Uttar Pradesh Development Report
Planning Commission
Government of India

Chapter 4

Handicrafts

4.1. Introduction

The term 'handicrafts' encompasses a wide range of artefacts. The informal sector, which includes handicrafts, has been described by the International Labour Organization (ILO) as a part of economic activity characterised by certain features like reliance on local available resources and skills, family ownership, small scale operations, labour intensity, traditional technology, skills generally acquired outside the formal school system, unregulated and competitive markets.

One of the best definitions of handicrafts is that adopted by UNESCO-UNCTAD/WTO (ITC) at Manila, 6-8 October 1997 during a symposium on crafts, which is:

"Artisanal products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant."

A simple nomenclature for handicrafts was given by Development Commissioner (Handicrafts) in 1989: "… items made by hand, often with the use of simple tools, and generally artistic and/or traditional in nature. They include objects of utility and objects of decoration." A World Bank report classifies products as crafts on consideration of:

- Manual labour with minimal or no input from machines.
- A substantial level of skill or expertise.
- A significant element of tradition.

An invaluable, and integral, part of the nation's heritage, handicrafts command an importance, both cultural and economic. The sector yields a number of economic, social and cultural benefits such as:

- Highly dispersed and centralised; spread all over the country, in rural and urban areas.
- Highly labour-intensive, especially helping weaker sections of society.
- High employment potential in relation to capital employed.
- High output to investment ratio.
- Generation of subsidiary off-season employment.
- Generation of foreign exchange from exports.
- High ratio of value addition.
- Large-scale involvement of women, weaker sections and minorities.

Handicrafts is one of the key export segments of Indian trade with significant contributions coming from Uttar Pradesh. However, the handicrafts sector of Uttar Pradesh is faced with several problems such as unorganised marketing and inadequate market information; inadequate support mechanism for product development; power interruptions and other infrastructural deficiencies; inadequacy of raw material at appropriate prices; lack of mechanism for dispersal of technology for enhancing productivity; final finishing and lack of investment for fulfilling international requirements and a general poor image of the country as a supplier of quality goods with consistency.

The chapter is organised as follows: Section 4.2 discusses the Indian market for the handicrafts sector and Section 4.3 discusses the global market. Section 4.4 discusses Uttar Pradesh as an important player. Section 4.5 talks about Uttar Pradesh as an important state for crafts. Section 4.6 discusses the problem faced by this sector and the remedial measures.

4.2. The Indian Scene

The development of handicrafts in the country has been increasingly export-driven. India's principal export sectors are indicated below. Although the share of handicrafts and hand-knotted carpets is just about 2.5 per cent of overall exports from the country, these sectors account for very high employment potential, perhaps the highest among all product sectors, and also value-added component as much as the net foreign exchange earnings.

The total handicrafts exports from India amounted to Rs.5835.97 crore in 1997-98, which increased to Rs.9270.56 crore in 2000-01, registering an annual growth rate of 14.71 per cent in rupee terms and 7.64 per cent in USD terms.

The prominent craft centres of the country, particularly in the context of exports, included the following:

BOX 4.1

Prominent Craft Centres of the Country

Region	*Prominent Crafts*
Bhadohi–Mirzapur	Hand-knotted carpets
Moradabad	Art metalware
Saharanpur	Woodware
Jodhpur	Iron/wood crafts
Jaipur	Textiles
Narsapur	Lace/crocheted goods

The Sub-group for Handicrafts for the Tenth Five Year Plan estimates the total employment in unregistered manufacturing sector in the industry to be about 34 million at the end of the Ninth Plan. The handicrafts sector accounts for around 17-18 per cent of the total employment in the unregistered manufacturing sector. If employment level includes both full-time and part-time artisans in the handicrafts sector, their number has been estimated by the Working Group as follows:

At-end	*No. Lakhs*
Plan V	18.90
Plan VI	27.40
Plan VII	42.15
Plan VIII	52.92
Plan IX	58.41

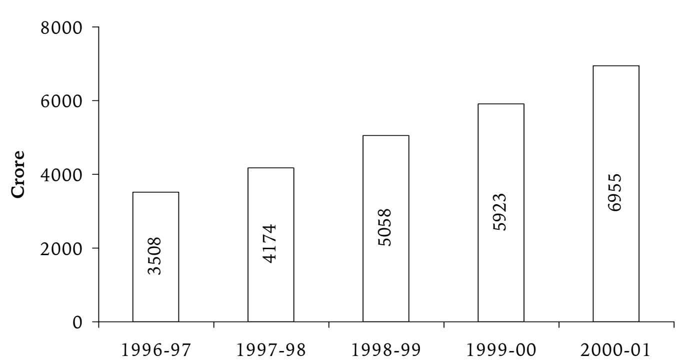
The NCAER (National Council of Applied Economic Research) finished in 1999 results of a census carried out in 1995-96: total handicraft units in production in 24 states in the country aggregated 1.266 million, The number of artisans working on these units numbered 4.822 million.

According to a World Bank Report, there are 9-10 million craft workers in India including part-timers. The crafts account for 15-20 per cent of the country's manufacturing workforce, and contribute 8 per cent of GDP in manufacturing. According to the Sub-group for Handicrafts: Tenth Plan, handicrafts GDP contributed about 25 per cent of the GDP of unregistered manufacturing sector in the country, and about 7.5 per cent of the total manufacturing sector GDP.

The size of the market for handicrafts in India in 1994-95 was about $4.6 billion, of which exports constituted about 18 per cent. The annual growth of market in real terms (1989-95) aggregated 1.6 per cent (domestic) and 6 per cent (exports).

FIGURE 4.1

Export of Indian Handicrafts



Source: EPCH (Export Promotion Council for Handicrafts).

Major handicrafts, which registered export growth during; the Ninth Plan, included the following:

Hand-knotted carpets are among veritable pieces of art. The Indian-knotted carpet industry is rural-based among cottage industry, estimated to employ about 15

TABLE 4.1

Export of Handicrafts (Rs. Crore)

	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01
Art Metalware	1042 (311)	1084 (305)	1292 (348)	1324 (315)	1497 (346)	1778 (393)
Woodware	154 (46)	219 (62)	279 (75)	286 (68)	349 (81)	434 (96)
Hand-printed Textiles	403 (121)	419 (118)	490 (132)	1034 (246)	1158 (267)	1277 (282)
Embroidered Goods	813 (242)	1037 (292)	1307 (352)	1209 (276)	1584 (366)	1965 (435)
Shawls	14 (4)	18 (5)	20 (5)	18 (4)	22 (5)	27 (6)
Zari/Zari Goods	42 (13)	52 (15)	72 (19)	75 (18)	84 (19)	142 (31)
Imitation Jewellery	30 (9)	43 (12)	68 (18)	104 (25)	114 (26)	122 (27)
Misc.	492 (147)	636 (179)	646 (174)	1058 (251)	1116 (258)	1210 (268)
Total	**2990** (894)	**3507** (988)	**4174** (1123)	**5058** (1202)	**5924** (1367)	**6955** (1538)

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

Note: Values in parentheses are in US $ Million.

lakh weavers. Almost 75 per cent of the weavers are in Uttar Pradesh, primarily concentrated in rural areas in six eastern Uttar Pradesh districts, namely, Mirzapur, Bhadohi, Sonbhadra, Varanasi, Jaunpur and Allahabad.

TABLE 4.2

Export Performance of Carpets and Other Floor Coverings (Rs. Crore)

	Woollen	Silk	Synthetic	Total
1993-94	922.56 (294.00)	49.60 (15.81)	19.84 (6.32)	992.00 (316.13)
1994-95	1020.22 (324.70)	55.15 (17.55)	27.57 (8.77)	1102.94 (351.02)
1995-96	1286.97 (384.77)	56.64 (16.93)	21.31 (16.93)	1364.92 (408.07)
1996-97	1499.06 (422.27)	68.27 (19.23)	17.46 (4.91)	1584.79 (446.41)
1997-98	1495.32 (402.34)	109.62 (29.49)	56.64 (15.24)	1661.58 (447.07)
1998-99	1783.33 (423.87)	136.45 (32.43)	94.16 (22.38)	2013.94 (478.68)
1999-00	1888.45 (435.80)	153.93 (35.52)	93.65 (21.61)	2136.03 (492.93)
2000-01 (Prov.)	2045.96 (452.50)	167.03 (36.97)	102.16 (22.59)	2315.15 (512.03

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

Note: Values in parentheses are in US $ Million.

About 90 per cent carpets produced in the country are exported. Exports to USA and Germany amount to 40 per cent and 30 per cent respectively of the total carpet exports from the country.

There are six leading carpet suppliers in the world market *viz.*, Iran, China, India, Pakistan, Nepal, Turkey, Iran ranks at the top, followed by China. India ranks third in terms of value and on top in terms of volume. India faces stiff competition from China on quality and value. Nepal and Turkey have emerged as big competitors.

The world market of handmade carpets and other floor coverings is reported to be as under:

TABLE 4.3

World Market of Handmade Carpets (US$ Million)

Country	1995	1996	1997	1998	1999
World	2181.11 (100)	2169 (100)	2164.76 (100)	2028 (100)	1926.96 (100)
Iran	599.80 (27)	582.32 (26.9)	577.10 (26.6)	547.66 (26.99)	520.27 (27.00)
China	412.23 (18.9)	400.48 (18.5)	399.19 (18.4)	365.11 (18.00)	345.89 (18.45)
India	4.5.69 (18.6)	389.65 (18)	381.73 (17.59)	378.09 (18.64)	340.87 (17.69)
Pakistan	150.50	147.20	141.02	125.70	121.70
Nepal	239.92 (11)	233.79 (10.8)	227.80 (10.5)	202.54 (10.00)	121.70 (10.00)
Turkey	130.87 (6)	109.58 (5.05)	108.98 (5.02)	101.19 (4.99)	96.73 (5.02)

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

Note: Values in parentheses showing percentage share.

Germany has been the world's biggest market for knotted carpets. The major suppliers of hand knotted carpets to Germany are:

TABLE 4.4

Major Suppliers of Hand-knotted Carpets to Germany

Country	Volume (%)	Value (%)	Average Price: DM/Sq.m.
India	38.80	21.12	58.67
Iran	23	40	188.95
Nepal	20.26	15.81	84.19
China	4.50	7.10	170.04
Morocco	4.88	2.34	51.76
Pakistan	3.01	2.09	96.28
Turkey	2.12	5.08	294
Afganistan	1.15	0.58	60.9

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

TABLE 4.5

Major Destinations of India's Hand-made Carpets (Value: Rs. Crore)

Country	*1999-2000*	*2000-01 (P)*
USA	847.79	1008.47
Germany	619.45	568.01
UK	79.03	106.82
France	63.44	68.85
Japan	41.87	62.44
Sweden	40.37	47.02
Canada	34.17	41.29
Australia	26.70	34.97
Italy	44.43	34.88
Spain	26.70	33.75
Netherlands	30.55	30.00
Austria	26.70	34.97
Denmark	27.98	20.28
Switzerland	24.35	20.20
Belgium	27.77	20.14
Finland	19.01	18.11

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

P: Provisional.

The share of Indian carpet exports to Europe is 43.07 per cent (Germany accounts for 24.53 per cent, Scandinavia 4 per cent and rest of Europe 14.59 per cent). The Bhadohi-Mirzapur belt is the main supply area of woollen carpets and floor coverings to Germany and other European countries.

The share of India in terms of volume for carpets less than 350 knots is around 49 per cent, whereas the share in value is only 33 per cent. The German market for medium and low knottage carpets (less than 350 knots) is dominated by Nepal and India. Carpets above 350 knots are supplied mainly by Iran and India. India has 38 per cent share in volume and only 21 per cent in value; Iran has 22 per cent shares in volume but 40 per cent share in value.

The German market for silk carpets is dominated by India and China. China has 52 per cent share in volume and 42 per cent share in value; India has 34 per cent share in volume but only 19 per cent share in value.

The share of exports to USA and Canada is 45 per cent (USA accounts for 43 per cent and Canada about 2 per cent). USA consumes around 28 per cent of the world import of carpets and floor coverings. The major imports are of knotted carpets accounting for 38 per cent and tufted carpets accounting for 27 per cent. India's major competitor is China followed by Pakistan, Nepal and Turkey. Canada is relatively a small market for carpets and floor coverings. Iran dominates the market, particularly because of embargo in USA.

The actual export level in the composite handicraft sector have been shown as below:

TABLE 4.6

Actual Export Level in the Composite Handicraft Sector

	Handicrafts		*Carpets*		*Total*	
	Rs. Crore	*US$ Million*	*Rs. Crore*	*US$ Million*	*Rs. Crore*	*US$ Million*
1995-96	2990	894	1365	408	4355	1302
1996-97	3507	988	1585	446	5092	1434
1997-98	4174	1123	1662	447	5836	1570
1998-99	5058	1202	2014	479	7072	1681
1999-00	5924	1367	2136	493	8060	1860
2000-01 (P)	6955	1538	2315	512	9271	2050
2001-02 (Target)						2525

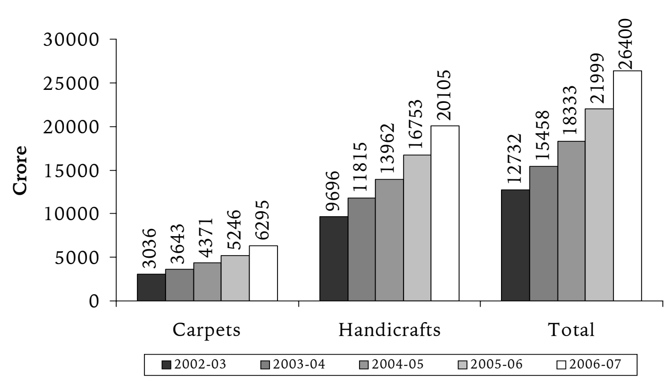
Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

P: Provisional.

The Tenth Five-Year Plan Working Group for Handicrafts has estimated the following export projections during the Plan period:

FIGURE 4.2

Export Projections during Tenth FYP (Values in Rs. Crore)

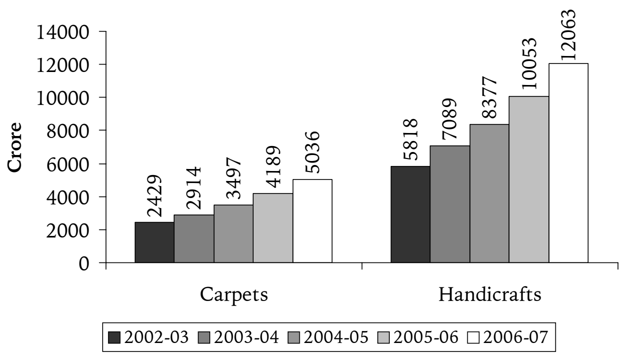


Source: Tenth Five Year Plan Working Group Estimates.

The export growth of the country's carpets and handicrafts is projected at 21.47 per cent during the Tenth Five Year Plan period. If the share of Uttar Pradesh is maintained at 60 per cent for handicrafts and 80 per cent for carpets, broadly as at present, the export turnover from Uttar Pradesh is estimated to be as follows:

FIGURE 4.3

Estimated Exports Turnover during Tenth FYP (Values in Rs. Crore)



Source: Tenth Five Year Plan Working Group Estimates.

4.3. Global Market

There is little data or information available in respect of the competition in different product sectors relevant to India and about the size of the market. An ICRIER (Indian Council for Research in International Economic Relations) study (1993) estimated the world market for 74 handicraft items in 1991 to be US$ 66.5 billion, excluding gems and jewellery exports with a value of $ 44.3 billion. The EPCH estimates this annual turnover to be of the order of US$ 100 billion.

Indicative global trade data in respect of some of the product sectors may be seen below. Leading importing and exporting countries for these sectors are shown for the year 1998.

TABLE 4.7

Global Trade Data: Leading Exporting and Importing Countries (Values in Rs. Crore)

Imports		*Exports*	
665 Glassware			
World	9685.4	World	9772.4
USA	1671.5	France, Monaco	1650.4
France, Monaco	810.9	Germany	1120.1
Germany	686.0	Italy	846.0
United Kingdom	470.3	USA	673.3
Italy	441.9	Austria	439.1
Belgium–Luxembourg	339.7	Czech Republic	430.2
China, Hong Kong (SAR)	271.8	China	362.3
666 Pottery			
World	5938.0	World	5571.5
USA	1868.6	China	1329.7
Germany	480.3	United Kingdom	540.3
China, Hong Kong SAR	357.6	China, Hong Kong (SAR)	423.6
Japan	251.9	Germany	460.2
France, Monaco	307.3	Italy	406.9
United Kingdom	343.6	Portugal	308.1
Italy	269.8	France, Monaco	222.4
635 Wood Manufactures			
World	14487.00	World	14995.40
Germany	2317.90	USA	1151.60
USA	3143.50	Canada	1633.10
Japan	998.60	China	926.30
United Kingdom	827.60	Sweden	759.00
France	686.70	Indonesia	507.10
Belgium–Luxembourg	527.90	Denmark	629.50
Austria	420.70	France	767.6
Switzerland	407.50	Italy	615.8
Canada	391.00	Netherlands	424.9
China, Hong Kong (SAR)	345.8	Belgium–Luxembourg	636.1

Contd. ...

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896 - Works of Art, etc.			
World	9404.9	World	7482.8
USA	4021.8	United Kingdom	2380.7
United Kingdom	2482.2	USA	2361.2
Switzerland	830	Italy	50.9
Japan	368.2	Switzerland	674.5
Germany	497.9	Germany	548
France	194.6	France	525.6
China, Hong Kong (SAR)	94.6	Canada	117.3
Spain	99.2	Poland	906
894 - Toys, Sporting Goods, etc.			
World	54304.2	World	43411
USA	19691.2	China, Hong Kong (SAR)	12211.9
China, Hong Kong (SAR)	6683	China	8412.5
Japan	3154.9	USA	4200.2
Germany	3159.9	Japan	3060.7
United Kingdom	3119.2	Italy	1656.7
France	2268	Germany	1716.4
Canada	2118.5	United Kingdom	1338.6
Italy	1303.8	France	1053.5
Netherlands	1510.5	Pakistan	257.5
Belgium-Luxembourg	1071.1	Philippines	190.8
Spain	1020.1	Sweden	247.9
654 - Floor Coverings, etc.			
World	8721.2	World	9669.92
Germany	1526.6	Belgium-Luxembourg	2207.7
USA	1197.3	Netherlands	763.6
United Kingdom	975.8	USA	875.5
Japan	480.2	Iran	912.2
Netherlands	379.3	China	588.2
France	437.3	India	585.6
Canada	501	Germany	481.5

Contd. ...

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Belgium-Luxembourg	256.7	United Kingdom	405.9
Switzerland	223.5	France	356.9
Italy	233.2	Turkey	343.9
656 - Lace, Ribbons, Tulle, etc.			
World	4687.4	World	4687.4
China, Hong Kong, (SAR)	399.4	China, Hong Kong (SAR)	458.1
USA	459.7	Republic of Korea	473.5
China	349.9	France	445.3
Germany	227.2	Germany	385.7
Mexico	349.8	USA	506.2
United Kingdom	204.9	Japan	192.6
Italy	218.3	China	236.8
France	187.5	Italy	289.3
Japan	77.4	Switzerland	212
Austria	80	India	57.6

Source: United Nations Statistics.

4.3.1. Common Needs versus Culture Crafts

The world trade in handicrafts is not basically a trade in 'culture' but a trade in common people's needs and tastes. The items which have to be produced in bulk and, although, made by hand, need mechanical support for processing and finishing. These items sometimes are required to be made in shapes, colours and designs, which are not typical of traditional shapes, colours, and designs of the exporting country. Developing countries, which have captured the world market are those that have adopted their workmanship and technology to this requirement. As a rule, Indian artifacts—ornamental, decorative or collectable—are handicraft. On the other hand, an overwhelming segment of hand-crafted, partly hand-crafted as well as machine-crafted goods pass in global market with a generic nomenclature of gifts and decorative. Additionally, there is a market for 'cultural' crafts as well, though limited. This segment of the market needs to be explored and exploited for larger gains, among other things, to help improve India's general image as well. No doubt, a blind pursuit of export market has also its dangers: loss of skill, besides slow and imperceptible mechanisation may finally endanger the craft and take away the unique quality of the craft. A strategy needs to be pursued to harness the culture-market, where the craft in its original beauty can still sell and fetch high prices. Even in the case of utilitarian craft market, innovative designs can ensure preservation of the traditional beauty of crafts. This would help retain the product uniqueness, and immunity from competition from other developing countries.

The demand pattern in international markets constantly evolves towards quality goods in bulk quantities. The supply factor poses a serious problem. Competing countries like Taiwan, China, Thailand, Malaysia, Indonesia and the Philippines have moved ahead in this regard.

Modern handicrafts are essentially of a mass scale, machine-made, labour-intensive items, which find their way to countries offering lower wages. Hong Kong and Taiwan rated China as the best source for an offshore production base. Items which are of higher quality and sold to upmarket consumers are still produced in Taiwan and Korea. Where design is important, the items are produced locally. Importers/customers of Indian handicrafts often do no like the items, which finally hit the export market; they may not be the 'best' of Indian handicrafts. India's overall image in foreign markets has generally been based on high volume and low value products.

The trends in handicrafts exports in the early 1980s revealed that the NICs registered a phenomenal growth; their global market share increased from 14.4 per cent in 1980 to 22.3 per cent in 1984. There has been a sharp decline in the market share of NICs during the period 1998-1999, from 14.1 per cent to 11 per cent. In the NICs in China, production of crafts takes place in factories.

4.3.2. Role of Technology

Technology transfer in different countries has benefited the handicrafts sector, e.g., Sri Lanka received technology from Japan, Philippines, China and Thailand in crafts like ceramics, rattan furniture, brass, cane and bamboo. Thailand's teak industry has experienced a striking upgradation in technology obtained from Taiwan and South Korea. Again, for imitation jewellery, China imported technology from Taiwan and Korea. For brassware, Korea exported technology to China, e.g., for manufacture of picture frames. For toys and dolls, Korea and Taiwan provided technology to China and Thailand.

In Taiwan, the light industries have tackled the problem of high wages: most of the traditional and modern handicraft manufacturing base has shifted to mainland China for goods of jade, chinaware, porcelain and modern ware. In the ASEAN, there has been a growth in the modern craft sector with an emphasis on mass scale factory production of giftware. China, Thailand, Philippines and Indonesia have improved their share in the toys and dolls sector. These countries, other than Indonesia, have also improved their exports of festive entertainment articles. China has been successfully exporting both traditional and modern craft items.

4.3.3. China and India

Like in several other sectors, there is intense similarity of interest, and competition, between India and China in respect to production and exports of giftware and handicrafts. China accounted for almost US$ 17 billion worth of exports of decoratives in 1998 in comparison to Indian handicraft exports of a value of US$ 1.7 billion. The US and Japanese markets indicate a competition for India in this sector emanating from NICs and ASEAN countries. For the European markets—specifically Germany, UK and France—the competition arises mainly from other European countries, intra-EU as well as eastern and central European countries.

India's closest competitor in the handicrafts sector is China. India-China comparative strengths in some of the important sectors are:

- **Embroidery:** India leads in USA and UK, China dominates elsewhere.
- **Stone and Wood Products:** China overwhelms India everywhere.
- **Hand-knotted Carpets:** India is a leading supplier to Germany whereas it trails much behind China in exports to the US.
- **Woven and Other Carpets:** India is the main source.
- **Metalware:** India has a smaller, though significant, share in USA and Germany.

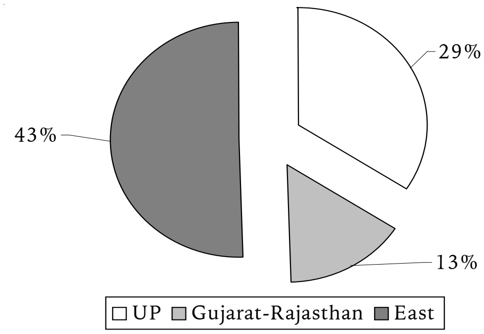
China's carpet industry has been concentrated in large factories. This has enabled China to have higher degree of mechanisation and better control over delivery schedule.

4.4. Uttar Pradesh: An Important Player

According to NCAER, 29 per cent of India's artisans are in the state of Uttar Pradesh, 13 per cent in Gujarat-Rajasthan cluster, and 43 per cent in eastern India.

FIGURE 4.4

Distribution of Indian Artisans



Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

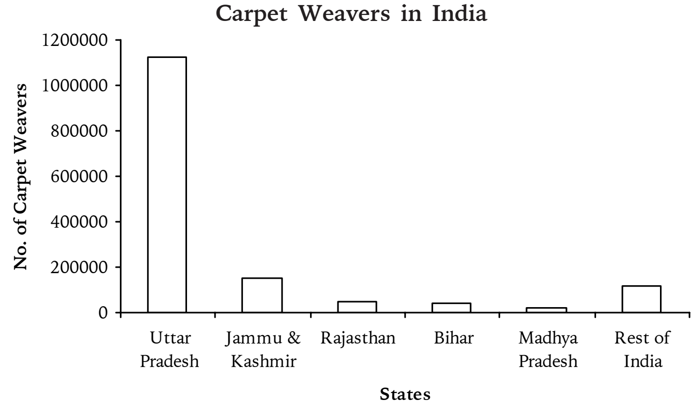
A few states and regional clusters in the country dominate the exports. Nearly 90 per cent of the artisans, excluding handlooms, are in the states of Gujarat, Rajasthan, and Uttar Pradesh and in eastern India. It is predominantly the Gujarat-Rajasthan cluster and Uttar Pradesh, as commercial centres of handicrafts, which are the major sources of exports. There are an estimated 18 lakh artisans in Uttar Pradesh, 30 per cent of the total workforce of handicraft artisans in India, with about Rs. 50000 million of annual production. Uttar Pradesh accounts for about 60 per cent of total handicraft exports of India, 22.41 per cent of the units and 28.79 per cent of the artisans. The average scale per unit in Uttar Pradesh was 4.14 artisans.

4.5. Uttar Pradesh: A Critical State for Crafts

The estimated number of persons employed in the handicrafts sector in Uttar Pradesh was reported to be about 2.03 million (full-time and part-time) in the year 1979-80. The carpet sector is pre-eminently represented in Uttar Pradesh, with as many as 1125000 workers being in the state in a countrywide total of 1500000 carpet weavers.

FIGURE 4.5

Carpet Weavers in India



Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

A large number of persons employed in the sector are engaged in the production of crafts for only a part of the year, who spend the rest of the year in agricultural activities; 'underemployment is widespread —but despite this, handicraft production is the primary source of income' for them. Due to an extensive division of labour in the production of most of the crafts, even semi-skilled and unskilled family labour is employed in their production.

Three broad categories of handicrafts in Uttar Pradesh are:

BOX 4.2

Handicrafts in Uttar Pradesh

Core Crafts	*Languishing Crafts*	*Lesser-Known Crafts*
• Hand-knotted Carpets	• Sazarstone	• Wooden Toys
• Art-metalware	• *Tharu* Embroidery	• Bone & Ivory Carving
• Woodware	• Cotton Carpet	• Glass Toys
• Hand Printed Textiles	• Handblock Textile Printing	• Jewellery–Kundan, etc.
• Embroidered/ Crocheted Goods	• Wood Carving	
• *Zari & Zari* Goods		
• Imitation Jewellery		
• Glass & Glassware		

4.5.1. Core Crafts in Uttar Pradesh: A SWOT Analysis

Strengths

- Rich traditions of excellence in arts and crafts.
- Development of supply-chain with skill specialisation.
- Component level manufacturing, providing it the efficiency and skill requirements.
- Achievable/acceptable social standards.
- Labour laws conforming to ILO Conventions.
- High employment potential.
- Highly export-driven, for foreign exchange accrual.

Weaknesses

- Unorganised marketing and inadequate market information.
- Inadequate support mechanism for product development.
- Power interruptions and other infrastructural deficiencies.
- Inadequacy of raw material at appropriate prices.
- Lack of mechanism for dispersal of technology for enhancing productivity and final finishing.
- Lack of investment for fulfilling international requirements.
- A general poor image of the country as a supplier of quality goods with consistency.

Opportunities

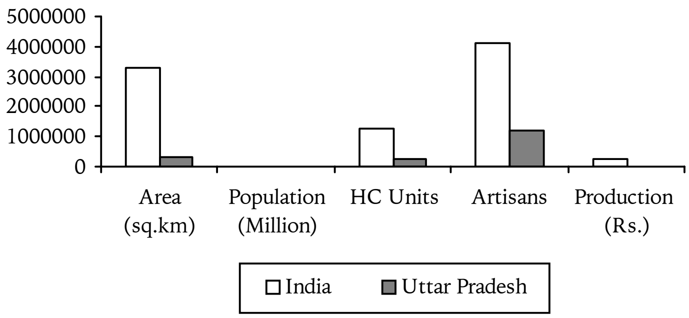
- A large trained, skilled manpower base.
- Existing international presence.
- Existing social interventions and structure.
- Traditional knowledge base.
- Growing export market for quality products and reduction in acceptance of mass-produced products, especially in Europe and USA.
- Growing environmental concerns.
- Growing sophistication and buying power of Indian consumers.

Threats

- Competitors gaining market share on strength of volume and price.
- Competitors edging out Indian exporters on strength of quality.
- Growing environmental concerns in the country affecting supply of raw material.
- International campaigns against child labour and social standards.
- Lack of coordination between institutions affecting production and exports.
- Increased competition among indigenous suppliers leading to price wars, high transportation costs.
- Excessive reliance on state incentives and props.

FIGURE 4.6

Number of Artisans, HC Units and Production in Uttar Pradesh and India



Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

4.5.2. Some Salient Facts

There are a large number of developmental and welfare schemes for the artisans the state has pursued under the Central government as well as the state sector.

Following is a brief compendium of the welfare and training facilities extended by the Central and State government agencies for the crafts sector in Uttar Pradesh:

- The Regional Design and Technical Development Centre at Okhla in New Delhi has been set up to help evolve new designs, arrange workshops in the craft pockets in Uttar Pradesh, enabling artisans to upgrade their skills and diversify their products in consonance with the changing market trends.
- The Indian Institute of Carpet Technology (IICT) at Bhadohi started functioning in 1988. The Institute proposes has started a four-year course in Carpet and Textile Technology. There is also a proposal to conduct a three-year diploma course in the Carpet Technology.
- The Metal Handicrafts Service Centre at Moradabad aims at achieving a qualitative improvement of art metalware especially to enhance their export worthiness. It offers professional and technical advice for improving manufacturing techniques and training facilities for upgradation of skills of craft persons and technicians, extends testing facilities to entrepreneurs in order to help them meet international standards of quality control and setting up a common facility for research & development programmes. The Centre has been registered as a society and has received support from the United Nations Development Fund as well as Government of Uttar Pradesh.
- The National Centre for Design and Product Development (NCDPD) at Moradabad has been set up by the EPCH with assistance from UNDP and GoI as well as active support from IGEP (Indo-German Export Promotion Program). The Centre provides services and technology in computer-aided designs and modern management for the benefit of entrepreneurs, manufacturers and traders. The Centre has had the support of two German designers assisted by another Philipino designer.
- The wood seasoning plant and common facility centre at Saharanpur and Nagina have been extending useful services.
- The CDC (Crafts Development Centre) has been conceived for artisans to get facilities of advance training, design guidance and marketing, besides raw material procurement. The CDC extends facilities to a cluster of artisans in a crafts concentration pocket. The scheme deals with design dissemination, technical guidance, training, procurement, quality control, etc.

There are 30 CDCs functioning under the aegis of various corporations/NGOs in different craft concentration areas of Uttar Pradesh.

The departmental training centres under the aegis of DC (H) in the central region are being phased out. It is planned to close 170 carpet centres during Ninth Plan at 34 centres per annum. Accordingly, 68 centres were closed during 1997-1999 and the remaining 102 are due to be closed by the end of Ninth Plan.

- DC (H) formulated a scheme by establishing emporia through state corporations/NGOs. Some 15 emporia have been established under the scheme all over the country to market handicraft product of Uttar Pradesh.
- The following CDCs are relevant:
  - For carpet sector at Shahjahanpur, implemented by Uttar Pradesh Export Corporation Ltd.
  - For promotion of woodware at Saharanpur, managed by the Uttar Pradesh Export Corporation Ltd.

TABLE 4.8

Detail of the Grant Released up to November in the Year 2001-02

Organisation	*New Emporium at*	*Renovation of Emporium at*	*Amount Released (Rs. Lakh)*
A : State Sector			
The UP Export Corporation Ltd.	Kanpur Ahmedabad Kolkata	—	5.00 14.01 20.00
		Hydrabad	1.58
		New Delhi	0.56
		Bhopal	0.33
		Allahabad	0.97
		Lucknow	2.50
		Bangalore	2.50
		Bhopal	1.24
		Hazrat Ganj,	2.88
		Kolkata	5.00
		Kanpur	5.00
		Ahmedabad	5.00
			5.00
			5.00
UP State Brassware Corporation Ltd. Moradabad	Gariahat Complex Kolkata		4.92
Total (A)			**81.49**
B : NGOs			
Textile Block Printer Association, Lucknow	Baroda		11.93
Society for Employment Welfare & Agri. Knowledge, Dist. Nanital	Haldwani		12.64
Crafts Council of UP, Lucknow	Lucknow		10.22
Crafts Employment Society Saharanpur	New Delhi (not set up, refund awaited)		15.00
Mahila Ass. for Trg. & Empl. & Novel Arts, Lucknow	Lucknow		20.00
Jan Naanda Uthan Samiti, Badrinath	Badrinath		14.48
Mahila Kalyan Samiti, Pilibhit	New Delhi		13.70
Grameen Jan Kalyan Samiti, Mirzapur	Allahabad		14.12
Dharam Grameen Uthan Samiti, Meerut	Haridwar		15.00
Women Development Organisation, Dehradun	Dehradun		14.97
Ansari Krishi Gramin Vikas Seva Samiti Bareilly	Bareilly		15.00
Manav Sewa Sansthan, Roorki	Roorki (not set up)		7.50
Krishi Bharati Gramudyog Seva Sansthan, Noida	Noida		13.53
Sharda Seva Sansthan, Noida	New Delhi		19.38
Deoband, Saharanpur			
Total (B)			**227.47**
Grand Total (A+B)			**308.96**

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

- For pottery/ceramic, at Chumar, implemented by Unnayan Sansthan, Mirzapur for which an amount of Rs. 21 lakh was sanctioned.
- For wood, at Gankheri, Bijnore, implemented by Bijnore Sewa Sansthan. An amount of Rs. 27 lakh sanctioned.
- Another centre for wood at Nagina, Bijnore managed by Nagina Crafts Development Society. An amount of Rs. 25 lakh sanctioned.

Details of grant released for CDCs in Uttar Pradesh during April-November 2001 are shown below:

CDCs	*Rs. in Lakh*
CDC at Saharanpur (The UP Export Corp. Ltd.)	8.000
Chunar, Mirzapur (Unnayan sansthan)	10.385
Bijnor Seva Sansthan, Bijnor	13.465
Nagina Crafts Development Society	12.115
Total	**43.965**

- In addition, the Government of Uttar Pradesh has been extending facilities to artisans at the pottery development centre at Khurja (Bulandshahr), block-training work at Kashipur, glassware industry at Ferozabad.
- In addition, there are four carpets weaving training centres at Varanasi, Dehradun, Allahabad and Bareilly.
- Nearly 516 housing-cum-worksheds and 3742 worksheds for individual artisans were constructed predominantly in rural areas. These facilities had been provided to artisans through 12 NGOs/state agencies.
- The Group Insurance Scheme for craft persons extends insurance cover to all urban disadvantaged and rural poor craft persons under the umbrella group insurance policy of LIC. The premium is shared by the Central government at Rs. 60 and the beneficiary at Rs. 40. Some 6000 artisans in Uttar Pradesh have been covered under the scheme.
- There is a package of health insurance for handicraft artisans. The United India Insurance Company provides coverage to the deserving artisans in the age group of 18-70 years. The annual premium is fixed at Rs. 200 per annum per beneficiary. The scheme is proposed to be implemented by State Handicrafts Corporation,

apex cooperative societies and reputed NGOs. About 3000 artisans from Uttar Pradesh have been covered under the scheme.

- For master craftspersons, who are recipients of national awards or merit awards or state awards in handicrafts, assistance from state government is restricted to Rs. 1000 per month. The period of assistance normally does not exceed five years. About 11 craftspersons from Uttar Pradesh have received such assistance.
- The national award for master craftspersons gives recognition to them for their outstanding contribution in terms of excellence of craftsmanship and development of crafts. Each national award consists of a cash prize of Rs. 25000, a copper plaque and an *angavastra*.
- Each national merit certificate consists of a certificate and a cash prize of Rs. 5000. Some 102 master craftspersons from Uttar Pradesh have been awarded national award and 40 craftspersons national merit certificate.
- Uttar Pradesh government has awarded state handicrafts award to 254 artisans and state excellence awards to 280 artisans up to March 2004. Under the state award in addition to Rs. 10000 cash, *Angvastra*, and certificate, a *Tam Patra* are also given to the artisans. Under State Excellence award Rs. 5000 cash and an *Angvastra* are given to artisans.

TABLE 4.9

Crafts Clusters in Uttar Pradesh

Craft	*Location of Cluster*	*Operation Jurisdiction*
Copperware	Vill.Salla (Almora)	M&SEC, Almora
Metalware	Varanasi Town	M&SEC, Varanasi
Cotton Carpet	Fatehpur (Barabanki)	M&SEC, Barabanki
Chikan Embroidery	Vill. Bijnore (Lucknow)	M&SEC, Barabanki
Tharu Embroidery	Behraich	M&SEC, Barabanki
Chikan Embroidery	Vill.Kakori (Lucknow)	M&SEC, Barabanki
Woolen Carpets	Uttarkashi	M&SEC, Almora
Copperware	Khareti Patti	M&SEC, Almora
Handblock Printing & Painting	Varanasi Tower	M&SEC, Varanasi
Woodcrafts	Khojawan	M&SEC, Varanasi
Zari & Zardozi	Lohata (Varanasi)	M&SEC, Varanasi
Stone Crafts	Ram Nagar (Varanasi)	M&SEC, Varanasi
Hand Block Printing	Lucknow	M&SEC, Barabanki
Blue Pottery	Nizamabad (Azamgarh)	M&SEC, Varanasi
Musical Instruments	Meerut	M&SEC, Saharanpur
Stone	Agra Town	M&SEC, Agra
Ghungroo	Jaleshar (Etah)	M&SEC, Agra

The following craft clusters in Uttar Pradesh have been proposed for training of artisans:

4.5.3. Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)

This Yojana aims at promoting handicrafts by developing artisans clusters into professionally managed and self-reliant community enterprises.

The main objectives of the scheme include:

- To organise artisans clusters into self-help groups (SHGs) or cooperative societies with a view to enabling them to take up economic activity for sustainable development through a collective mode.
- To empower artisans by making them active entrepreneurs-cum-primary stakeholders in the process of development and bringing them to a visible platform for easy access to domestic and overseas markets.
- To upgrade artisans' skill through appropriate design and technology intervention to enable them to use quality raw material, tools and equipments to produce value-added items.
- To provide adequate infrastructure support for improved quality and productivity and to enable artisans access to a larger market segment, both domestic and international.
- To ensure effective collective participation of all members involved in the production and marketing process for optimal growth in human resource, production, business and income.
- To create centres of excellence with well-integrated linkages.

Clusters

Craft clusters may consist of a village or a group of villages in a geographically contiguous area having a minimum of 25 families of handicraft artisans practicing the same or different craft.

A cluster shall be a network of a number of Self Help Groups (SHGs). SHG is a cohesive group of a minimum of 10 artisans practicing generally the same craft, who are ready to organise themselves for saving regularly and converting their savings into a common fund which can be used along with grants-in-aid and loan for sustainable development of craft.

Project Components

The need-based intervention strategy proposed in the form of an integrated project, may include:

- **Community Empowerment**: To empower handicraft artisans by making them active entrepreneurs-cum-primary stakeholders of development, enhancing their operational efficiency and competitiveness, and enabling them to face new challenges as a viable, self-supporting economic entity.

  This will involve a diagnostic study of the mobilisation of clusters, formation of SHGs and preparation of business plan. Assistance of Rs. 5–7 lakh may be available to a cluster.

- **Skill Upgradation**: To train artisans to upgrade their skills, enable them to take up production activity with better quality and productivity. Assistance of Rs. 3.00–5.00 per cluster may be available.

- **Design and Product Development**: For improvement and diversification of products through design and technology inputs. Assistance of Rs. 2–10 lakh may be available per cluster.

- **Technical Upgradation and Service Support**: To improve the technique of production by introduction of new technology/improved tools. Assistance of Rs. 5–45 lakh will be available provided land is made available free locally.

- **Marketing, including Export**: For assistance in marketing produce in national and international market, publicity, etc. Setting up of emporia in exceptional cases also may be considered. (Assistance of Rs. 5–10 lakh per cluster.) Additional assistance for export may also be considered on merit.

- **Other Assistance**: May include assistance for health package; group insurance and construction of work-shed, work-shed–cum-housing, etc.

Implementing Agencies

Implementing agencies may be Central/state corporation(s)/coop societies/NGOs/trusts/self-help groups engaged in development and marketing of handicrafts.

These agencies shall be responsible for formation of self-help groups, initiating thrift and credit activities, identification of cluster managers, arranging their training in cluster mobilisation, conducting training in entrepreneurial skills, management enterprises of craftpersons, finalisation of business plan, arranging working capital, and tie-up linkages with marketing agencies for sustainable handicrafts activity in the cluster.

Pattern of Financial Assistance

Assistance would be made available to the clusters from the Office of the Development commissioner (Handicrafts) on the basis of project proposals according to the prescribed guidelines. The project Proposal would be sanctioned by a committee constituted for the purpose.

4.6. Problems/Redressal Measures

4.6.1. Apathy and Alienation

- The two most important factors for the decline of some craft segments are: decline in the demand for traditional articles of consumption; and reduced availability of raw materials.
- Most handicraft products have traditional, hereditary linkages. The new generation does not show interest in learning the craft and pursuing it as a vocation.
- The flight of craftsmen from their traditional occupations can be ascribed to low earnings from handicrafts. The old workers are no more interested in continuing the job due to low wages; the health hazards in certain processes together with low wages and lack of social security measures, prevent new workers from joining the industry.
- Tradition-tied masters of craft look for *izzat* (honour/recognition). It is important that artisans are educated to value their own work. It is unfortunate that most end up pricing their art and craft at a rate equal to the one relevant to their basic physical labour like construction work or even less. These practitioners of crafts are not just workers; they are extremely creative artisans. These artisans need to be bestowed the dignity that is due to them.
- The payment of heavy commission to agents and middlemen by dealers prevents reasonable

increases in payment for the job work they undertake.

4.6.2. Technological Lag

- Technology is an important factor for:
  - Reducing drudgery among artisans.
  - Improving quality, productivity and acceptability.
  - Reducing manufacturing cost.
- For carpet sector especially, for e.g., some of the specific aspects need to be addressed:
  - Development of, e.g., specially yarns for carpet weaving.
  - Improvements in loom design/layout.
  - Upgradation of tools.
  - R&D on natural dyeing/herbal finishing.
  - Development of raw material, e.g., wool for carpet weaving, by involving specific agencies, e.g., Central Wool Development Board for Wool.
  - Development of materials e.g., synthetic wool, alloys, blended yarn, spun silk (suitable for carpet weaving).
- Low level of technology entailing drudgery has led to low productivity. The need for improved tools for different crafts has been recognised.
- Although it is somewhat sought to be met by the National Small Industries Corporation, the National Productivity Council, and the Regional Design and Technical Development Centres, the use of such improved tools has not been adequately explained to artisans, in a proper manner; the schemes have neither been effective nor popular.
- For the carpet sector, IIT, Delhi has developed looms, tools, washing/drying, clipping machines and a moisture measure device.
  - The IICT at Bhadohi was sanctioned Rs. 55 lakh for advance training facilities in CAD.
  - Also the Wool Research Association in Mumbai has been promoting the establishment of vegetable dye units in craft pockets.
- It has made little impact towards creating awareness among the manufacturing units and entrepreneurs as well as artisans of the values and benefits of using natural dyes.
- The Regional Design and Technical Development Centre, Okhla, New Delhi may arrange workshops for groups of artisans in clusters at Moradabad, for instance, for providing training and creating awareness for shapes, designs, colours, finish, quality, packaging and presentation.

4.6.3. Competition from Other Products

- The demand for traditional consumer products has been declining as preferences for standardised products gain and the rural consumption patterns catch up with the urban. Competition from other articles has increased, e.g., traditional rural pottery being driven out by metals and plastics.
- No doubt, the market for some crafts has witnessed a revival, e.g., handlooms have lost while embroidered and hand-printed textiles have gained.

4.6.4. Problems of Raw Materials and Credit

- Problems of raw material availability are observed; for e.g. in the steady shrinking of bamboo and cane.
- As raw materials form an important component of production costs, their availability at fair prices determines the economic viability of operations as well as self-sustained growth.
- As availability of credit plays a vital part in accelerating the growth of this sector, government of India formulated schemes for augmenting the flow of credit from banks and other institutional agencies. The actual delivery of credit to the craftsmen needs to be substantially improved.
- Availability and access to institutional credit is an important aspect: the Subgroup for Handicrafts for the Tenth Five Year Plan has proposed a provision to be made for working capital loans to groups under AHVY and also to individual artisans through ACC (artisans' credit cards) proposed to be introduced.

  The Tenth Plan Working Group has projected the following order of credit requirements for the countrywide handicrafts sector:

Year	*Credit Required: Rs. Crore*
2002-03	6829
2003-04	8303
2004-05	9834
2005-06	11800
2006-07	14161

- Broadly assuming two-thirds business potential in Uttar Pradesh *vis-à-vis* the whole country, the approximate requirement of credit for handicraft entrepreneurs may be reckoned as follows:

Year	*Rs. Crore*
2002-03	4000
2003-04	5000
2004-05	6000
2005-06	7000
2006-07	8500

4.6.5. Production/Marketing Constraints

- The supply chain of craft exports, from raw material stage to delivery of final product overseas, promotes many intermediaries, e.g., raw material suppliers, contractors/convertors, finishing units, exporters/importers/wholesalers, buying houses/agents/retailers.
- Lack of access to means of value-addition: limited information and finance impede training and skill upgradation, design/input, and technical upgradation.
- Difficulties in accessing and understanding new markets; rural artisans in particular are often unaware of the potential of new markets for their products.
- Problems concerning buyers show up in regard to difficulty in locating and gaining access to craft producers, difficulty in exporting and shipping small orders.
- Handicrafts business constitutes concept selling rather than mere product selling. Efforts thus need to be made for design and development of products, which focus on the ultimate consumer.

A selective developmental approach focussing on specific production centres, craft clusters, or regional pockets will help yield results. Common facility centres at village/block/district/cluster level may provide a forum or platform for entrepreneurs to set up facilities appropriate for that cluster/centre/pocket. Such facilities may be organised and operated with active involvement of artisans and entrepreneurs with only nominal participation from any government agency. There should be a fair price charge realised from users for the services utilised by them.

A few craft clusters may be identified to be given sustained attention in terms of a common facility centre for each such cluster. Such a centre will facilitate provision and supply of requisite developmental tools and implements as well as raw materials with training and design support for product and market development. Some of the common facility centres for concentrated craft centres could be developed for the following services:

Facility	Task
Raw Material Supply/ Depot	Indigenous and imported raw material stock and sale.
Tool Room/ Maintenance Unit	Fabrication and development of jogs, fixtures and small tools.
Finishing Unit	Cutting edge technology.
Design & Technology Centre	Special set of machines for testing and induction of latest designs and technologies for manufacturing.
Bank Extension Counter	Provision of credit.
Communications Centre	With ISDN/wireless/cable connectivity.
Work Sheds	For artisans to set up units as primary clients/beneficiaries.

Some of the potential craft centres for a special thrust may include:

Centre	*Craft*
Nagina	Woodcraft
Khurja	Ceramics
Bareilly	*Zardozi*
Ferozabad	Glass Artware
Agra	Stoneware

The field offices of DC (H) in the state, when duly restructured and staffed with appropriate persons imbued with a purpose, will help inculcate the necessary awareness, enabling due promotion and monitoring of activities in the area.

- There is a need to strengthen the NCDPD at Moradabad. It is also essential that entrepreneurs carry out the management and operation of the centre in close cooperation with an established NGO.

- IICT needs to be similarly upgraded and strengthened for the carpet sector.
- Metal Handicrafts Servicing Centre (MHSC) may likewise be revamped and strengthened.
- There is a great deal of scope for IT application for database; monitoring of schemes on dissemination of information to be systematically and steadily promoted.

Based on specific countrywide targets pitched for different activities for the development of Indian handicrafts during the Tenth Plan, an empirical interpolation of resource allocation/performance targets can be envisaged as follows:

Activity	*Proposed Plan Allocation for All-India: Rs. Crore*	*Suggested Allocation for UP: Rs. Crore*
Integrated AHVYS Development of Craft Clusters	150	90
Rural/Specific *Haats*, Market/Commercial Analysis and Information	170	100
Export Promotion	61.5	35
Training and Tools	116	60
Investment in Private Sector	7972	4500

4.6.6. Marketing

Some of the state government proposals for marketing support to the handicrafts sector during the Tenth Plan include the following:

TABLE 4.10

Support Services under the AHVY Scheme as Proposed by Uttar Pradesh Government

	Total for the Tenth Plan	*2002-03*	*2003-04*	*2004-05*	*2005-06*	*2006-07*
			Plan X			
Existing	720	224	124	124	124	124
Women Welfare Scheme	100	20	20	20	20	20
State Award for Handicrafts	10	2	2	2	2	2
Artisan Welfare Fund	500	100	100	100	100	100
Group Insurance for Artisans	100	100	-	-	-	-
Health Insurance for Artisans	10	2	2	2	2	2
New:						
1. Social						
Total Bahboodi Fund Scheme (State Scheme)	160	80	80	—	—	—
2. Technical	2250	450	450	450	450	450
Training of Craftsmen	1000	200	200	200	200	200
Common Facility Centres	250	50	50	50	50	50
Upgradation of Design & Technology	1000	200	200	200	200	200
3. Marketing	9235	2361	2361	2271	2121	121
All India Handicrafts Week	5	1	1	1	1	1
Marketing Development Programme						
Agra, Lucknow, Bareilly, etc.	8000	2000	2000	2000	2000	2000
Product Specific						
Art metal, Woodcraft, Textile, *Zari*	300	100	100	100	—	—
Rural *Haat*	150	50	50	50	—	—
Marketing Complex in Mandi Parishad	50	10	10	10	10	10
National/International Fair Organisation	500	100	100	100	100	100
Rural Crafts Exhibition Complex	230	10	10	10	10	10
Finance:	26	26	—	—	—	—
50% Contribution of paid Up Capital	26	26	—	—	—	—
Grand Total	**12391**	**3141**	**3015**	**2845**	**2695**	**695**

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

TABLE 4.11

Marketing and Support Services: UP's Tenth Plan (2002-2007) Ongoing/Proposed Schemes

(Estimated Expenditure: Rs. Lakh)

	Total for the Tenth Plan	*2002-03*	*2003-04*	*2004-05*	*2005-06*	*2006-07*
Existing						
Collection & Display of Handicrafts	60	20	20	20	—	—
Shilpi Marketing Organisation	50	50	—	—	—	—
Mktg. Assistance to Handicrafts Artisans	100	20	20	20	20	20
New:						
Scheme for Participation of Craftsmen & Exporters in Exhibition and *Haats*	900	150	150	200	200	200
Publicity (Print & Electronic)	50	10	10	10	10	10
Organisation of Buyer/Seller Meets	1850	300	300	400	400	450
Creation of Marts/Emporia	50	10	10	10	10	10
Assistance to Entrepreneurs' Development	50	10	10	10	10	10
Event Management Assistance	25	5	5	5	5	5
Creation and Development of Brand Image	50	10	10	10	10	10
Grand Total	**3185**	**585**	**535**	**685**	**665**	**715**

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

As pointed out earlier in the chapter, handicrafts business constitutes concept selling rather than mere product selling. Design and development of products constitute the soul and substance for the sector. These products focus on the ultimate consumer. The ingenuity of the designer as well as the craftsman will enable traditional crafts to be viable in a contemporary market.

Demand for handicrafts is highly income-elastic. Handicrafts have an expanding market in developed countries.

- The role of market research and exploration with appropriate marketing strategies assumes critical importance.
- An import data analysis of handicrafts and giftware in potential countries will help determine the size and character of different craft markets across the globe.
- Market research into crafts is negligible, if not non-existent. New trends and designs, new integral ways to feel the pulse of the market need to be determined and disseminated.
- The 'culture' crafts have to be nurtured along with utilitarian crafts.

For the carpet sector, like some other crafts, it is essential to provide for:

- improved designs;
- indigenisation of designs to create identity;
- synthesis of colours and designs for different markets;
- quality upgradation;
- natural colours and dyes/herbal finishes;
- testing facilities;
- eco-friendly methods; and
- product diversification by dint of new fibres.

- The story can be adapted and narrated for modern consumer patterns, whether it is the exquisite embroidery of Kutch by the nomadic Rabari community, *chikankari* of Lucknow, intricate *sujni* appliques in Bihar, delicate *satgaon* embroidery of Kolkata, *kasuti* embroidery of Hubli in Karnataka, or *nakashi kantha* of Bangladesh.

- Environmental problems need to be addressed. European nations are sensitive to toxin substance, e.g., cadmium in metalware and azo dyes in textile crafts. Child labour is, no doubt, another emotive issue. Environment friendly packaging and general social and hygienic conditions are other important facets. These aspects can well be converted into opportunities as a conscious and aggressive campaign to enhance the acceptability of Indian products among affluent consumers susceptible to these considerations.
- Environment and conservation need to be woven into the concept. A number of items can be designed which will have both aesthetic and utility value, merchandise made out of material such as bamboo, wood, jute, terracotta, recycled paper and earth. The wood used in artifacts may be compressed out of wood shavings.
- It is the designer who can fashion these artefacts out of the board, which, for example, can then be screen painted with ethnic designs in attractive colours. Popular items can be crafted in different forms, textures, and for varied uses.

4.6.7. Infrastructure

A crucial engine of growth and sustainability, infrastructure of electric power, roads and other modes of transportation, etc. have generally been the Achilles' heel of the Indian economy. The important craft clusters in Uttar Pradesh, e.g., Bhadohi-Mirzapur carpet belt, Moradabad region, Saharanpur, Ferozabad, Bareilly and Varanasi have been in dire need of minimum infrastructural support.

Like in the other sectors of the economy, and other regions of the country, the craft clusters in Uttar Pradesh bear the lag that exists in regard to important infrastructural snags to be identified for the prominent craft clusters in Uttar Pradesh. The proposals included the Table 4.12.

A bird's eye view of the principal craft centres of the state may be as follows:

Moradabad

- Moradabad has been facing competition from East Asian suppliers who sell similar articles, which are even called Indian at times and sometimes have a better finishing. Stiff competition from other Asian countries underscores a concerted strategy to be initiated, for a systematic help to be provided to entrepreneurs and artisans.
  - Basic designs and skills have not evolved much. There is a huge scope for improvement in finishing, packaging and product development.
- Moradabad brassware business engaged 7000-8000 full-time workers in 1924, about double that number in 1950, about 150000 in the mid-1990s, and 200000 in the late 1990s. The workers continue to live in poor conditions. Real wages have not increased; artisan welfare is non-existent. There is no tangible infrastructure or system of training. Levels of general education are poor and so are health facilities. Housing is deplorable. The trade is too tradition-bound in designs, materials and products.
- Moradabad was one of the first craft towns to have technical advantage of the Internet. On the other hand, in production, design, infrastructure and welfare, there are big weaknesses. There are economies of scale in finishing which are currently underutilised.
- The urban infrastructure is underdeveloped. An industrial estate away from the city, if duly planned and developed, will be of immense help.
- Moradabad faces several bottlenecks, e.g., power shortage, dependence on outside labour for casting jobs, use of sand cast dies, absence of a tool room, poor design and development facilities, besides logistics inadequacies.
- In Moradabad, a bypass has been completed and the state government is going to set up an SEZ for which around 500 acre land has been acquired. A project of Rs. 1000 lakh to link SEZ to Delhi Road has been started.

Saharanpur

Saharanpur faces problems such as non-availability of treatment plant for seasoning and chemical treatment of wood, and raw material facility centre. It has a fragmented structure of manufacturing units and is beset with logistics problems.

Need is distinctly felt for developing an industrial estate, for chemical treatment of wood, for sawing and wood cutting machines, and availability of seasoned wood, e.g., pine wood, etc.

TABLE 4.12

Proposals for Critical Infrastructural Balancing Schemes

(Estimated Cost: Rs. Crore)

Name of Project	*Project Cost*	*Approved Cost*	*Disbursed Amount*
Lucknow			
Power	11.21	7.38	4.00
Internal Roads	5.01	-	2.38 (ASIDE)
P.W.D. Roads	3.17	-	-
Handicraft Export Promotion Centre/Design Centre	0.91	-	-
Total	**20.3**	**7.38**	**6.38**
Saharanpur			
Power	2.08	2.08	2.08
Roads	-	-	-
Widening and Strengthening of a Part of Delhi-Yamunotri up to Saharanpur *via* Panipat	5.04	-	-
Link Road from Delhi-Yamunotri Road New Rampur Chungi to A.S.M. Road *via* Megh Chhapper Rajbahar 4 lanes (Km 144.46 to Km 156)	1.68	-	-
ASM Roads to Megh-chhapper Rajbahar Road *via* Maida Mill & Overbridge on Crossing No. 86B	3.56	-	-
Other Civic Amenties		-	-
U Type Drains	5.01	-	-
C. C. Roads	5.65	-	-
Bhadohi Region			
Widening and conversion of Single Lane to Double Lane from Babatpur to Bhadoi	6.29	6.29	6.29
Power	2.99	2.99	2.99
Civil Amenities Including Sewage	1.62	-	-
Widening and Strengthening of Varanasi-Bhadohi Road	8.07	-	-
Widening and Conversion of Single Lane to Double Lane from Gopiganj to Bhadohi	4.11	-	-
Widening and Strengthening of Other Roads Connecting to Bhadohi from Weaving Centres	12.53	-	-
Total	**35.61**	**9.28**	**9.28**
Moradabad			
Power	21.10	20.28	20.28
Roads Widening and Metalling of bypass	6.75	-	-
Widening of NH-24 from 2 Lane to 4 Lanes (Km. 144.46 to Km. 156)	5.56	-	-
Widening of City Portion Road (Km 156 to Km 161)	3.01	-	-
Total	**15.32**	**20.28**	**20.28**
Telecommunication	3.50	-	-
Civic Amenities Including Sewerage	3.07	-	-
Inland Container Depot	3.97	-	-
Foreign Post Office	0.10	-	-
Export Trade Centre	0.25	-	-
Total	**47.31**		
Bareilly			
Power	6.28	-	-
Internal Roads and Internal Drains	3.07	-	-
Improvement in Water Supply System	1.37	-	-
Improvement in Sewerage System	1.47	-	-
Setting up a Handicraft Design Development Centre	2.64	-	-
Upgradation of Industrial Area	0.88	-	-
Total	**15.72**		
Firozabad			
		-	-
Power	5.73	-	-
Roads	2.86	-	-
Drainage	6.12	-	-
Water Supply	2.78	-	-
Export Promotion and Development Centre	0.75	-	-
Branch Roads	0.33	-	-
Total	**18.58**		

Source: Export Promotion Council for Handicrafts and Council of Handicraft Corporations and Development Commissioner (Government of India).

A wood craft design centre has been approved to set up in Saharanpur with an investment of Rs. 100 lakh in association with the Indian Indum Association.

The Carpet Belt

Bhadohi-Mirzapur carpet belt is characterised by inadequate production control because of widespread disorganised looms, insufficiency of full-time labour, manual washing of carpets, besides general inadequacy of infrastructure.

4.6.8. Promotion

- A concerted plan of action may be drawn up to develop:
  - craft tourism for domestic development of crafts by encouraging the establishment of craft villages, and organised tour packages to craft centres and museums;
  - craft markets at various points of entry into the country; and
  - display outlets for crafts, using artisanal products in hotels and other establishments.
- An intensified awareness of cultural as well as tourism crafts in the region will help, promote new employment opportunities, and broadly engender an enthusiasm and pride, especially among the young, in local craftsmanship.
- Tourists are major consumers of craft goods. Foreign tourists should be able to have an easy access to non-exploitative avenues to source their purchases. There are several untapped international market channels, e.g., museum, boutiques and other niche markets.
- There are proposals for organising programmes at various established *melas*, which attract tourist and pilgrims. In addition, certain special festivals are proposed to be organised like the Taj *Mahautsava* at Agra, the Jhansi *Mahautsava*, and the Ganga *Mahautsava* at Varanasi and/or *Shilp Mela* at Allahabad.
- The Sub-group for Handicrafts: Tenth Five Year Plan, has proposed that, for increasing domestic sales with special focus on the upmarket segment, a comprehensive package of marketing support and assistance be available for organising *shilpi bazars*, fairs and festivals, products promotion programmes, handicrafts expos, buyer-seller meets, exhibitions, and urban *haats* besides opening/renovation of emporia. In addition, product specific *haats*, collection and analysis of commercial intelligence, development of brand image and e-commerce as new components of the scheme have been proposed.
- A 37 acre plot of land in Greater NOIDA has been acquired for the setting up of an India Exposition Mart. DC (H) has sanctioned a grant of Rs. 4.54 crores for the mart.
- A concerted campaign, if launched to promote a 'handmade in India' brand image based on certification and information on the product, will help. In selected cases, special features of both, the craft and the craft person can be explained, which will help generate interest in the product and consequently earn a higher unit value as well. The information can include that on the tradition, technique, design and the artist behind the crafts. Certification could also add that the product conforms to international safety as well as environmental standards.
- An innovative range can be prepared for children —to be a perfect study-time companion for them. Children may be encouraged to visit special workshops and stores, in fact, to take home some material like which they can paint. The artwork, which they so produce, can later be displayed at vantage locations. This will generate interest among them; they will find expression to their child-like fantasies through different medium.

The National Crafts Museum may set up a specialised section for the carpet sector in the carpet belt in Uttar Pradesh. A Carpet Craft Museum will be established at Bhadohi and Eastern Uttar Pradesh in collaboration with the carpet manufacturers association. It may even be developed with assistance from bilateral/multilateral donor agencies, be equipped with a library as well as research and documentation facilities, besides being a national collection centre of heritage and unique carpets from all over the country and abroad. A national campaign may be launched to build up, through public awareness campaigns, an appreciation for local crafts as a national heritage of high cultural value and craftsmanship, while instilling a sense of pride in buying a piece of tradition.

Corporate houses and MNCs may be urged and facilitated to adopt and encourage crafts for the gifts they distribute. Popularisation of the craft sector will need to assume two facets: (a) consumption in the domestic market, particularly, for giftware, needs to be specially targeted including among corporate business houses in the country as well as MNCs operating in India; and (b) crafts persons and their children will need to be encouraged and assisted, particularly at the formative stage as students, through appropriate curricula, hobby centres, stipends and scholarships.

An important segment of market that needs to be systematically promoted is for corporate houses with customised logos for giveaways by them for corporate clients. A range of products can be brought out—to be used in offices, at home, and as personal artefacts. In select cases, concepts can be developed for a turnkey project for a corporate house, right from conceptualising to delivering the gift to the recipient.

It is essential that due care is devoted to different, and crucial, aspects of quality, consistency, sustainability—with an eye on packaging, presentation as well as explanatory information on the characteristics of the product and the craftsman.

Likewise, brand promotion needs to be focussed as a major component to replace the poor perception of India as a supplier of low quality goods. A comprehensive study should be undertaken to assess the needs of leading retail chains including commercial channels and alternative channels, departmental stores, mail order houses as well as their buying procedures.

TABLE 4.13

Design and Technology Upgradation: Uttar Pradesh's Tenth Plan (2002-2007) Ongoing/Proposed Schemes

(Estimated Expenditure Rs. Lakh)

	Total for Tenth Plan	*2002-03*	*2003-04*	*2004-05*	*2005-06*
Assistance for Design and Technology Upgradation	50	10	10	10	10
Assistance to Technical Instutions	25	5	5	5	5
Assistance to Sector Specific Institutions					
Mktg. Assistance to Handicrafts Artisans	100	20	20	20	20
(*viz.* Pottery/Chunar, Carpet/Bhadohi/ Leather/Agra, Kanpur	100	10	20	20	20
Design & Technology Upg.					
Master Craftsman	50	10	10	10	10
Technology Mission for Export	100	20	20	20	20
Grand Total	**325**	**55**	**65**	**65**	**65**

4.6.9. Training, Design Quality, R&D, etc.

The state government envisages the following programme to be undertaken during the Tenth Plan period for design and technology upgradation.

- There are some programmes initiated by international agencies like UNESCOITC programmes of craft promotion worldwide. Some of the UNIDO programmes in India have aimed at building common facilities in craft clusters. So has UNDP. A shelf of projects for such multilateral agencies to support may well help obtain an international exposure for the promotion of the crafts.

Embroidery is particularly the domain of women who wield the needle and redefine their lives in rural environs, in addition to their daily chores. Innumerable and diverse products, traditional as well as modern, are embellished: garments and boxes, furnishings, and made-ups, which colour and enrich the life in villages and towns. For example, there are dexterous hands, which impart the shadow-fine *chikankari* technique at SEWA (Self-Employed Women's Association) in Lucknow.

- Design is the soul of handicrafts. However, the design centres have been functioning in isolation. They need to be reoriented in terms of their concept, reach and operations. There is immense potential in training traditional artists to become designers, in fact, more than in training designers to become artists, to understand the craft. It is essential that designers be trained to respect traditional crafts people. In this context, to provide the required training to the crafts people, the state government has set up the Uttar Pradesh Institute of Design at Lucknow on the lines of National Institute of Design, Ahmedabad.
  - The institute has been registered as an independent institute on February 11, 2004, under the Society Act, 1860 and the administrative and governing body have also been set up.

- DC (H) has sanctioned Rs. 87 lakh for setting up the institute, of which Rs. 18 lakh have already been released in 2003-04. The state government has sanctioned a maximum of Rs. 50 lakh for the first three years and Rs. 4 crore for the fourth year.
- A maximum of six months course for children of artisans with education up to class VIII and a maximum of one year course and diploma programmes will be provided for those with education up to class XII. The curriculum would include diploma programmes in the following areas: Luminaries, Fashion and Costume Jewellery and Body Accessories, Kitchenware and Tableware and Home and Garden Furnishing.
- On the successful completion of the course for three years in an independent campus, the institute plans to start three year and four year diploma courses in areas such as Product Design, Furniture Design, Ceramic Design, Textile Design & Apparel, Industrial Design Aesthetics, Gems, Jewellery and Ornament, Metalware and Carpets.

* Human resource development is indeed a critical aspect, and a key factor, for upgrading the skills for favourable spin-offs, retaining, and enhancing interest in crafts as a viable proportion.
  - Guidance of artisans at looms.
  - Examples and demonstration of good practices.
  - Identification of wrong practices/methods.
  - Vocational training to students, e.g. in carpet belt, for carpet weaving, in school curriculum: classes V–IX.
  - One year certificate course at selected ITI's in the carpet belt for carpet technology (IICT may determine the curse).
  - Extensive audio-visual support for artisans at looms/shop-floor manufacture.
* A model school may likewise be identified in a cluster for a well-organised hobby centre, and appropriate curriculum provided for the promotion of craft culture.
* R&D would constitute a critical element in the promotion of handicrafts. New measures such as standardisation of tools and equipment, development of legal protection system, development and application of IT and GIS (Geographical Information System), in monitoring and evaluation, application of technology, e.g. bar-coding, etc. would help promote quality and productivity.
* Introduction of information technology would help improve market prospects. It will trigger a process to enthuse younger artisans, if duly promoted, with imagination and enthusiasm.

4.6.10. Languishing Crafts

A craft can be said to be languishing, when, although practised by a large number in the past, it has ceased to be practised any more, or is practised by a miniscule few whose number is fast dwindling. Skills are traditionally disseminated from one generation to another, and perfected through practice. It is threatened mostly when the newer generation does not show interest in learning it or, having learnt it, in pursuing it as a vocation. Mostly it is a fall out of the crafts failure in the market; in some cases, of non-availability of raw material, alternative economic opportunities, etc.

A programme to revive a languishing craft will involve an integrated plan of action by way of:

- Product modification and design development (if it is a case of the craft in its traditional form not meeting contemporary taste/requirement).
- Technical innovation in tools, processes (if it concerns duration, drudgery or finish in respect of its contemporary application; and training).
- The product being launched in its revised form/ improved design and quality in a publicised marketing effort (e.g., a special exhibition, or advertised sale in existing emporium).
- Repeat order and sale, if successful, or continuing with a minimum order level even if not successful, with fresh initiative in design and product development.

Revival of languishing crafts will involve a need for identification and survey of such crafts. The office of DC (H) has taken steps for revival through design development, training in pilot products, exhibition and publicity. The scheme is implemented through financial assistance to voluntary organisation, Apex Cooperative Society. Some of the languishing crafts are identified as below:

BOX 4.3

Languishing Crafts

Craft	*Location*	*M&SEC*
Sajjar Stone	Banda	Agra
Ghungroo	Jaleshar	Agra
Copperware	Bageshwar	Almora
Repoussé & Enamelling (metal)	Kharehpatti	Varanasi
Rambans	Kotdwar	Almora
Tharu Embroidery	Baharaich	Barabanki
Cotton Pile Carpet	Fatehpur (Barabanki)	Barabanki

4.6.11. Increasing Indigenous Consumption

In addition to maximising the export turnover in different markets abroad, indigenous consumption of crafts for utilitarian purposes, as decoratives and as giftware, leaves a lot that needs to be done.

Considering a paltry share of handicrafts consumption within the country, and the vast potential that exists for promoting consumption of crafts, a special emphasis needs to be laid for marketing of handicrafts for domestic consumption.

The Working Group has determined the pattern of domestic consumption of crafts *vis-à-vis* the share of exports in the production of handicrafts in the country for the Tenth Five-Year Plan.

TABLE 4.14

Pattern of Domestic Consumption of Crafts *vis-à-vis* the Share of Exports in the Production of Handicrafts in the Country for Tenth Five-Year Plan

	Domestic Consumption (% of Production)	*Export(% of Production)*
Art Metalware	30	70
Woodware	80	20
Hand-printed Textiles	50	50
Embroidered Goods	30	70
Shawls as Artware	75	25
Zari/Zari Goods	85	15
Imitation Jewellery	50	50
Misc. Crafts	50	50
Handmade Carpets	10	90

4.6.12. Tourism-centred Crafts

- For the crafts culture to be appropriately propagated and its commercial potential duly explored, development of tourism can go in tandem with the development of crafts. There is a great deal of scope for craft-centred tourism possibilities to be explored; for example, an urban *haat* in Lucknow/Agra/Kanpur/Varanasi may develop as a nucleus.
- The urban *haat* can be supplemented with an exhibition-cum-display centre and/or common facility centre for a crafts cluster.
- Likewise, around a rural *haat*, 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 convenience of transport and cleanliness.
- Tourists should also be able to select and buy mementos and objects of crafts locally from such a complex. For this purpose, properly authorised and standardised outlets need to be set up at vantage locations.

4.6.13. Sales Outlets

- Existing museums in the state, airports, important hotels and railways stations may have one authorised kiosk/shop each, where selected suppliers of crafts may keep their stocks for sale.
- These kiosks will need to attractively and characteristically signify appropriate ambience and aesthetics with a logo, standardised structure and format as well as an authorised array of merchandise, each piece duly quality-certified, finished, packaged and with an explanatory note about the craft, material used, its history and other ancillary details.
- A proper organisation to administer these kiosks in the state will need to be identified, preferably in the private sector but with surveillance from an established organisation, an NGO or as a PPP (public-private partnership) project.

4.6.14. PPP Project Possibilities

- A number of PPP projects may be pursued with different bilateral/multilateral donor agencies, including UNDP, EU, GTZ, ODA (Japan), etc.

- The supporting/donor agencies may enthusiastically participate in programmes involving development of crafts, especially involving poorer sections of rural population, more so women among them. The concept will help eschew the temptation on the part of the state to get involved in all such developmental tasks.

Instead, the concept that needs to be promoted is for the craftsmen and their cooperative bodies to feel self-reliant, of course, with necessary financial support to an extent, besides technical and managerial help from government and other public agencies.

The PPP Projects Include the Following:

- Development of prototype/standardised showrooms/kiosks for display and sale of handicrafts objects from selected suppliers, denoting good quality at fair price with appropriate packing, presentation and explanation of the product. Such kiosks will have a distinct identity, set up at vantage locations like museums, important hotels, airports, and large railways stations. Those outlets will need to be manned by properly selected sales persons.
- For training and design development of craftsperson in important craft clusters like Varanasi, Bhadohi/Gopiganj, Moradabad, Saharanpur.
- A common facility centre, each in selected craft clusters with facilities of implements and tools and machines, etc. dispensed on realisation of fair user charges from the beneficiaries.
- A project at an appropriate centre for resuscitation and rejuvenation of languishing craft(s).
- Development of some prototype hobby centres for children in selected schools, especially amidst selected craft clusters for inculcation of skills and interest in the development of local crafts of the region, for children to be able to adopt a viable vocation.
- Development of giftware from amongst crafts for use and distribution by corporate houses. This will necessitate proper market research to be done for project development and marketing. The project may well be good profit yielding as well as a useful instrument for popularising crafts among corporate community to lend an important impetus to crafts culture and development.

4.6.15. Management

The state should have a clear mandate for the handicrafts/cottage industries being looked after by a specific nodal directorate/department.

A critical review needs to be carried out by a reputed non-government agency/institution, even by a foreign expert with or without assistance from UNDP/World Bank to evaluate the efficacy of the schemes and the programmes initiated so far by the state and the Centre for the growth of handicrafts in the state, for appropriate lessons to be learnt and strategies to be formulated.

A clear need is highlighted for a proper synergy and coordination to be ensured between the Central and state government agencies and institutions involved in the development of handicrafts as much as it is imperative that the institutional mechanism is infused with the requisite ethos and elan appropriate to this vital sector which essentially deals with the community which has existed on fringes; a concerted and sustained effort to provide them support would itself be an important task. There is over 800 staff of the Development Commissioner (Handicrafts) in the central region whose strength obviously needs to be drastically pruned and their deployment appropriately reoriented.

Different developmental schemes, and agencies, in the purview of the state government involved in rural development, infrastructure development, industrial development, etc. would necessitate proper coordination for the resources to be correctly targeted according to an umbrella master plan that may to be put in place.

The State Directorate of Industries should conduct a survey on occupational hazards/diseases associated with certain crafts, and follow up for appropriate technique/process/methods to overcome them.

- Welfare-oriented programmes in favour of craftsmen should be taken up by harnessing schemes in areas like Rural Development, Education and Health, etc.
- The issue of craftsmen's housing needs may be linked to rural housing programmes.
- The programmes and schemes undertaken by DC (H) are thinly spread. There are a large number of personnel. Whereas there is a need for close synergy and coordination not only between Central and state agencies and institutions but

also among those within the state/Centre for focussed targeting of beneficiaries and sectors in order to bring about a qualitative improvement in the infrastructure for sustainable growth of specific products.

- There is a need for a synergetic approach for development of the sector. Hitherto, a number of government agencies were involved in the implementation of handicrafts schemes in their own way in their respective areas without adopting any synergic approach. This has resulted in the duplication of efforts, and also entailed wastage of resources. The Uttar Pradesh Export Corporation, Department of Culture and Tourism apart from central agencies like CAPART under Ministry of Rural Development, Women and Child Welfare, under Ministry of Human Resource Development, Department of Culture, have been implementing schemes in this way.
- There is a need to ensure integrated development of craft clusters. The Office of DC (H) has also launched the Baba Saheb Ambedkar Hastashilp Vikas Yojana (AHVY) for cluster development. Other governmental agencies, e.g., NABARD, Office of the Development Commissioner (SSI) and M/o Rural Development, etc. have started work on the cluster approach. There is a need for coordination among all such organisations at the national, state and district level to ensure synergetic approach.
- For a few joint ventures to be set up in the craft sector in the state, specific responsibility may be assigned to one of the organisations/departments of the state to coordinate the different agencies in the state government for facilitation the entrepreneurs from the country as well as abroad.
- The controls and restrictions, legal and regulatory mechanisms, which may have been impeding the growth and promotion of crafts in the state, need to be identified and redressed. There are already, a few proposals for an appropriate revamp of the legislative/regulatory framework, e.g., carpet weaving being exempted from the purview of the Factory Act.
- The industry being decentralised, the cluster approach for development of the sector, if adopted, will enable it to grow and help improve the socio-economic conditions of the artisans.
- Sales tax on handicrafts may be abolished as the artisans raise this demand from time to time.
- A few of the voluntary organisations or NGOs are reported to have done yeoman's work in organising craftsmen for product development, training, exhibition, welfare measures, and even for sales. Increasing use be made of NGOs, making them eligible, on the basis of scrutiny and selection, for assistance, which are otherwise extended to state corporations. The main areas for which assistance is required include the following:
  - supply of raw material/credit facility,
  - common facility,
  - procurement,
  - technical assistance,
  - skill upgradation,
  - common workshed,
  - related social services.
- In the context of enormous prospectus and potential of an exponential export growth of Indian handicrafts, a new bold vision will help to develop a conceptual clarity for a concerted action plan.
- Contributing as it does almost two-thirds of the country's export turnover in the handicrafts sector, Uttar Pradesh needs to lead the country's craft sector in breaking new grounds for a special thrust towards its development and growth. Two distinct aspects need to be specifically pursued:
  - i. Maximise unit value realisation by means of quality upgradation, improvements in packaging and presentation, value addition in terms of information regarding the characteristics of the craft and the craftsmen, as well as suggestion for maintenance and upkeep of the product.
  - ii. Diversification of products and markets for a substantial increase in export volumes.

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