

# **Role of Handicraft Sector in the Economic Development of Jammu and Kashmir**

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## **Abstract**

Handicrafts are a pivotal source of revenue generation of Jammu & Kashmir State. This industry is unique in terms of design, cost and quality of products and thus provides a competitive advantage on other national and international players of handicrafts market. Handicraft Sector is one of the emerging sectors playing a very important role in the economic development of Jammu and Kashmir. Shawls, wood carving, gabba making, carpets, spinning and weaving, and other handcrafted handicrafts are also popular in Jammu and Kashmir. The land of many colours has a lot of potential for economic growth and development because everyone has the ability to do something innovative because of their innate talent. India is also noted for its significant contribution to the export of handicrafts to other countries. In India, the handicraft sector is an important source of income for rural areas, employing over six million craftspeople, many of whom are women and individuals from lower socioeconomic groups. Jammu and Kashmir's growth potential as one of India's fastest expanding states, as well as how the handicraft sector offers chances for the state's economic development, necessitates a significant level of government support to be fully equipped and developed. Because it is a cottage industry, it necessitates a lower level of investment in machinery and other instruments. Because this industry is labor-intensive, it provides a large number of job possibilities as well as a key to further improving living standards and so having a favourable impact on the state's economic development. Handicrafts are products that are manufactured entirely by hand, often with modest tools, and have both a decorative and functional significance. The quality of work life of employees in handicraft units has an impact on their productivity. Therefore this paper is an attempt to look into the emerging opportunities for growth and development through Handicraft sector in Jammu and Kashmir and also provide the valuable suggestions to enhance the promotion of handicraft sector in Jammu and Kashmir. In order to make handicraft sector more market oriented and sustainable in future.

**Key Words:**Handicraft Sector, Economic, Development, Employment.

## **1. Introduction**

Handicrafts are one-of-a-kind manifestations of a culture or community made with local materials and craftsmanship. However, as the world becomes increasingly globalised, items are becoming more commoditized, and artisans' work is competing with goods from all over the world. Traditional artisan communities and their goods can no longer be considered in isolation

from global market trends and competition. Handicrafts are part of a bigger industry for home accessories that comprises handcrafted, semihandcrafted, and machine-made items. Fashion trends, consumer purchasing patterns, and end-market economic situations all have a significant impact on the home accessory business. Many craftsmen are out of touch with those end markets, which makes it difficult for those looking to export their goods.

Because of its potential for economic activities such as employment and revenue, the handicraft industry, the state's oldest traditional cottage industry, has significant socioeconomic significance. The handicraft industry is the backbone of our country. Jammu and Kashmir, which is known as "paradise on earth," is also well-known for its handicraft sector. The history of J&K handicraft is lengthy and fascinating. Handicrafts were introduced to Kashmir during the reign of Sultan Zain-ulAbidin, also known as Bud shah or the Great King, who governed Kashmir from 1420 until 1470 AD. Jammu and Kashmir has a competitive advantage in creating high-quality and internationally recognised fabrics such as pashmina shawls, Kani shawls, silken, woollen, and cotton fabrics, among others. J&K's handmade products have received international recognition for their exquisite design, craftsmanship, and utilitarian value in generating foreign exchange to meet the country's and state's demands. The handicraft industry has contributed significantly to the state's industrial structure's enrichment.

Handmade items have become the most dynamic segment of the state economy in recent years. According to government figures, the handicraft sector employs around 3.78 lakh people engaged in various forms of handcraft activity. From the standpoint of production, this industry is a major player in the state's industrial landscape. By the end of 2009, the value of handicraft production had risen to Rs. 1150 crore. Jammu and Kashmir's handicraft industry is very significant in terms of exports. Handicrafts worth Rs. 1080.80 crore were exported in 2009. They have become increasingly important in the state's foreign exchange profits. The importance of the handicraft sector should not be measured solely in terms of its ability to generate income, create jobs, or contribute to exports. Another criterion for evaluating the value of the handicraft sector should be its contribution to the promotion of tourism and the preservation of the state's ecological balance. To sum up, Kashmir's handicraft sector has assumed a significant and undeniable role in meeting the state's economic needs. This important industry has developed significantly in terms of employment and output volume.

## **2. Literature Review**

*Neolla Richard (2007)* examined the development and reinforcement of handicraft production as a means of promoting employment and development for the most disadvantaged populations, particularly the poorest youth and women, in her study. This paper gives a general overview of handicrafts.

highlights the key issues and discusses how to comprehend the complex phenomena of poverty and why handicrafts were chosen as a starting point for an anti-poverty programme.

*Sunita Sharma (2010)*, "Role of handicraft industry in the production, employment and export promotion: A case study of Jammu and Kashmir state" sheds light on the state's industrial

structure. She claims that the state favours small-scale businesses and, to a lesser extent, medium-sized businesses. The absence of heavy industries in the state is notable. However, the number of small-scale businesses has steadily increased from 2203 in 1973-74 to 49,426 in 2006-07. The author goes on to add that among small-scale enterprises, the handicraft industry plays a significant role in the economy of the state of J&K. The author also discusses how the handicraft sector contributes to production, employment, and exports.

*Darakhshan (2011)*, stated that given the absence of large-scale businesses in the state, handicrafts have remained a vital economic activity since time immemorial, contributing to the state's and country's foreign exchange revenues.

*Yasmin Effat (2013)*, discloses the growth, performance, and problems faced by the handicraft businesses in J&K in his article, and states that handicraft has remained an important economic activity since times past. The handicraft sector provides opportunities for productive work. For the promotion and long-term development of handicraft, the government should build clusters in various regions and distant areas.

### **3. Objectives of the Study**

- To Study the role of handicraft sector in J&K.
- To assess the growth & Employment performance of Handicraft industry.

### **4. Research Methodology**

The current research is purely theoretical. The study's scope includes India's handicraft sector, with a focus on the state of Jammu and Kashmir. The primary motivation for this research is to examine how the handicraft sector in Jammu and Kashmir may contribute to the state's and nation's economic development. The information for this study was gathered from secondary sources. Secondary review was used to analyse the data, and content analysis was used to arrive at findings and discussion. Books, journals, newspapers, published and unpublished research work, numerous search engines, and so on are examples of secondary data sources. The most recent quantitative data was gathered from the official websites of both the Indian and J&K handicraft industries.

### **5. Handicraft Sector in India: An overview**

In terms of culture, legacy, customs, and values, India is one of the most diverse countries on the planet. India's handmade items have a long history, and as a result, India has become a major supplier of handicraft products. The term "handicrafts" refers to a diverse range of crafts. The International Labour Organization (ILO) defines the informal sector, which includes handicrafts, as a type of economic activity characterised by characteristics such as reliance on locally available resources and skills, family ownership, small-scale operations, labour intensity, traditional technology, skills acquired outside of the formal school system, and unregulated and competitive markets. If fully examined, handicraft skills can be found in every corner of the country, whether in the rural or urban sectors. The only issue in this industry is that it is unorganised and under-recognized to its full potential. Handicraft is the sole and most important source of income in some rural regions. This sector is largely decentralised, with many industrial

facilities located in rural areas and small towns, where women play a significant role in feeding the family in a variety of ways. In many developing nations, handicraft production is a key source of employment and a large element of the export economy. However, as the world becomes increasingly globalised, products are becoming more commoditized, putting artisan manufacturers in direct competition with producers from all over the world, particularly in China and other Asian countries. The All India Handicrafts Board aided state governments in Uttar Pradesh, Bihar, Kashmir, Rajasthan, Punjab, Andhra Pradesh, Tamil Nadu, Kerala, Himachal Pradesh, Madhya Pradesh, Gujarat, Orissa, Manipur, Tripura, Haryana, West Bengal, and Goa in establishing Design and Technical Centres. Craftsmen and artists collaborate in these centres to develop new designs and goods in specific crafts. These artists seek to integrate traditional and modern elements in their work. The handcraft goods are crafted with attention by artisans so that they keep its ethnic importance while still being functional in today's world. The designers have to keep in mind the changing needs of the consumers, especially the foreign markets.

#### **6. Handicraft Sector in Jammu and Kashmir**

Handicraft activities have a significant role in the economic structure of the state of J&K. These activities are best suited to the state because they are more labour demanding and less capital intensive in nature, providing opportunities for large-scale employment generation. The stunning designs, pragmatic usability, and high-quality craftsmanship of Kashmir handmade products have garnered them worldwide acclaim. Handicrafts have long been an important economic activity in the state due to the lack of other manufacturing industries. For ages, the Artisans' artistic inventiveness and skill, reflected in a vast range of items, has pleased connoisseurs all over the world. Shawls, Crewel, Namdha, Chain Stitch, Wood Carving, Paper Mashie, Costume Jewellery, Kani Shawls, and Carpets account up a large portion of the state's entire output and export. Silken carpets, in particular, are a specialty with no national counterpart in terms of quality and design, and so hold a significant market share in the worldwide market. The state's handicraft sector contributes significantly to the country's foreign exchange profits. There were 3005 handicrafts societies recognised as of March 31, 2014, with 15084 members. The department provides a managerial subsidy to pass out trainees on a tapering basis of 100% first year, 66 percent second year, and 33 percent third year, which is paid for the development of cooperative societies. By the end of November 2014, 82 societies had been formed during the 2014-15 academic year, with a total membership of 902. The department also promotes the sale of handicrafts by hosting expos, exhibitions, and artisan bazaars both within and outside of the state. It also hosts an international exhibition every year. By the end of November 2014, the department had arranged 5 craft bazaars/exhibitions both within and beyond the state during the 2014-15 fiscal year. Skill development is another key area of activity. A total of 8500 people are trained each year in the state's 553 training institutes. In the fiscal year 2014-15 (which ended in November 2014), 2925 people were trained in various fields.

#### **7. Role of Handicrafts in developing Economies**

Handicraft production is now a substantial source of employment in many developing countries, and it accounts for a significant portion of the export economy in others. According to observers

of the handicrafts industry, the growing number of small firms resorting to handcraft manufacturing is unlikely to slow down much in the future. In many parts of the world, artisans have been designated as the second greatest source of rural employment after agriculture. Handicraft production spans the whole modern world economy, from pre-industrial through industrial to post-industrial. Handcrafted items have prospered because they provide particular benefits such as low start-up costs, flexible work hours, the flexibility to work from home, and the independence to operate one's own business (Herald, Jacqueline).

Artisan production, unlike many other forms of labour, can provide a degree of labour autonomy to persons who have limited access to the monetary economy. Handicrafts are an excellent way for creative, self-employed individuals to make a living. Furthermore, they provide alternatives for seasonal work and modest production runs, and the sector is frequently the default occupation for producers with few other options.

For a long time, women have played a "invisible" part in the economic growth of rural communities, since they have been viewed as helpmates, wives, and mothers, and as typically submissive to men's dominating economic activities, both in farming and outside of it (Clark and James). Local economies are increasingly including the female labour force into their economic development plans. Many European efforts and policies, including agricultural policy reforms, have centred on supporting actions to promote entrepreneurship, as well as schemes to finance and develop the creation and growth of women's companies in rural areas, particularly in mountainous and disadvantaged areas. As a result, women's roles are shifting and they are being given opportunities to participate in commercial tasks that are generally similar to those that they have historically conducted at home. Various studies have attempted to explain why women do the occupations they do by examining personal attributes, industry/business decisions, and impediments to success, as well as theoretical difficulties.

### **8. Growth of Production and Employment of Handicraft Goods**

The handicraft sector, which is an important element of Jammu & Kashmir's rich cultural legacy, employs artisans' traditional skills in a variety of crafts such as carpets, woollen shawls, and paper machies. This expertise is passed down as a family heritage from generation to generation. The "Handicraft" (handcrafted) industry, as its name implies, makes numerous goods using traditional manual processes rather than advanced technology. It is an unorganised, decentralised, labor-intensive cottage industry; table 1 shows the year-by-year production level of the handicrafts sector from 2003-04 to 2012-13.

Table 1. Production of Handicraft Goods (**In Crores**)

<b>Year</b>	<b>Carpet</b>	<b>WoolenShawls</b>	<b>PaperMachie</b>	<b>Other Items</b>	<b>Total</b>
2003-04	450.53	275.00	13.50	82.50	821.53

2004-05	425.00	315.00	24.00	123.00	887.00
2005-06	425.00	310.00	30.00	135.00	900.00
2006-07	450.50	320.00	35.00	144.50	950.00
2007-08	761.27	420.58	37.92	394.82	1614.59
2008-09	457.60	303.45	35.49	303.46	1100.00
2009-10	638.17	201.03	10.15	151.15	1000.00
2010-11	735.10	343.10	68.82	502.28	1650.30
2011-12	624.70	702.20	102.70	385.73	1815.33
2012-13	650.30	711.47	96.26	456.87	1914.09
Percentage Share	44.40	30.83	3.59	21.18	100.00

*Source: J&KEconomicSurvey2012-13*

Table 1.1 reveals that the total value of handmade goods produced in 2003-04 was 821.53 crores, while the figures in 2012-13 increased to 1914.09 crores throughout the financial year. The figure also shows the percentage share of Jammu and Kashmir's principal handicrafts, such as carpets (44.40 percent), woollen shawls (30.83 percent), paper Machie (3.59 percent), and other handicraft items (21.18 percent). It signifies that carpets account for a larger percentage of handicraft production in Jammu and Kashmir; the cause for this could be demand on national or worldwide markets.

Table 1.1 Growth of Employment through Handicraft Industry **(In Lacs)**

<b>Year</b>	<b>Employment</b>	<b>Growth Rate %</b>
2003-04	3.46	0.17
2004-05	3.47	0.31
2005-06	3.48	0.34
2006-07	3.49	0.37
2007-08	3.50	0.25
2008-09	3.54	1.22
2009-10	3.51	-1.04
2010-11	3.51	0.17
2011-12	3.52	0.14
2012-13	3.53	0.22

*Source: Government of Jammu & Kashmir digest of statistics 2012-13*

The above table illustrates that handicraft employment increased significantly in 2008-09.

Following that, employment fluctuates little but slowly increases, from 0.17 percent in 2003-04 to 0.22 percent in 2012-13, as illustrated in Figure 2.

### **9. Schemes provided by government for the growth and development of Handicrafts.**

The numerous Schemes were introduced at the start of the 11th Plan. All of the projects are run by the Development Commissioner for Handicrafts and are funded by the federal and state governments. The Schemes aim to provide craftsmen with welfare measures as well as need-

based interventions for the handicrafts sector's comprehensive and long-term growth. The following are the various Schemes:

### **9.1. Design and Technology Up gradation Scheme (DTUS)**

*Salient Features:* The Design and Technology Up gradation Scheme has eight components.

- financial assistance to Central Government sponsored institutions.
- Skill up-gradation through training of trainers.
- Financial assistance for development and supply of modern improved tools, equipment and process technologies.
- Assistance for design and technology up gradation through workshops and integrated projects for design development.
- Documentation, preservation and revival of rare and languishing crafts.
- National Award for outstanding contribution in Handicrafts sector.
- Financial assistance for institutions to be set up under State Initiatives including Design Centers, Design Banks and Museums and
- Product Development for Exports.

*Objectives:* The initiative intends to increase artisan skills by developing new designs and providing prototypes of improved/modern equipment to craftspeople, as well as the resuscitation of rare crafts to conserve traditional art and crafts with high aesthetic value. According to the 11th Plan's Mid-Term Appraisal, about half of the craftsmen reported improvement after attending design workshops, and more than 80% indicated an increase in work orders after participating in design development programmes.

*Eligibility:* Financial assistance is provided to the central/state handicraft corporation, cooperative societies, Handicraft Societies, and other institutes dealing in handicrafts, renowned designs, national awareness, master craft persons, and experts with experience in handicrafts under the Design and Technology Upgradation Scheme.

### **9.2. Marketing Support and Services Scheme (MSS)**

*Silent Features:* The Scheme has three broad components.

- Domestic marketing through Crafts bazaars, exhibitions, sourcing shows, setting up Urban Haats, Emporia, and Warehousing facilities; and organizing Workshops.
- International marketing including workshops and training programs, craft exchange programs, participation in fairs and exhibitions, road shows, reverse buyer-seller meets and market studies abroad and
- Publicity and marketing.

*Objectives:* The MSS project aims to improve artisans' access to various markets and marketing channels, as well as raise knowledge about Indian handicrafts among consumers and the general public, both in local and international markets, through a series of marketing events. Furthermore, this programme intends to provide financial help as well as marketing infrastructure.

*Eligibility:* Assistance is provided under this scheme to center/state handicraft corporations, apex societies, non-governmental organisations (NGOs) registered under the Society Act, and other organisations engaged in the development and promotion of the handicraft sector that are registered under any other statutory acts.

During the 2005-06 fiscal year, the Marketing Support and Services Scheme received Rs. 1899.90 lakh, of which Rs. 1178.34 lakh was spent on 97 crafts bazaars/expos and 96 exhibitions.

### **9.3. Export Promotion Scheme**

*Salient Features:* This scheme is intended to promote export of Handicrafts. The key features of this particular scheme include:

- Product Development Workshop and training programme in export procedures/management and in packaging; Training of artisans/Master-craft people/designers; Workshop/seminars in India and abroad; and Selection of artisan for development of prototypes for exports and invitation to foreign designers.
- Publicity and marketing
- Social and other welfare measures

*Objectives:* The scheme's goal is to promote the export of Indian handicrafts, such as hand knotted carpets. Initiatives such as identifying a handicrafts concentration region in order to conduct research and studies in order to identify markets overseas, taste and fashion, prevailing designs, and the development of exportable products and the identification of prevailing designs.

*Eligibility:* This scheme is open to central/state handicraft corporations, council of handicraft development corporations (COHANDS), apex cooperative societies, non-governmental organisations (NGOs) registered under the society's Act, and other organisations engaged in the development and promotion of the handicraft sector registered under any other statutory acts, India exposition art, registered handicrafts, exporters, reputed designers/technical approved offices of the Dist.

### **9.4. Work-shed for Handicraft Artisans**

*Silent Features:* This is a welfare-oriented programme. It focuses on providing improved working conditions for handicraft artists, emphasising not only enough work space but also a well-ventilated and healthful working environment, resulting in increased production and contribution to the national economy. This approach was first introduced in J&K and later expanded throughout the country.

*Objectives:* This scheme provides for construction of work shed both in rural and urban areas with the minimum areas of 30 sq. mtr. Financial assistance with the ceiling of Rs. 20,000 and Rs. 22,000 is available for rural and urban areas respectively.

*Eligibility:* Central/state Handicraft Corporations, Council of Handicraft Development Corporations (COHANDS), Apex cooperative societies, NGOs registered under the Society's Act, and other such organisations engaged in the development and promotion of the handicraft sector registered under any other Statutory Acts are eligible to participate in this scheme.

Up until January 2006, 150 work sheds had been approved in 2005-06, resulting in a cost of Rs. 15.25 lakh, which includes compensation for previously approved work sheds.

### **9.5. BimaYojana for Handicrafts Artisans**

This Scheme is designed to meet the health and insurance needs of artisans, both male and female, between the ages of 18 and 60. The scheme is being conducted in collaboration with the Life Insurance Corporation of India (LIC of India).

### **9. Suggestion for Improvement**

The following recommendations might bring an increase in the growth of handicraft sector in the state of Jammu & Kashmir.

1. The Govt. should give proper finance to this sector at any time and at concessional rates when they need.
2. To organize Trade fairs & exhibitions at Places where concentration of Tourists found more so that cross cultural Interaction takes place.
3. To run more Training Programs for the up-gradation of skilled, un-skilled, semi-skilled workers.
4. Government should develop investment strategies to attract foreign investors especially in this sector.
5. Government should give special attractive schemes for the up-gradation of this sector.

### **11. Conclusion**

J&K's handicraft sector is vital to the state's economic development. This industry is very important since it provides work possibilities to both educated and illiterate individuals. This industry is labor-intensive and requires less investment than other industries. The sector's most significant benefit is that it is environmentally sustainable while also preserving the state's historic heritage. Kashmiri art and crafts have no equal in terms of design and quality, and as a result, they continue to hold a unique position in both the national and international markets. The government should provide more incentive programmes so that this industry remains strong and contributes more to the state's economic growth.

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