

# Export Performance of Indian Handicrafts Industries: An Analytical Study

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**Abstract -** The handicraft sector plays an important role in the national economy. It provides employment opportunities. A large number of artisans in rural and semi-urban areas have created a large amount of foreign exchange for the country, retaining its cultural heritage. Handicraft has great potential because they are not only the key to maintaining an existing set. Millions of craftsmen are spread all over the country, but there are more and more new entrants Process activities. India is one of the important handicraft suppliers in the world market. In the ever-changing world scene, craft Products exported to various countries form part of lifestyle products on the international market. The effect is due to Consumer tastes and trends of 7 million craftsmen who have changed the backbone of the Indian handicraft industry With Internet skills, technology, and traditional craftsmanship, it is sufficient to meet the needs of major platforms. However, change in the world market, these craftsmen need to provide institutional support in their workplace. Craft pocket value-added and As the times of other competitors such as China, South Korea, Thailand, etc. There is a great demand for Indian utilitarianism and traditional crafts in domestic and international markets.

**Keywords: -** Handicrafts industry, artisans, export, Country.

## I. INTRODUCTION

Handicrafts can be defined as products that are produced entirely by hand or by means of tools. Definition According to the handicrafts judged by the Supreme Court's Louise counter decided on March 12, 1995, "It must be primarily Handmade it is not important if some machinery is also used in this process. Must have visual appeal on this issue decorating or inlaying work or similar work makes it an element of artistic improvement. This orientation must be substantial and not just disguise".

The handicraft industry in India basically reflects the aspects of ancient civilization in India. It is no wonder that the phrase "unity in diversity" is so applicable in our country. Each state has its own unique handicrafts that reflect the diversity of the Indian handicraft industry. The entire industry is scattered throughout this huge subcontinent, concentrated in rural and urban areas. The Indian handicraft industry is basically in the family handicraft category. However, this is a highly employment-intensive industry employing more than 7 million part-time and full-time workers, including women and most of the workers in the weaker sectors of society. Apart from being a job opportunity, handicrafts are economically viable because of low capital investment and the high export potential of various handicrafts. Therefore, it is an important source of foreign exchange earnings for a country.<sup>1</sup>

## II. LITERARY REVIEW

In my review work, the importance, problems, and prospects of the handicraft industry were highlighted. Alindham (2010) has studied the importance of the handicraft industry in economic development and its role in strengthening cultural identity. In his research, he emphasized how handicrafts protect the country's heritage, create jobs and promote Export. Papola (1940) found from his research that most of the traditional rural industries have limited capabilities and even create livelihood income for the members involved. Mohapatra and Dash (2011) benefit from their handicraft research from their study of handicraft in Odisha finds a lack of capital in the hands of craftsmen to modernize the Patta painting is a great difficulty in the progress of the craft. Sushama (2012) from her study on 'Tourism and Handicraft' found that tourism and handicraft should go hand in hand. She established a proven link between handicrafts and tourism. She also suggested that business schools should prepare business plans for handicraft industries for better business. Rao (1990) studied that handicrafts propose solution to India which is considered by unemployment and foreign exchange crunch. Arts have been accepted as one of the important tools for the local community's economic development (Philips 2004: Mayo 2000). It is also marked from studies (Williams and Martin 1995, Philips 1998, 2004, FICCI 2002) that craft works act as one of the major drives aimed to develop tourism activities. Researchers like (Solanki 2002, Prasad and Rathore 1998) find from their study that there are

movements of artisans from their native place to nearby cities in search of jobs that are not suited to their skills. Agastya and Patra (2013, 2014) from their study found that these sectors face the problem of labor insufficiency because of the migration of labor to the urban areas for better wages.

**Objective of the study-** The present paper is attempt to examine the export performance of handicraft

In global market and its contribution in Indian Economy and also analyze the government effort to promote handicraft industry at national and international market.

### III. RESEARCH METHODOLOGY

This research paper is based on which the research of edifice is constructed by exploring various resources such as old research paper, different books, internet and some of the government data such as export promotion council for handicraft at least partially depend on secondary sources.

#### History of the handicraft industry

In ancient time the early man living in caves and giving artistic appearance to his/her emotions through various carving made on a rock. It covered various forms of skills, techniques, and art form preserved in various folk traditions and artistic expressions. The artisan of India has always been acknowledged for their craftsmanship, sense of design and color. The archaeological site of Mohanjo Daro and Harappa show that even during the second millennium before Christ the excellence of Indian artisan was established and was recognized the world over. There are approximately 70 lakh handicrafts artisan in the country ,which includes 20 lakh artisan related to the carpet sector, manufacturing more than 500 types of craft such as Metal Engraving, Zari work, Terracotta painting, Stone artifact, Phulkari work, Chikankari, Cane and bamboo, Wooden Toys ,Blue Pottery and kutch Embroidery. Out of these 35 crafts have been recognized as “Endangered Crafts” such as Assamese Jewelry, Rogan painting, Sanjhi crafts, ganja Cards, etc. and 92 crafts have been registered under “Geographical Indication Act” like Madhubani Paintings Kathputlis of Rajasthan, Odisha Pattachitra, etc. Exports performance of the handicrafts industry.

There is a massive demand for Indian handicraft products in both the domestic and global markets. To maintain the quality, there is a need to have technology support, research and innovation is required. The importance of the handicraft sector cannot be overlooked as it is one of the largest employment generators and accounts for a noteworthy share in the country's exports. Both state and regional masses contribute significantly to handicrafts exports. Although this industry is disjointed, with more than 70 lakhs regional artisans and more than 67000 export houses promoting regional art and craftsmanship in domestic and global markets, handicraft exports from India

stood at the US \$2.42 billion from April to November 2018. During this period exports of various segments register positive growth like Shawls and Artwares (77.50%) Woodwares (23.57%) and miscellaneous Handicrafts (19.74%). Indian handicrafts are exported across the boundaries. India is a country of rich cultural heritage and traditions. It is one of the major producers and suppliers of handicraft products in the world for several decades. During recent years, the importance of handicrafts has surged due to its cultural and economic value. The small scale industries including handicrafts play a vital role in the economical development of both developed and developing countries equally.

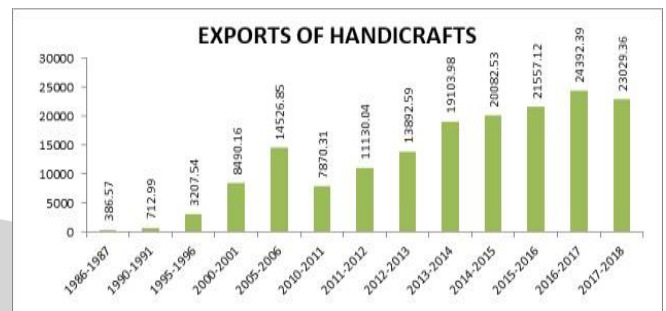
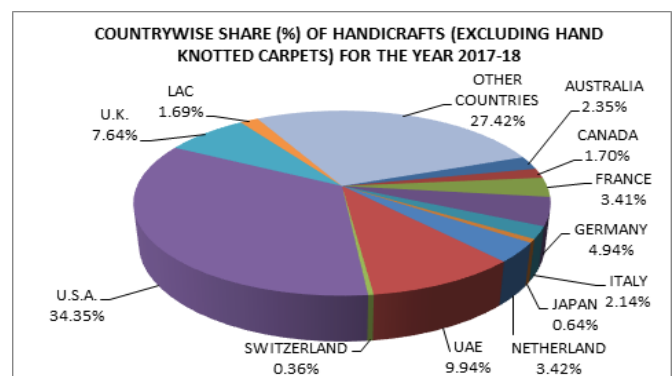


Table 1, Source: Export promotion council for Handicraft India India has been a enormous exporter of handicrafts over the year and the export trends have been gradually increasing. The top ten countries contributing to export of handicrafts items(the major item being art metal wares wood wares, hand printed textiles embroidered and crocheted goods)during the last five years are USA, UAE, United Kingdom, Germany, Netherland, France, Australia Italy, Canada, Japan, Latin American Countries and Switzerland. Table 1 reported the exports of handicrafts (other than hand-knotted carpets) which was just Rs. 386.57 crores during the year of establishment of the Committee i.e. 1986-87 rose to the level of 23029.36 Crores in year 2017-18.<sup>2</sup>



Source: Export Promotion Council for Handicrafts

Table- 2 reported the export performance of India during 2017-18 of the top countries highlighting the amount of export along with percentage share, country wise. Total amount of export was of Rs 23029.36 Crores to this 20 countries. USA was the highest in importing of handicrafts among all the importing countries of the world, which was

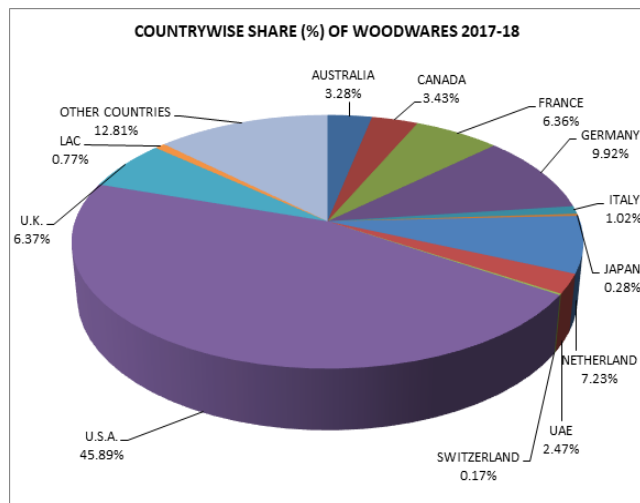
34.35 percent share of the total export. Further, followed by UAE, UK, Germany, Netherland and France were having the percentage share of 9.94, 7.64 and 4.94, 3.42 and 3.41 respectively in the import of handicrafts during the year. These five countries have more demand for the handicraft products produced by India, which was more than 64 percent of the total export during this year.

**Export of Art metalware In Crores**

S.No.	Country	2016-17	2017-18
1	AUSTRALIA	52.85	42.93
2	CANADA	33.52	40.16
3	FRANCE	67.41	59.81
4	GERMANY	204.92	197.38
5	ITALY	35.81	61.75
6	JAPAN	17.72	15.07
7	NETHERLAND	92.11	90.37
8	UAE	1780.17	1222.45
9	SWITZERLAND	6.45	7.35
10	U.S.A.	849.42	819.29
11	U.K.	229.26	212.83
12	LAC	66.66	67.42
13	OTHER COUNTRIES	1269.22	1117
Total		4705.64	3955.81

Table- 3 Source: Export Promotion Council for Handicrafts

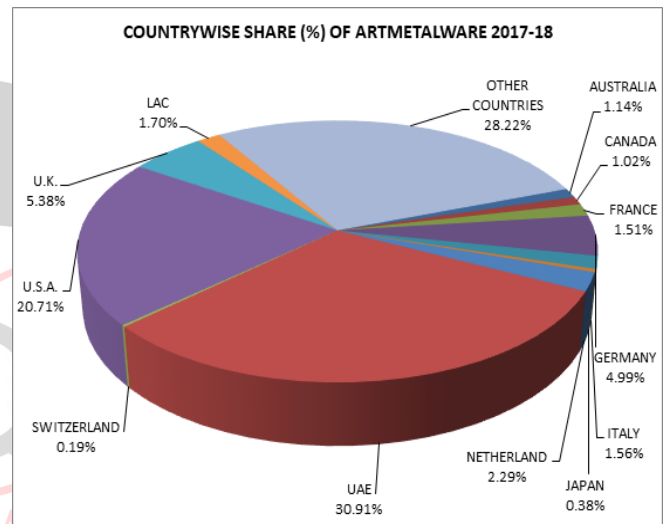
The metal craft of India shows intricate craftsmanship and fine art in shaping gold, silver, brass, copper into beautiful designed images, idols jewelry and utility items. India is the largest brass metal ware producer in the world. The major cluster of brassware is Muradabad Murshidabad, Madurai, Salem, Cuttack, and Haryana. Table 3 reported that the export of metalware from India in 2016-17 and 17-18 are Rs. 4705.64 Crore and Rs 3955.81 crore respectively. UAE was the highest importer of metalware followed by the USA. Which was 30.91% and 20.71 % respectively of the total export. People of these countries have a great fascination for the Indian metal ware.



**EXPORTS OF "WOODWARES"**

S. NO.	COUNTRY	2016-17	2017-18
1	AUSTRALIA	131.43	139.93
2	CANADA	139.99	146.51
3	FRANCE	267.15	271.55
4	GERMANY	404.46	423.35
5	ITALY	33.08	43.31
6	JAPAN	8.99	11.95
7	NETHERLAND	220.43	308.48
8	UAE	98.04	105.58
9	SWITZERLAND	6.74	7.22
10	U.S.A.	1734.13	1958.08
11	U.K.	305.67	271.74
12	LAC	32.8	33.00
13	OTHER COUNTRIES	533.1	546.67
Total		3916.01	4267.37

Table- 4 Source: Export Promotion Council for Handicrafts



Wooden Handcrafts are articles that are made up of wood using simple tools to create some artistic and functional value. This is the reason that the industry of Wooden Handcrafts in India requires the minimum investment and various other resources. The wooden Handcrafts industry in India is mainly established in rural areas and small towns. Some of the centers for these crafts are in Saharanpur, Nagina, Hoshiarpur, Srinagar, Amritsar, Jaipur, Jodhpur, Jagdalpur, Bangalore, Mysore, Chennai, Madras, Kerala & Berhampur (WB).table 4 highlights the export performance of woodware from India. The USA was the highest importer with Rs 1958.08 Crore which was 45.89% of the total export from India and the second country was Germany.

S. NO.	COUNTRY	2016-17	2017-18
1	AUSTRALIA	63.83	67.48
2	CANADA	36.67	27.84
3	FRANCE	64.49	54.79
4	GERMANY	177.53	94.71
5	ITALY	71.55	35.19
6	JAPAN	64.66	51.85
7	NETHERLAND	45.48	39.06

8	UAE	394.58	444.35
9	SWITZERLAND	9.7	5.99
10	U.S.A.	1557.35	1221.55
11	U.K.	236.94	169.19
12	LAC	16.34	16.44
13	OTHER COUNTRIES	1108.28	1436.56
	Total	3847.4	3665.0

second largest export destination for Indian hand printed textile items with 398.58 crore rupees which was 12.12 % of the total export from India.

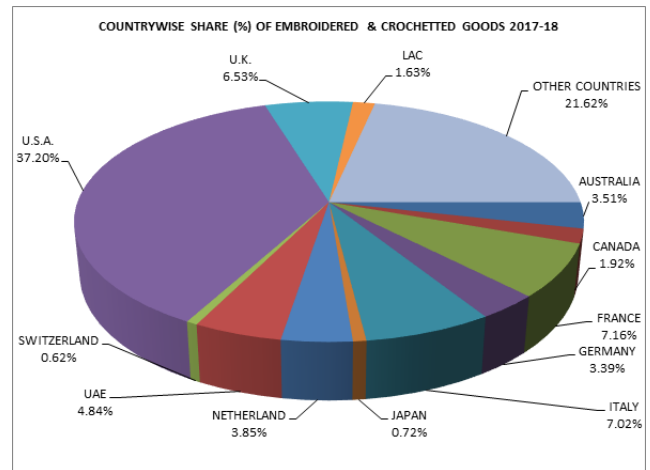
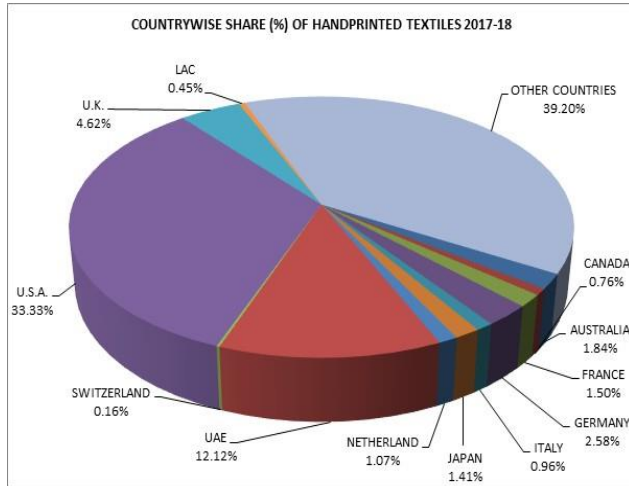


Table -5 Source: Export Promotion Council for Handicrafts

#### IV. EXPORT OF HANDPRINTED TEXTILES

Hand printed textile is a craft which is made up of dyes and blocks. Various types of hand printing practiced in India are block printing, batik, kalamkari, (hand printing by pen) and bandhani (tie and Die). Some of the important centers of the craft are in Hyderabad, Machalipattanam, Varanasi, Farrukabad, Bagh, Behrongarh, Mandar, Burhanpur, Ahmedabad, Rajkot, Kutch, Bagru, Chittroli, Sanganer, Indore, Jaipur, and Jodhpur. The total export of hand printed textiles in the year 2016-17 was 3847crore rupees and in 2017-18 was 3665 crore rupees. USA is the importer of woodenware with 1557.35 crore rupees which were 33.33% of the total export and UAE has emerged is the In textiles hand embroidery, is made on fabric with threads and sometimes with other materials. There are many popular bunches of embroidery such as Chikankari and zardozi of Lucknow, Katha of Bengal, phulkari of Punjab, Kutchi embroidery of Gujarat and Kashidakari of Kashmir. Zardozi has been customarily widespread in Lucknow and the six surrounding districts of Barabanki, Unnao, Sitapur, Rae Bareli, Hardoi and Amethi. Table 6 highlights the export performance of all over the world by Indian handicraft Industries in 2017-18. It was marked that the highest amount of handicraft was exported to the USA that is 1229.15 crore rupees which were 37.20 % of total export followed by France with 236.61 crore rupees and 7.16% of the total export from India.

IN CRORES			
S. NO.	COUNTRY	2016-17	2017-18
1	AUSTRALIA	124.36	115.95
2	CANADA	49.51	63.62
3	FRANCE	222.83	236.61
4	GERMANY	109.03	111.89
5	ITALY	197.56	231.97
6	JAPAN	29.62	23.87
7	NETHERLAND	118.00	127.30
8	UAE	136.88	160.11
9	SWITZERLAND	23.25	20.37
10	U.S.A.	1219.21	1229.15
11	U.K.	231.00	215.86
12	LAC	45.12	53.82
13	OTHER COUNTRIES	720.63	714.64
	TOTAL	3227.00	3305.16

Table -6 Source: Export Promotion Council for Handicrafts

#### EXPORT OF EMBROIDEED & CROCHETTED GOODS-

Indian handicraft industry is an unorganized, decentralized, labor-intensive cottage industry. Some of the qualities identified are present in whole & cheap labor in the country, the use of local resources, low capital investment and unique craftsmanship in the manufacturing of products along with the increase in the number of appreciation by international consumers. Despite the stability, the industry faces a number of problems in the country such as low literacy and education levels, lack of modern technological skills & lack of adequate finance. The 12th Five Year Plans has the ability to see the handicraft sector including the creation of globally competitive handicrafts and provision of sustainable livelihood opportunities to the artisans plans better quality product & use of technology while preserving traditional art.<sup>3</sup>

**Problems faced by the Indian Handicraft Industry. The**

- ❖ Many parts of the Indian market is still unidentified and market is price sensitive.
- ❖ Handicraft products are high priced in tourist areas, so they might not be affordable by middle and lower middle class.
- ❖ Craft producers have to face competition on the bases of price, quality and delivery segments.
- ❖ There is a lack of promotion for craft products in the domestic market.
- ❖ Craftsmen are not aware about the new traditions and innovations.
- ❖ It is difficult to manage the cultural and trading values of the handicraft products.
- ❖ Sectors commercial viability and economic sustainability is reduced due to inadequate distribution channels.
- ❖ Lack of technological support and training.
- ❖ Lack of research and development for the main handicraft sectors like ceramics, paper making, etc.
- ❖ Our craftsmen and labor are not skillful to face the competition.
- ❖ Lack of resources to produce in bulk and create economies of scale.
- ❖ Inadequate material testing and performance measurement.
- ❖ Inappropriate electric supplies to rural and semi-urban areas.
- ❖ Due to the poor transportation infrastructure the market is still not accessible.

#### **Promotion of handicraft industry by government at national and International level-**

For the promotion of craft and artisans based activities government established the office of development commissioner (handicrafts) as a nodal agency, with the objective of development, marketing and export of handicrafts and promotion of craft forms and skills. It also provides the technical and financial support, which includes schematic interventions implemented through its field office. Marketing linkages are provided through various domestic and international marketing events which are being organized in various parts of the country. Proper attention has also been given on the marketing of these valuable products. Export Promotion Council for Handicraft organizes various product-oriented shows and 'Handicrafts and gifts Fair' bi-annually. For promoting these products there have been efforts like products based exhibitions and live demonstrations is given by artisans in abroad. For direct interaction between the buyers and sellers, an online portal called Indian Handloom Bazaar is being created. To attract domestic market various fairs are being organized like Gandhi Shilp Bazaar, Craft Bazaar, etc. and organizing handicraft exhibitions in prominent shopping malls of the country. The international marketing exposure is being provided to awardee artisans through

participation in international marketing events. To encourage outstanding crafts persons to maintain excellence in craftsmanship and keeping alive our own traditions various handicraft awards namely Shilp Guru Award, National Award, National merit certificates, and design Innovation Award are given to the meritorious handicrafts artisans of the country. As recognition of India's contribution, India was made a part of the world's oldest and one of the best exhibition "Ambient". From 8<sup>th</sup> February to 12<sup>th</sup> February 2019 Germany organized ambient exhibition with India as partner country, more than 4500 companies from 80 countries participated. 517 Indian companies participated in the show displaying exquisite Christmas decoration, fashion jewellery, wooden handicraft items, textile furnishing leather products, lamps and lighting, ceramics along with live demonstration of craft skill by renowned master craftsman, GI craft display and theme pavilion showcasing sustainable ecofriendly "Make in India" crafts from India.<sup>4</sup>

#### **V. FINDING AND SUGGESTIONS**

The handicrafts sectors plays a pivotal role in the Indian Economy. It not only provides employment to the vast segment of artisans in rural and semi-urban area but also generates foreign exchange for the country while maintaining its cultural heritage.

Our handicraft sector has the advantage of having ample raw materials and skilled artisans, but to compete in the global market the industry need to focus on innovation and value addition. There are some suggestion may be implemented to increase the export performance of this industry.

**To get GI tag-**The artisan and their associations should move forwards to get the Geographical Indications (GI) tag to enhance the credibility of their products. GI tag is the sign on the products showing its region of origin. Online Marketing through Indian Handloom Bazar.

Creating promotion connection of handicraft and the absence of fixed marketing network has been a discouraging factor in this region, In my opinion, the artisans must be organized by themselves under the common protection for marketing their products by themselves. For this more and more connections must be developed with outside parties.

Outlets set up at the vantage location For the crafts culture to be appropriately propagated and its commercial potential duly explored, the development of tourism can go in tandem with the development of crafts. There is a great deal of scope for craft-centered tourism possibilities to be explored. An urban heat within the city may develop as a nucleus. The urban heat can be supplemented with an exhibition-cum-display center and/or common facility center for a crafts cluster. Likewise, around a rural heat, a

complex of tourist interests can come up, where authentic and rural life along craftsmanship of the region can be displayed, crafts persons actually seen at work, providing a glimpse of how the rural crafts persons live, how they work, and how they turn out things of beauty and aesthetics. A complex of interest to tourists will necessitate minimum infrastructure to be developed and maintained with imagination, ensuring the convenience of transport and cleanliness. Tourists should also be able to select and buy reminders and objects of crafts locally from such a complex. For this purpose, properly authorized and standardized outlets need to be set up at vantage locations.

**Design registration of handicraft:** Design registration of handicrafts should be done. If any design or innovation is being introduced by the artisan it should be registered so that no one can copy it.

#### **Price uniformity in Handicrafts-**

It is observed that there is a significant difference of prices of same product from shop to shop or between two places. In this situation the customers feel exploited and confused and this might have very bad impact on the demand of the product. Pricing of the product should be uniformized.

#### **Established incubation centers and Create awareness-**

Incubation centres provide start-up business with a variety of services such as physical space, training, provide equipment, business services and an enabling environment to facilitate their development until they are capable of enduring on their own after exit from the incubator. For example, Tata Trust have launched a first Incubation and Design Centre(ICB) Maniabandha, Cuttack. Maniabandha is 75 km from Bhubaneshwar city. The programme has been initiated by the Tata Trusts to transform craft development and build micro-entrepreneurs across the value chain. These incubation centres provides the artisans loan at concessional rates, free dyes, and chemical, work shed-cum housing facilities.

#### **Innovation and Research in handicraft:**

Research and innovation is a very important component for improving the quality of the product. With the help of R&D centres new innovations and designs can be developed. Environmental and conservation factors need to be included into the concept. A number of items can be designed which holds artistic and traditional value. [2]

## **VI. CONCLUSION**

The demand for the handicraft products will increase in the future because so many fashion industries and markets like retail and real estate which offers enormous demands of handicrafts product. Marketing and selling the product through the internet have emerged as a prominent distribution channels. India's handicraft exports are expected to reach Rs, 24000 crore by FY 2020-21 as per a

study by ASSOCHAM, the government and other council should adopt various promotion methods like building quality, conducting road shows and crafts festivals in different countries and also marketing or publicity through attractive displays and banners together with marketing tools like innovative and appealing packaging. The development of the handicraft industry in India is not only socially important in terms of employment generation, women empowerment and eradication of poverty but also a indication of growth in terms of improving national income, increasing exports, and entrepreneurship. The continued growth and recognition in the international market of the handicrafts industry can drive the economy to greater heights. and also our preserve our cultural heritage and transferring it to the future generation.

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