Lack of access to credit:** At present most of the artisans engaged in the sector are from economically weaker sections, and constantly face problems due to lack of resources. There is a huge deficit between their financial requirement (for daily expenditure & working capital) and their earnings. To meet this deficit they forced to seek credit from local sources-traders and money-lenders, who charge a very high interest rate and have highly inflexible terms
- **Lack of empowerment:** Due to the existence of an unorganized and informal structure in the handicrafts sector, it has lead to high level of dependence of the artisans on external factors for support in various activities in the input and supply chain. These external factors are often found to be the middlemen (usually traders), who exploit these artisans for their own profits..
- **Inadequate raw material input:** At present majority of the artisans source the raw materials available locally (from natural resources, local markets, etc.). Some of these artisans use recycled raw materials (mostly scrap) due to inadequate supply or no availability of good quality raw material. And due to over-utilization of the local resources, the artisans are forced to opt for alternate sources..
- **Inadequate Infrastructure and Technology:** The artisans are still using the age old technology and methods of production, which are highly inefficient. This restricts their production capacity and the quality of output. This is due to the lack of awareness or knowledge about the availability of appropriate tools & technology and other developments in the sector.

- **Limited access to markets:** The demand of handicrafts products in the domestic as well as international market is huge and varied, majorly governed by the buyers demand and requirements. Despite such a high demand, only a fraction of artisans engaged in this sector have been able to utilize this opportunity; while most of the artisans have only been able to access just the local markets
- **Competition from machine-made products:** With the increasing mechanization of the production processes, the markets have been flooded with machine-made products, which were originally handcrafted. The handicrafts sector is facing stiff competition from such Working group report on Handicrafts for the 12th Five Year Plan 32 machine-made products, as these products are cheaper (due to high economies of scale in production) and have a high production output amongst other factors

### 4. Importance of handicraft

- **Strengthening of Rural Economy:** Crafts in India have remained largely an integral part of daily life, meeting the material, ritualistic and aesthetic needs of the communities practicing or supporting them
- **Eco-friendly and Non-polluting:** Indian handicrafts, by nature, are eco-friendly and nonpolluting. They have been nature friendly with production basis in tune with the environment in which they are practiced. Traditional textiles weaving most widespread craft in the country are closely linked with materials obtained from natural sources the exception of silk and wool, fibers are obtained from plants or trees, coloured with vegetables or root dyes and dried in the sun.
- **Re-cycling of Materials:** Re-cycling of materials has remained part of an in-built wisdom of the rural people to promote sustainable use of natural resources by reusing either discarded, old items of utility or waste materials generated other activities The Kantha embroidery of Bengal in which women embroidered discarded silk sarees together to make a multicolored quilt is one
- **Handicrafts as Education:** Apart from being the symbols of Indian culture, handicrafts also a highly valuable channel of education provide to the young and the old a refreshing view of the culture and life style of the communities which these crafts represent. They also provide an appreciation of immense human creativity and in the context highly interesting information on the socio-cultural and physical environments in which the crafts arena are produced.

### 5. All India Handicrafts Board

The All India Handicrafts Board was set up in 1952 to recommend different solutions for development and development in Handicraft Industry. Formulation of Plans, Assistance to State Govt. for planning and execution of schemes, and giving assistance to Marketing, Financial, and Organizational aspects of Handicrafts Industry.

**State and Union Territories:** Every State and Union territories has diverse department for the development of Handicrafts Industry. Marketing, Promotion, Financial Aid to Small Scale Industries, and different projects are the elements of State level corporations.

- **Central Corporations:** The Handicrafts and Hand looms Export Corporation of India: It was built up in 1962. Exports Promotion, Development of potential market execution of Whole Sale and retail Orders are major elements of organization.
- **The Central Cottage Industries Corporation Pvt. Ltd.:** It is a registered society that runs Central Cottage Industries Emporium in New Delhi, Mumbai, Kolkata, Chennai to offer the Handicrafts products.
- **The All India Hand Linger Fabrics Marketing Cooperative Society Ltd.:** This Cooperative Society is supported and advanced by All India Hand Linger Board. It has different hand linger emporiums in all metro cities, Chandigarh, Ahmedabad, Hyderabad and so forth and few branches in New York, Singapore and so on.
- **All India Organizations:** All India Textile Handprinting Industries Federation: 1106 Prasad Chambers, Swadeshi Mill Estate, And Mumbai, India.
- **All India Federation of Zari Industry:** Safe Deposit Chambers, Surat, Gujarat, India.

The Indian Handicraft Industry stands a unique place among every single other industry. It speaks to the rich culture, tradition and heritage of India. India's rich cultural diversity and heritage gives a unique and huge resource for creating craft

products. The Indian Handicraft Industry is demonstrating consistent growth rate of 20% consistently and it is a standout amongst the most important portion of decentralized sector in India. The majority of the part of industry operates in rural and semi urban areas all through the nation and have vast and potential in Indian and International market. Indian Handicraft Industry gives extensive variety of products in view of nation's diversified culture, traditions and heritage. There is huge demand of Indian Handicraft products in international market. Industry gives adequate opportunities to employment to people having a place with in reverse and weaker classes of society.

## 6. Conclusion

Handicraft sector is one of the sectors which can add to the accomplishment of Make in India mission. India is one of the vital providers of handicrafts to the world market and has demonstrated its significance since years. Handicrafts don't intend to depend just on the handwork, advancement, and innovation can likewise be worked together with the mind edge of the artisans for facilitate improvement in this division. In any case, there are a few mishaps which should have been tended to by the Government, Local bodies, and NGO's more than that it is the inspiration and motivation for new passages which should have been considered important. At long last, we can state that this segment can possibly develop, and there are individuals willing to be the piece of this division, all they require is the assistance from the government, which can successfully add to the foundation of business, and influence this part to fill in as other sorted out sectors are working.

## References

1. Das K. (2015). Institutional Constraints to Innovation: *Artisan Clusters in Rural India*, *Asian Journal of Innovation and Policy*, Gujarat Institute of Development Research
2. Das R. & Das A. K. (2011). Industrial Cluster: An Approach for Rural Development in North East India. *International Journal of Trade, Economics and Finance*, Volume 2, No. 2
3. Gretry A., Horváth C., Riel A. V. (2016). The Effect of Brand Communication Style on Brand Engagement in Online Brand-Based Communities. *Developments in Marketing Science: Proceedings of the Academy of Marketing Science, Let's Get Engaged! Crossing the Threshold of Marketing's Engagement Era* Part of the series, Pages 211-212
4. Khan W. A. and Amir Z. (2013). Study of Handicraft Marketing Strategies of Artisans in Uttar Pradesh and its Implications. *Research Journal of Management Sciences*, Volume 2, Pages 23-26
5. Lee, J. K. & Lee W. N., (2009). Country-of-origin effects on consumer product evaluation and purchase intention: the role of objective versus subjective knowledge. *J. Int. Consum. Market.* 21(2), Pages 137-151
6. Nayak Dr. S. S., Sahu Dr. A. K. (2016). Education, skill development and economic growth in India. *Global journal for research analysis*, available online at <http://worldwidejournals.in/>, Volume 5, No. 4, Pages 38-41
7. Shah A. & Patel R. (2016). E-commerce and Rural Handicraft Artisans. *Voice of Research*, Volume 5, Issue 3, Page 24-29
8. Singh A. (2016). E-commerce in India –consumer buying behaviour and growth trends an exploratory study. Available online at <http://www.ajms.co.in>, Volume 4, No. 2
9. Hashmi, S. K. (2013). Market for Indian Handicrafts. *Excel Journal of Engineering Technology and Management Science, Vol. I No.1*, 1.
10. Kerr, K. (2011). *Economic Potential of Handicrafts Enterprises in Rural Development*. Retrieved 10 3, 2011, from Focus on Indonesia: [www.fao.org/docrep/u440e/u440e06.html](http://www.fao.org/docrep/u440e/u440e06.html)