

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of...**



**Master's Thesis**

**Analysis of Handicrafts Trade from India**

**Author: Anil Yadav**

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# **DIPLOMA THESIS ASSIGNMENT**

B.Sc. Anil Yadav, BSc

Economics and Management

Thesis title

**Analysis of handicrafts trade from India**

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## **Objectives of thesis**

The objective of the study is the evaluation of the current problems and trends in the industry, such as the impact of the pandemic on different goods of handicrafts and artisans.

The aim of the diploma thesis is to introduce the main elements of foreign trade, particularly focused on handicrafts in India.

India is one of the most diverse countries in the world. Indian folk art and crafts, which are integral parts of Indian culture and tradition, are in high demand among western consumers.

## **Methodology**

A descriptive approach was adopted that helped to apply various methods of data collection and analysis.

The structure of the thesis consists of three main sections: literature review (theoretical part); analysis of India's foreign trade in handicrafts goods (analytical part); and recommendations for improving measures for the development of India's international trade in handicrafts goods.

## The proposed extent of the thesis

60 pages

## Keywords

Foreign trade, Handicrafts, Artisan, Foreign Exchange, Import, Export, Self-Employment, International trade, India, Small Businesses, Market, Commodity trade.

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## Recommended information sources

Aditi Ranjan; M.P. Ranjan, (2014). Crafts of India: Handmade in India ISBN: 8188204579.

Aditi Ranjan, (1 January 2009). Handmade in India. ISBN: 8188204579.

Guidance Handbook for the Handicraft Exporters of India, (January 14, 2014). Published under the Financial Assistance of the Office of Development Commissioner.

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## Expected date of thesis defence

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Dean

## **Declaration**

I declare that I have worked on my master's thesis titled "Analysis of Handicrafts Trade from India" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on 31.03.2023

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Anil Yadav

## **Acknowledgement**

I would really like to thank my thesis supervisor and very supportive professor doc. Ing. Petr Procházka, MSc, PhD, for his advice and support during my work on this thesis from bottom of my heart. I want to thank also my family and close friends for their support, motivation, and patience during my studies and for their massive contribution. These are the people who always encourage me to do my best during my studies. It would not be possible for me to do it without all their help and encouragement.

# **Analysis of Handicrafts Trade from India**

## **Abstract**

The structure of the thesis consists of India's foreign trade in handicrafts in different sections like a literature review (theoretical part), a case study, analysing of the international trade of India with other countries in handicrafts goods, knowing the mindset of people from different countries through a questionnaire survey with analysing the results by SPSS software (Analytical part), categories of handicrafts with comparison, export and suggestions for improvements to make handicrafts trade with various countries in the globe. The diploma thesis defines the main traded commodities, volume, and development over the specified years on a microeconomic level. An important part of the thesis is the analysis of a country's global competitiveness and a brief overview of its doing business factors. This diploma thesis emphasizes particularly the economic analysis of the handicrafts exports from India using the national data set that is currently accessible for the years between 2011 to 2022. This study aims to analyse the economic, financial, social, and cultural importance of the handicraft industry in India.

The thesis focuses on a case study of a woman entrepreneur who started her journey in a small village in India and made a successful business in the handicraft industry. The case study examines Ruma Devi's journey of starting and growing her handicraft business, including the challenges she faced, the strategies she adopted, and the impact of her business on her life and the community.

The findings of this thesis through the case studies show that the handicrafts trade from India has great growth potential, but also faces various challenges such as a lack of infrastructure, low awareness about the handicrafts industry, and competition from other countries.

The thesis finishes with suggestions for increasing the trade in Indian handicraft products, including upgrading infrastructure, offering market-oriented skill development and capacity building, easing access to finance, and boosting e-commerce and digital platforms.

**Keywords:** Handicrafts, Artisan, Foreign Exchange, Export, Self-Employment, International trade, India, Trade-fair, Small and Medium Enterprises (SME).



# Analýza řemeslného obchodu z Indie

## Abstrakt

Struktura práce se skládá z indického zahraničního obchodu s řemeslnými výrobky v různých sekcích, jako je přehled literatury (teoretická část), případová studie, analýza mezinárodního obchodu Indie s ostatními zeměmi v oblasti řemeslného zboží, znalost myšlení lidí z různých zemí prostřednictvím dotazníkového šetření s analýzou výsledků pomocí softwaru SPSS (analytická část), Kategorie řemesel s porovnáním, export a návrhy na zlepšení obchodu s řemeslnými výrobky s různými zeměmi světa. Diplomová práce definuje hlavní obchodované komodity, objem a vývoj v průběhu zadaných let na mikroekonomické úrovni. Důležitou součástí práce je analýza globální konkurenceschopnosti země a stručný přehled faktorů jejího podnikání. Tato diplomová práce klade důraz zejména na ekonomickou analýzu vývozu řemesel z Indie pomocí národního souboru dat, který je v současné době přístupný pro roky 2011 až 2022. Cílem této studie je analyzovat ekonomický, finanční, sociální a kulturní význam řemeslného průmyslu v Indii.

Práce se zaměřuje na případovou studii ženy podnikatelky, která zahájila svou cestu v malé vesnici v Indii a úspěšně podnikla v řemeslném průmyslu. Případová studie zkoumá cestu Ruma Devi k zahájení a rozvoji jejího řemeslného podnikání, včetně výzev, kterým čelila, strategií, které přijala, a dopad jejího podnikání na její život a komunitu.

Zjištění této práce prostřednictvím případových studií ukazují, že obchod s řemeslnými výrobky z Indie má velký potenciál růstu, ale také čelí různým výzvám, jako je nedostatek infrastruktury, nízké povědomí o řemeslném průmyslu a konkurence z jiných zemí.

Práce končí návrhy na zvýšení obchodu s indickými řemeslnými výrobky, včetně modernizace infrastruktury, nabízení tržně orientovaného rozvoje dovedností a budování kapacit, usnadnění přístupu k financím a posílení elektronického obchodování a digitálních platforem.

**Klíčová slova:** Ruční práce, řemeslník, deviza, Export, samostatná výdělečná činnost, Mezinárodní obchod, Indie, veletrh, malé a střední podniky (SME).

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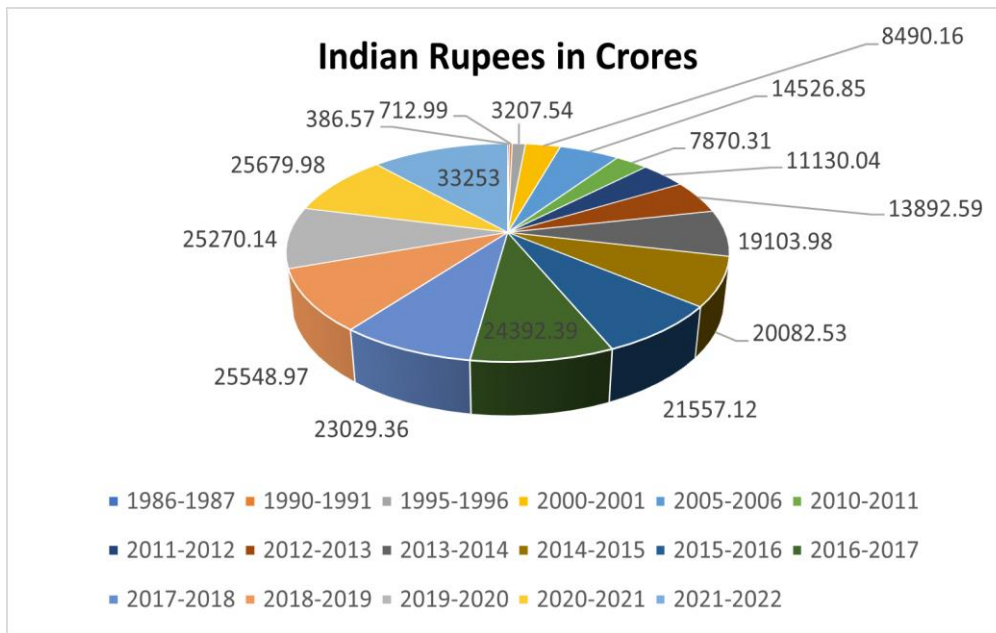
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## **1.Introduction**

India is one of the most diverse countries in the world. Indian folk art and crafts, which are integral parts of Indian culture and tradition, are in high demand among western consumers. The Handicrafts Sector plays a particularly key role in the Indian economy. It provides employment to many people in rural, and urban areas and brings foreign exchange to the country while preserving its cultural heritage. India's handicraft sector is one of the largest and oldest in the nation, with a rich history and a wide variety of goods. Millions of artisans across India have found jobs and a source of income through the handicraft industry, which has made a huge contribution to the country's economy.

According to a World Bank report, there are 9–10 million craft workers in India. The handicraft industry in India is dominated by female artisans with over 56% of the total artisan which supports women's empowerment. Indian handicraft industry is a \$100 billion industry worldwide. According to data by Statista, India exported handicrafts worth over 128 billion Indian rupees in the fiscal year 2019. This was an increase compared to the previous year when it stood at approximately 118 billion rupees. This indicated a growth of over nine percent. The handicrafts sector is one of the major sources of foreign exchange earnings for India. It is clarified by the data of exports of all India's handicrafts from India. The handicrafts sector also plays an important role in preserving traditional skills, and techniques, and promoting sustainable work. It also shows India's cultural diversity and creativity to the world. In many OECD nations, SMEs (small and medium-sized businesses) account for 60 to 70% of jobs. The exports of handicrafts (other than hand knotted carpets) increased from just Rs. 386.57 crores, 1986–1987, to a total of Rs. 33253.00 crores in the following year, 2021–2022.

**Figure 1: The Exports of Handicrafts (Without Knotted Carpets)**



Source: Own Elaboration/Export Promotion Council for Handicrafts (EPCH)

The Indian handicrafts market is broad and offers a variety of goods, including textiles, ceramics, woodwork, leatherwork, jewellery, and metals. Millions of artisans are employed by the sector nationwide, who produce handicrafts goods that are sold both locally and globally. These goods not only have a beautiful look but also showcase the diverse cultural traditions of the nation.

The Indian government has taken several actions to help the handicrafts sector and the artisans that work there. These actions include creating institutions specifically for the promotion of handicrafts, offering to fund, and planning exhibitions and trade shows. To address the difficulties faced by artisans and encourage the expansion of the business, more work must be done.

### 1.1 Definition

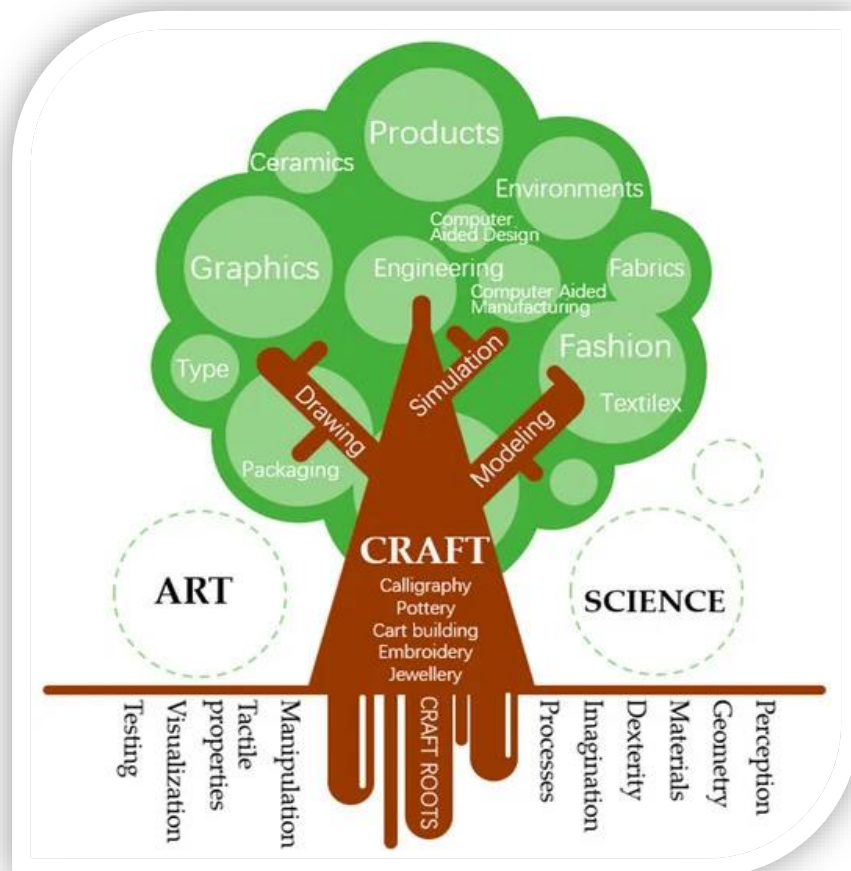
Handicraft is the art of producing useful and beautiful articles by hand, with or without the use of tools and equipment. Through handicraft, the uniqueness of our traditional arts is uplifted.

## Defining Handicrafts

Definition According to United Nations Educational, Scientific and Cultural Organization/Information Technology Community (UNESCO/ITC) International Symposium on “Crafts and the International Market: Trade and Customs Codification”, Manila, Philippines, October 1997-

“Products which are produced either completely by hand or with the help of tools. Mechanical tools may be used if the direct manual contribution of the artisan remains the most substantial component of the finished product. Handicrafts are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously, and socially symbolic and significant”. (1997, cited in Ghosh, 2012, p. 67)

**Figure 2: Design Family Tree**



Source: Drawn by David Walker in 1989 (adapted from W.T. Li, Ho, and C. Yang, 2019)

**According to government of India**

“Product which is made by hand; should have some artistic value; they may or may not have functional utility.”



## **2. Objectives and Methodology**

### **2.1 Objectives**

- To Analyse the trends and patterns of exports and imports of handicrafts from India and identify the major destinations and sources of handicrafts trade and perform an analysis of foreign trade in India with the aim of exporting handicrafts from 2011 to 2022.
- To evaluate the awareness and preference of handicraft products from India through a sample questionnaire survey and analyse the results through SPSS.
- To present a case study of a female entrepreneur in the handicrafts industry, looking at her path, experiences, difficulties, and success tactics.

### **The Research Question**

- What are the challenges faced by the handicraft industry in India?
- What is the contribution of handicrafts to the Indian economy?
- How does handicraft play an important role in the economic growth of India?

### **2.2 Methodology**

- The diploma thesis defines the main traded commodities, volume, and development in handicrafts export. The analytical section of the thesis first examines the trend analysis of a few key variables affecting handicraft exports between 2011 and 2022. The next step is an econometric study using an econometric model.
- The qualitative research method will be incorporated through the structured questionnaire, which will be circulated online. The non-probability convenience sampling will be used to collect data from a sample size of around 220 respondents from different countries.
- A descriptive approach was adopted that helped to apply various methods of data collection and comparative analysis. The secondary data included in this thesis was discovered by looking through a variety of secondary data sources, including old research papers, Case study, Interview, different journals, books, the internet, and data from annual government-published reports through various portals like Ministry

of Commerce and Industry (MOCI), World Trade Organization (WTO), Directorate General of Commercial Intelligence and Statistics (DGCI&S), Export Promotion Council for Handicrafts (EPCH), Ministry of Textiles (MOT) and The Ministry of Micro, Small and Medium Enterprises (MSMEs) etc.

- SWOT Analysis (Strengths, Weaknesses, Opportunities, threats)

**Hypothesis -**

- H0 - There is no significant relation between gender and Indian handicraft purchase.
- H1 - There is a significant relation between gender and Indian handicraft purchase.
  
- H0 - There is no significant relation between age and Indian handicraft purchase.
- H1 - There is a significant relation between age and Indian handicraft purchase.
  
- H0 - There is no significant relation between occupation and Indian handicraft purchase.
- H1 – There is a significant relation between occupation and Indian handicraft purchase.
  
- H0 - There is no significant relation between income and Indian handicraft purchase.
- H1 - There is a significant relation between income and Indian handicraft purchase.
  
- H0 - There is no significant relation between continent and Indian handicraft purchase.
- H1 - There is a significant relation between continent and Indian handicraft purchase.

### **3. Theoretical part**

This literature review offers a thorough overview of the studies which is done on the Indian handicrafts sector, with a focus on the industry's past, present, and potential future. Small-scale industries, such as handicrafts, can contribute to the economic growth of both rich and developing nations. 90–95% of all industrial goods produced worldwide are created in tiny workplaces with less than 100 employees. Japan is a great example of it and 84% of Japan's sectors, which are at the prime of economic development, are classified as small and medium-sized businesses. Handicrafts are a key source of income for nations like India and China.

#### **3.1 Historical Background About Handicraft Industry in India**

Indian culture and tradition have depended heavily on the handicraft sector for ages. India has a long history of creating and marketing high-quality handcrafted items that have been accepted both domestically and globally. India has a long history of handicraft production. Pottery, weaving, and metalworking are just a few of the skills that were practised at this time, according to the discoveries at the Mohenjo-Daro and Harappa civilizations. In India there are different types of handicrafts, including textiles, metallurgy, and jewellery manufacturing, flourished during the medieval era. The Mughal Empire was renowned for its fine miniature art, inlay works delicate needlework and carpet making. This is the golden era of artisans. The Taj Mahal is one of the great examples of this time.

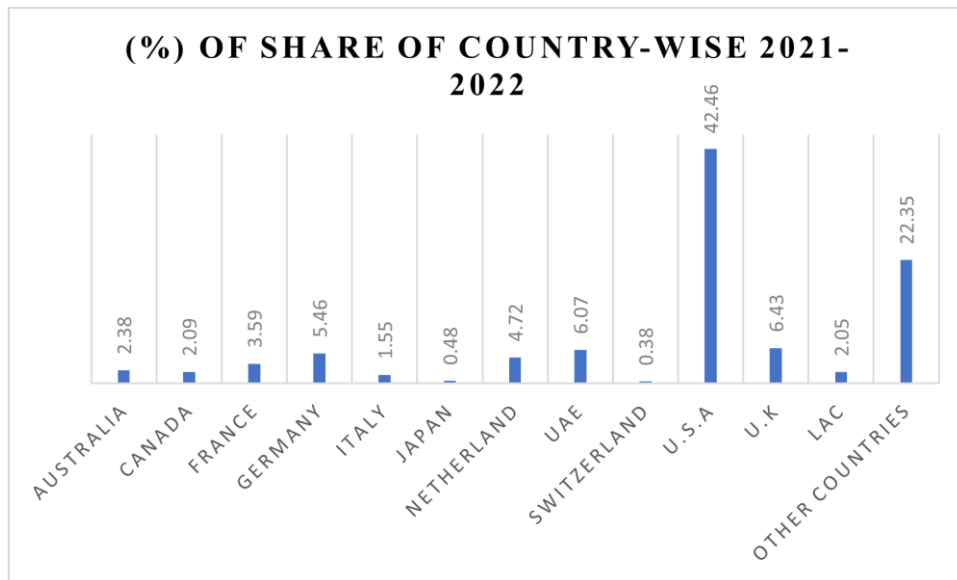
Under British rule exporting Indian handicrafts to Europe started after realizing the potential of the country's handicraft sector. As a result, the market expanded, and more artists started producing goods for export. In the 1947 declaration of independence, the government began to realize the value of the handicraft sector and to provide support through several projects. The rise of the industry was aided by the establishment of organizations like the Handicrafts Board and the National Institute of Design.

#### **3.2 Overview of Indian Handicrafts Export Market**

India is one of the top exporters of handicrafts and the market leader in both volume and value for handmade carpets. The overall handicraft export from India in May 2022, excluding handmade carpets, was US\$ 120.06 million, an increase of 1.01% from April 2022. The value of all Indian handicraft exports in 2021–22 was \$4.35 billion, up 25.7% from

the previous year. The export of handmade handicrafts, particularly carpets, has increased substantially during the last three years. Almost 40% of the world's handmade carpet exports come from India. Carpet exports from India were US\$ 1.37 billion in FY20. Total carpet exports from April 2020 to February 2021 were worth US\$1.33 billion.

**Figure 3: Export Share of Handicrafts Goods in Major Countries**



Source: Own Elaboration /Annual Report by EPCH

Small and medium-sized businesses (SMEs), which employ both skilled and unskilled workers, dominate the industry. The top three markets for Indian handicraft imports in 2020–21 was the United States, Europe, and the United Kingdom, according to the Export Promotion Council for Handicrafts (EPCH). Exports decreased by 7.13% in 2020–21 compared to the prior year because of the COVID–19 pandemic's devastating effects on the sector.

### 3.3 Categories of Handicrafts Goods in India

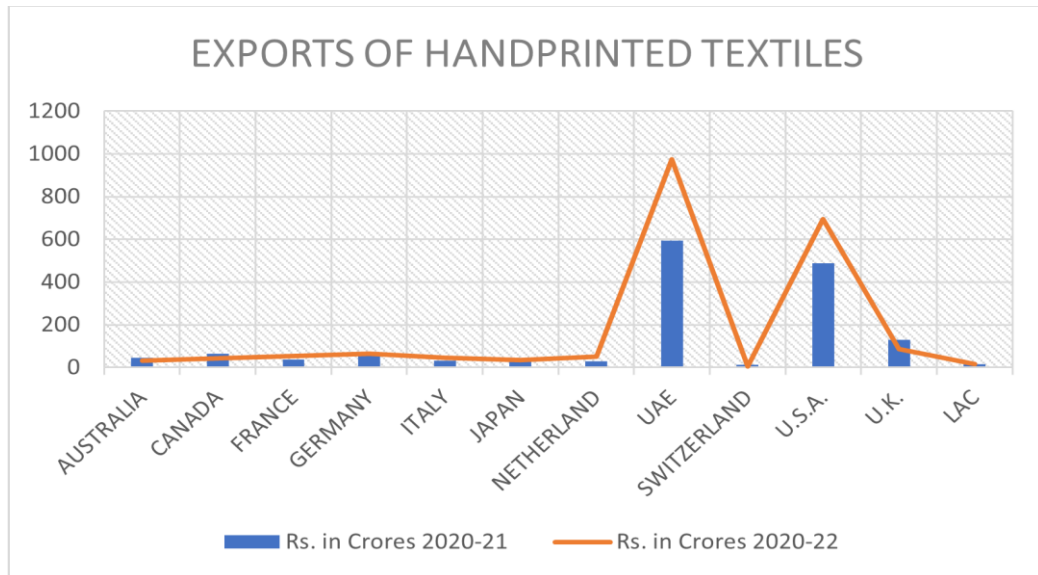
India is renowned for its rich artistic traditions and cultural legacy, which are represented in its handicrafts market from different states of India. The Indian handicrafts sector has a wide range of products. Every product has its unique identity and importance. The following are some of the main types of Indian handmade products.

- One of the major subcategories of Indian handicrafts is textiles. The nation is renowned for its extensive and unique textile traditions, which include weaving,

block printing, tie-dyeing, embroidery, and handloom. Among India’s textile handicrafts are saris, shawls, scarves, and other clothing items.

- Mats and mattings, carpets, rugs, bedsheets, cushion coverings, and other handloom items are the main handloom products exported from India which contribute the most in total export of Indian handicraft trade. The country's exports of mats and mattings in 2020–21 accounted for 29% of all exports. Around 60% of all handloom exports from India are household textiles. A total of Rs. 224.4 crores (US\$ 28 million) or 13.6% of all exports during 2020–21 was made up of carpets, rugs, and mats created on handlooms. The cotton durries exported during that time were worth Rs. 104.53 crores (US\$ 13 million).

**Figure 4: Exports of Handprinted Textiles with Major Region**



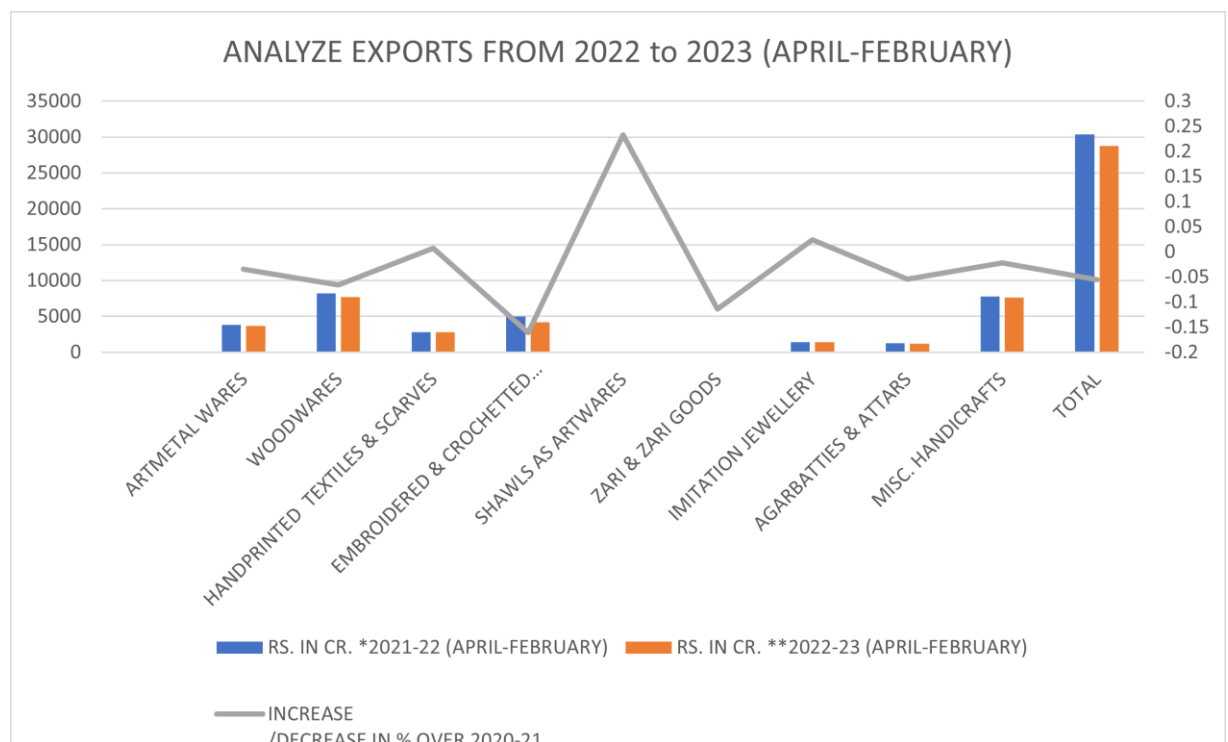
Source: Own Elaboration/ DGCI & S, Kolkata

- Indian silk scarves are well-liked worldwide. With exports of Rs. 61.5 crores (US\$ 7.7 million) in 2020–21, these handloom-made goods account for a sizeable portion of all handloom exports.
- Indian metal crafts are renowned for their superb quality and unique designs. Brassware, copperware, silverware, and other decorative metal objects fall within the area of metal crafts.
- India’s pottery and ceramics sector has a long history and produces a variety of goods. Blue pottery is quite famous worldwide because of its unique art and sustainable approach. Jaipur is a leading city for its blue pottery art.

- The Indian woodcrafts business creates a variety of aesthetically pleasing and functional goods. These goods are also usable in daily life of people, so it has great potential for growth. In woodcrafts many things are included like carved furniture, ornaments, toys, and kitchenware etc.
- India is known for its fine craftsmanship and elaborate patterns in the jewellery business. Many materials, including gold, silver, and precious stones, are used to create Indian jewellery.

The exports of handicrafts have decreased by Rs. 1672.91 crores, or (-) 5.50% in rupee terms, from Rs. 30400.82 to Rs. 28727.91 crores, according to preliminary data. In comparison to the same time in 2021–2022, exports have declined by (-) 14.19%, or US\$ 579.89 million, in dollar terms.

**Figure 5: Export Figure for Handmade Goods (2021-22 & 2022-23)**



Source: Own Elaboration/ DGCI & S, Annual Report, Kolkata, India

According to the annual report by DGCI & S, Shawls as art objects, hand-printed textiles, and imitation jewellery all saw increases in exports during the time frame of 0.68%, 23.29%, and 2.41%, respectively. Agarbatties & Attars, Woodwares, Embroidered & Crocheted, Zari & Zari, and Miscellaneous Handicrafts, on the other hand, experienced decreases of (-) 3.49%, (-) 6.54%, (-) 16.05%, (-) 11.44%, (-) 5.49%, and (-) 2.20%, respectively. Shawl

exports and artware exports both exhibited rising trends of 11.95% in USD terms. Whereas Artmetalwares, Woodwares, Hand Printed Textiles, Embroidered & Crocheted products, Zari & Zari goods, Imitation Jewellery, Agarbatties & Attars and Misc. Handicrafts declined by (-) 12.37%, (-) 15.14%, (-) 8.54%, (-) 23.77%, (-) 19.58%, (-) 7.01%, (-) 14.18% and (-) 11.19%. Overall, the rupee term decreased by (-) 5.50%, and the US dollar term decreased by (-) 14.19%.

### 3.4 Major Production Centres of Handicrafts Goods in India

India is renowned for its ancient crafts and rich cultural history. The nation is the source of a wide variety of handicrafts that are made in various states of India. Several of India's main production hubs for handcrafted products include in the table.

**Table 1: Major Cities Across India for Handicrafts Industry**

<b>Artmetalware</b>	:	Moradabad, Sambhal, Aligarh, Jodhpur, Jaipur, Delhi, Rewari, Thanjavur, Madras, Mandap, Beedar, Kerala & Jagadhari, Jaisalmer
<b>Wooden Art wares</b>	:	Saharanpur, Nagina, Hoshiarpur, Srinagar, Amritsar, Jaipur, Jodhpur, Jagdalpur, Bangalore, Mysore, Chennapatna, Madras, Kerala & Behrampur (WB)
<b>Hand printed Textiles &amp; Scarves</b>	:	Amroha, Jodhpur, Jaipur, Farrukhabad, Sagru & Sanganer
<b>Embroidered goods</b>	:	Kutch (Gujarat), Jaisaier, Baroda, Lucknow, Jodhpur, Agra, Amritsar, Kullu, Dharmshala / Chamba & Srinagar
<b>Marble &amp; Soft Stone Crafts</b>	:	Agra, Madras, Baster, Jodhpur
<b>Papier Mache Crafts</b>	:	Kashmir, Jaipur
<b>Terracotta</b>	:	Agra, Madras, Baster, Jodhpur
<b>Zari &amp; Zari Goods</b>	:	Rajasthan, Madras, Baster
<b>Imitation Jewellery:</b>	:	Delhi, Moradabad, Sambhal, Jaipur, Kohima (Tribal)
<b>Artistic Leather Goods</b>	:	Indore, Kolhapur, Shanti Niketan (WB)

Source: Hashmi, S.K., 2012. Market for Indian Handicrafts.

These production centres play an important role in the handicraft industry in India because they are the hub of skilled artisans and craftsmen who create unique handicrafts that are exported to various countries of the world.

### **3.5 Export of Handicrafts Goods from India**

India's handicraft sector has a long history. The expansion of the Indian handicrafts market into other nations because of market globalization has given Indian artisans and businesses new options. For many people, especially those who live in rural areas where it is a major source of employment, the handicrafts industry provides a big source of income.

The study of trade patterns, exports, imports, and the effects of trade policy on the industry are all included in the analysis of the handicraft trade from India to other nations. It has numerous aspects, including supply, demand, pricing, quality, and competitiveness, which affect the export of Indian handicrafts. The demand for traditional and handcrafted goods is rising globally, which has increased the expansion of the handicrafts sector. Additionally, Indian handicrafts are well-known among purchasers all over the world for their elaborate designs, superior quality, and reasonable prices.

#### **3.5.1 Overview of Key Export Markets for Indian Handicrafts Trade**

The US, UK, Germany, France, the Netherlands, Italy, and Canada are a few of the major export destinations for Indian handicrafts. Due to the increasing desire for traditional goods, these nations are among the top importers of Indian handicrafts. Textiles, ceramics, jewellery, leather products, and wooden objects are among the handicrafts sold to these nations. Around 29% of all Indian handicraft exports go to the United States, making it the country with the highest handicraft import volume. The growing popularity of handcrafted goods among customers is the main factor driving the demand for Indian handicrafts in the American market. The United Kingdom is the second-largest importer of Indian handicrafts, accounting for around 13% of India's total handicraft exports. Other prominent markets for Indian handicrafts include Germany, France, the Netherlands, Italy, and Canada, which together account for a sizeable portion of India's overall handicraft exports.

In these important export markets, competition from other nations is fierce for Indian handicrafts. For instance, important competitors in the US market include China, Thailand, and Indonesia, while major competitors in the European market include China and Vietnam. To stay competitive in these areas, Indian handicraft exporters must constantly innovate and adjust to shifting market trends. E-commerce platforms have also become a crucial tool for Indian handicraft exporters looking to diversify their clientele and boost sales in international markets.



### 3.5.2 Factors Affecting the Export of Handicrafts goods in India

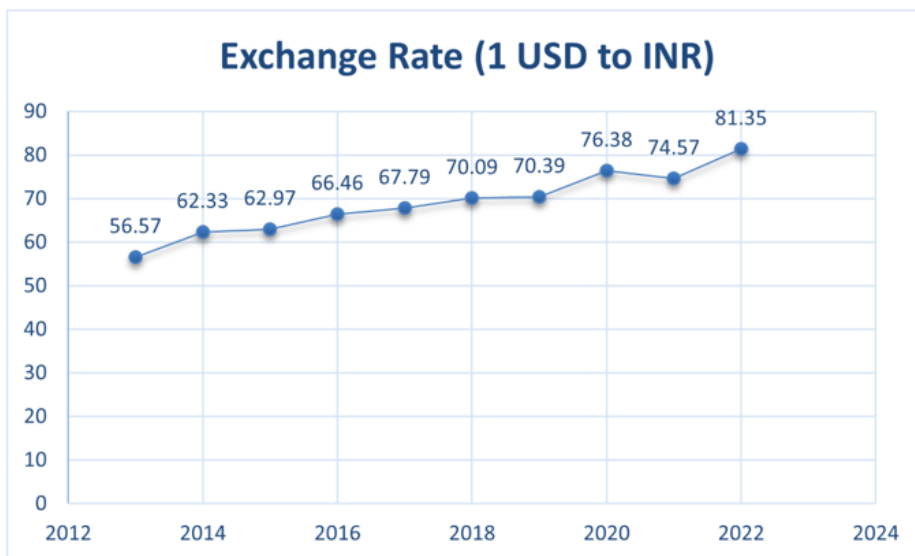
The policies of the Indian government regarding trade, taxation, and tariffs play a key role in the export of handicrafts. Changes in these policies can either promote or hinder the export of handicrafts. The infrastructure of a country, transportation, communication, and logistics, affects the supply chain of handicrafts. The availability and efficiency of these facilities play a critical role in the timely delivery of goods. Economic conditions in both India and the importing countries can affect the demand for handicrafts. Economic growth and consumer spending are major factors that can either increase or decrease the demand for handicrafts. The market for Indian handicrafts may be affected by the cultural relevance of handicrafts in the importing nations. The export of handicrafts is highly influenced by how well-liked and well-accepted Indian crafts are on the global market.

#### 3.5.2.1 Foreign Exchange Rate (INR/USD)

Foreign Exchange Rate plays a crucial role in any foreign trade and USD is more likely to accept in many countries for doing international trade. In this way, we can say that foreign trade is directly proportional to the USD exchange rate.

According to a report in Economic Times, Since the dollar is the most crucial currency in the world, any changes have a significant impact on international trade. The nation's EXIM (exporters and importers) community is impacted by a rising dollar in many ways. primarily, the depreciation of the rupee. In this way, exporters will get more money for their products, and it is good for them in the short run but in a long run there is a problem with importing goods from different countries and it can increase inflation in the country.

**Figure 6: Foreign Exchange Rate of Indian Rupee (2013-2022)**

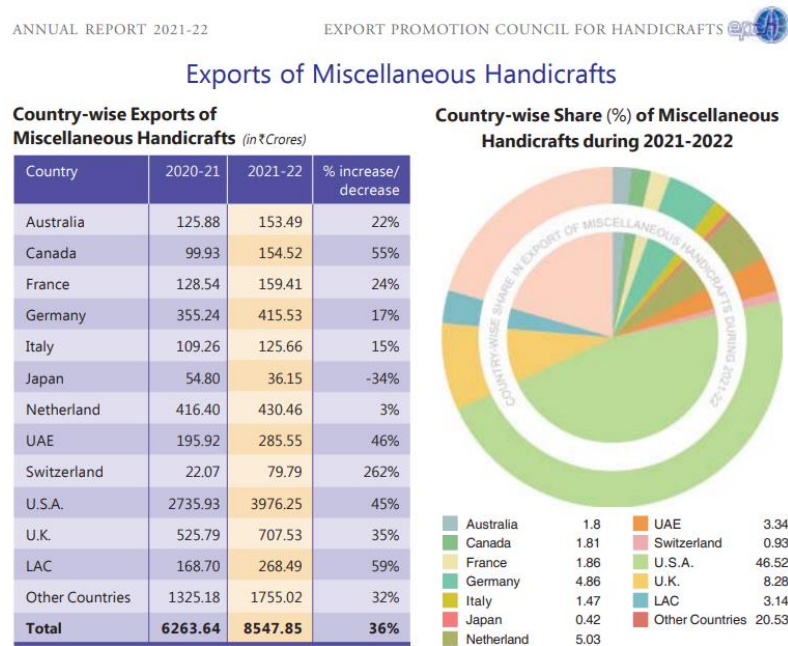


Source: Own Elaboration / Book My Forex (Last Updated Dec. 2022)

### 5.5.3. Comparison of Handicrafts Export Trends Over the Time in India

India’s handicrafts industry had its exports fall by 0.05% between 2015 and 2020, from \$3.57 billion in 2015–16 to \$3.55 billion in 2019–20. In contrast, the sector expanded by 20.4% between 2010 and 2015, with exports rising from \$2.51 billion to \$3.02 billion.

**Figure 7: Foreign Trade in Handicrafts (Misc.), 2020-2021**



Source- EPCH. Annual Report (2020-2021)

The Goods and Services Tax (GST) was implemented in 2017 and raised manufacturing costs for manufacturers of handicrafts, which was one factor in the fall in exports between 2015 and 2020. The COVID-19 epidemic and the worldwide economic slump also had a detrimental effect on the sector’s export growth.

### 3.6 Institutions of Handicrafts Industries for Foreign Trade in India

There are many organizations, institutions, and governmental authorities that look at and support India’s handicraft business and are referred to as the institution of a handicraft trade.

#### I. Ministry of Textiles

The Indian government’s main ministry for the growth and promotion of the handicraft industry is the Ministry of Textiles. In addition to developing and implementing policies and programs for the growth of the handicrafts sector, it collaborates with other ministries and

agencies to promote handicrafts, giving craftsmen and organizations financial and technical support.

## **II. Ministry of Micro, Small & Medium Enterprises**

Several programs are operated by the Ministry of MSME to help MSMEs with financing, technical assistance and upgrades, infrastructure development, skill development and training, boosting competitiveness, and market aid.

## **III. Development Commissioner**

The Office of the Development Commissioner (Handicrafts) under the Ministry of Textile, is the leading organization responsible for the growth and promotion of India's handicrafts industry. It conducts training programs for artisans, offers financial and technical help to organizations that support handicrafts, and arranges trade shows and exhibitions to advance the handicrafts sector.

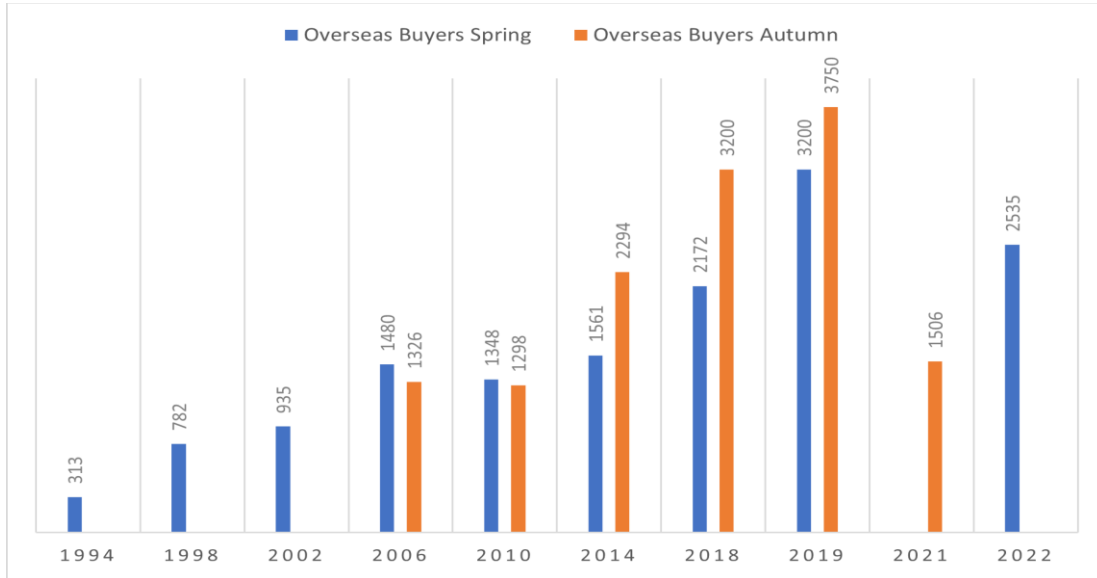
## **IV. Export Promotion Council for Handicrafts**

The EPCH is a non-profit group created to encourage the export of Indian handicrafts. It advocates for handicraft exporters' interests and offers them a range of services, such as market research, trade information, and support for attending trade shows and exhibitions.

Providing members with expert guidance and services in areas such as product creation, innovation, standards and specifications, quality and design improvement, and technology upgrades. Arranging for a delegation of its members to travel abroad to look at potential markets there. Taking part in specialized global trade fairs for crafts and gifts. Organizing a fair in New Delhi for Indian handicrafts and gifts.

There is no need to introduce the Indian Handicrafts & Gifts Fair, which has grown into a showcase for Indian handicrafts among all the top international buyers. The event has been held annually since 1994. Participation is increasing every year after years in this trade fair since it has started.

**Figure 8: Indian Handicrafts and Gifts Fair (Spring and Autumn)**



Source: Own Elaboration /Export Promotion Council for Handicrafts

## **V. National Handicrafts and Handlooms Museum**

It is based in New Delhi, the capital of India. This museum is devoted to promoting and preserving India's handicraft and handloom heritage. It hosts exhibitions and workshops to advance the handicrafts sector.

## **VI. State Handicrafts Development Corporations**

There are State Handicrafts Development Corporations in every state of India, and their job is to develop and market handicrafts there. These organizations provide seminars and training programs, aid artists financially and technically, and exhibit and market state-produced handicrafts.

## **VII. Ministry of Commerce and Industry**

The Market Access Initiative (MAI) Scheme is an export promotion program designed to serve for long-term promotion of India's exports. The plan is based on a focus product-focus country strategy to develop a particular market and a particular product through market research and survey. Handicrafts industry is also benefited by this program at great extent and increase its export market.

According to MOCI, financial aid will be provided for raising capability for business, studying project development, and creating a web gateway for facilitating international trade to assist cottage and handicrafts units.

### **3.7. Initiatives Taken by Indian Government Institutions for Handicrafts Industry**

The Office of the Development Commissioner (Handicrafts) implements a variety of programs that are not region, caste, or gender-specific. The programs provide incentives to all types of craftspeople, including women artisans. These schemes have helped many of small-scale businesses in Indian handicrafts industry.

#### **I. National Handicraft Development Programme (NHDP)**

Through the National Handicraft Development Program, the Government of India implements different programs to improve and develop handicrafts artisans.

The program's goal is to better inform the entire handicraft industry about emerging design trends and colour forecasts to improve exports from the nation by promoting innovative design-led goods.

#### **II. The NHDP is made up of the following elements-**

- Design and technology upgrades, baseline survey, and mobilization of artisans under the Ambedkar Hastshilp Vikas Yojana (Handmade Development Plan).
- Infrastructure and technology support, human resource development, and marketing support and services.
- Investigation & Development.

#### **III. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)**

- A total of Rs 160 crore was approved for the CHCDS scheme. The plan will now run through March 2026.
- The CHCDS program aims to provide a top-notch infrastructure that meets the commercial requirements of regional SMEs and craftsmen to increase production and export.
- Its goal is to create these clusters to help artisans and business owners establish top-tier facilities with cutting-edge technology, contemporary infrastructure, and proper training.

- In addition, it offers inputs for developing human resources, as well as market connections and production diversification.
- The goal is to bring together dispersed artisans, develop their small businesses from the ground up, and connect them to SMEs (Small and Medium Businesses) in the handicrafts industry to assure economies of scale.
- It would be a great opportunity for small-town and rural artists and micro-business owners to improve their standard of living.
- They could increase sales and product quality by using a cluster strategy.
- While there is a large demand for textile handicrafts worldwide but few platforms that can help these products expand internationally, CHCDS can also aid in boosting exports of these goods. The Comprehensive

#### **IV. Tax Reform**

The Government of India has established GST to simplify the various taxes on goods and services and to increase tax system transparency. Considering this, it also applies to the textile industries, including handicrafts. Most craftspeople do not have annual sales above Rs. 20 lakhs, hence they are not required to register for GST.

#### **V. One District One Product (ODOP) Project**

The government is now implementing the One District One Product (ODOP) project, which focuses on each district as a separate entity with the goal of transforming it into a manufacturing and export hub by identifying local products with export potential, such as handicrafts. In order to encourage sales and procurement of ODOP products across the nation, the ODOP GeM Bazaar was introduced in August of this year on the Government e-Marketplace (GeM).

- The Uttar Pradesh government introduced it in January 2018 and, because of its popularity, later embraced it.
- The Directorate General of Foreign Trade (DGFT), Department of Commerce, implements the effort under the "Districts as Exports Hub" initiative.
- The federal government and the states will contribute equally, 60:40, to this centrally supported program.
- The goal is to choose, market, and spread awareness of One Product from Each District in the nation.

- for facilitating comprehensive socioeconomic growth in all locations.
- To create jobs in the District To create an environment that fosters innovation and technology use at the district level so that they are competitive in both the domestic and global markets.

#### **VI. Craft Village**

- In the modern notion of a "craft village," tourism and craft marketing are combined in one place.
- In addition to being given a place to live and work, artisans were given the chance to sell their wares, securing their subsistence.
- Craft products are displayed and sold in this village.

#### **VII. Integrated Development & Promotion of Handicrafts (IDPH)**

- Particular attention is being placed on developing handicrafts as a viable and lucrative source of income for craftsmen in the state under the Integrated Development and Promotion of Handicrafts Project (also known as Special Project).
- Scaling up infrastructure components, modernizing tools and machinery, diversifying products by building strong brands with cutting-edge design, and providing market connections for product development are the goals of Special Projects (IDPH). These goals will support the livelihood of craftsmen.

**Table 2: Initiative Taken by IDPH and its Extension period**

S.no.	Name of state	Year sanction	of Extended period of project
1.	Uttarakhand	2014-15	March,2021
2.	Jharkhand	2014-15	March,2021
3.	Tamil Nadu	2015-16	March,2021
4.	Kerala	2015-16	March,2021
5.	Madhya Pradesh	2015-16	March,2021
6.	Andhra Pradesh	2016-17	March,2021
7.	Telangana	2016-17	March,2021
8.	Karnataka	2016-17	March,2021
9.	Bihar	2016-17	March,2021
10.	Varanasi	2020-21	March,2021
11.	Himachal Pradesh	2020-21	March,2021

Source: Integrated Development & Promotion of Handicrafts (IDPH)

### **3.8. Effect of COVID-19 Pandemic on Handicrafts Trade in India**

The COVID-19 pandemic has had a profound effect on the commerce in Indian handicrafts. The supply chain and demand for handicrafts products have been disturbed by the lockdowns and travel restrictions that nations have instituted to stop the virus's spread.

- The COVID-19 epidemic impacted the Indian handicrafts market, with exports falling precipitously in 2020–21. The exports of handicrafts from India were valued at \$3.4 billion in the financial year 2020–21, down 19.7% from the previous year, according to data made public by the Export Promotion Council for Handicrafts (EPCH).
- The wooden handicrafts category showed the largest loss in exports among the major handicraft categories, falling by 30.8%. A decrease of 25.6% was also observed in the hand-printed textiles section, which was followed by imitation jewellery (19.4%) and other categories. COVID-19 pandemic also slows down the growth of Sustainable Development Goals (SDGs) of India.

The following table provides an overview of the comprehensive effect analysis of the epidemic in India.



**Table 3: Effect of COVID-19 on Indian Economy (2021-2022)**

Time Period	Indian GDP % growth	Services GDP % growth	Manufacturing GDP % growth	Agriculture GDP % growth
FY21 (COVID-19 first wave)	-7.3%	-16%	-7.2%	3.4%
% contribution to the overall GDP	Nil	55%	17.4%	17.8%
FY22 - Expected impact of COVID-19 (second wave)	8.2-9.3% (overall growth owing to the base impact, although rating agency predictions have been lowered)	Lower than the COVID-19 first wave	Lower than the first wave	Higher than the first wave

Source: INDIAN ECONOMY IN THE FIGHT AGAINST COVID-19 (IBEF)

- Sales and earnings for handicrafts firms have decreased because all the exhibitions and trade shows were cancelled. Transport of handmade products to other nations have been hampered by border closures and an interruption in supply-chain. The difficulties experienced by Indian handicraft exporters have increased because of international purchasers cancelling orders and delaying payments.
- The epidemic has also highlighted the informal sector’s vulnerabilities and small-scale craftsmen dependency on the handicrafts industry for a living.
- About 80% of craftsmen and craftworkers reported a reduction in sales because of the epidemic, according to a poll conducted by the All-India Artisans and Craftworkers Welfare Organization.

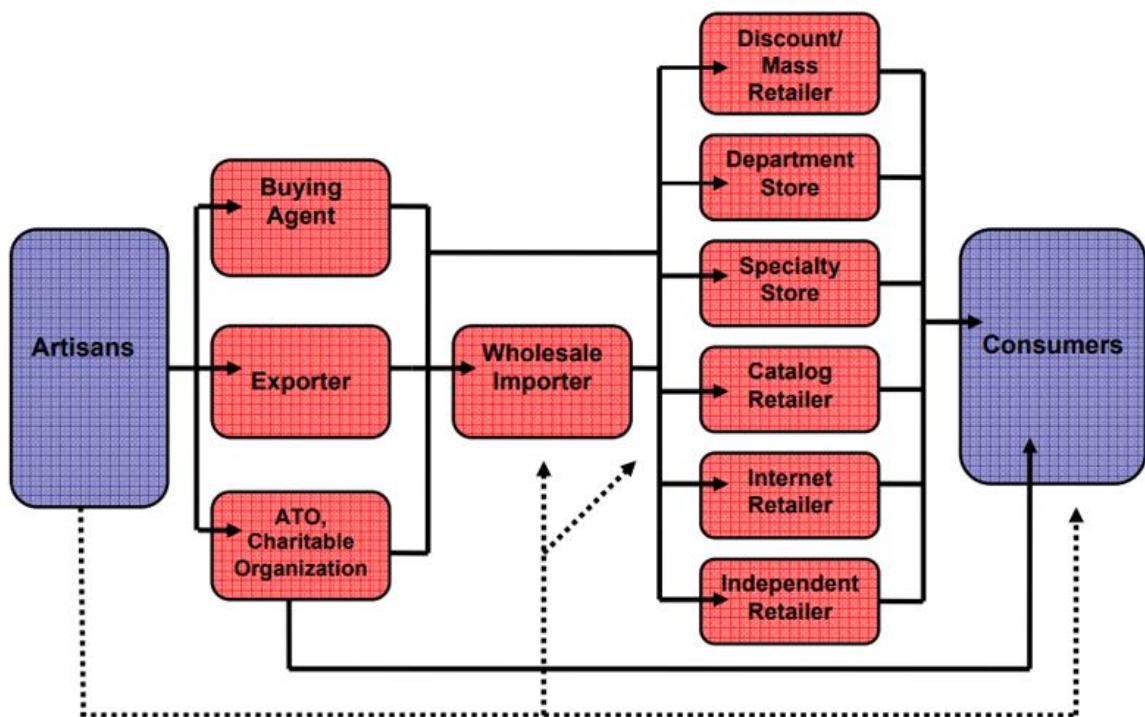
In conclusion, the COVID-19 pandemic has done a big damage to Indian handicrafts market. It also caused supply chain disruption, a drop in demand, and order cancellations.

### 3.9. Challenges Faced by Indian Handicrafts Exporters

Foreign purchasers have expressed worry about the quality of Indian handicrafts. To meet the demands of overseas customers, the sector must concentrate on raising the quality of its goods and getting to international certifications and norms. The sector needs adequate infrastructure to store, package, and ship its products. India is up against tough competition from other nations in the worldwide market for handicrafts. Small and medium-sized

businesses have limited access to financing from banks and other financial institutions. This limits their ability to spend money on marketing, product development, and technology to promote their products internationally. The most difficult challenge for artisans is to provide their products directly to consumers. They must deal with many middlemen to reach their customers and in this process they don't get the fair price for the work they deserve. There is a huge chain from making products to delivering to customers. This whole chain is elaborated in the figure below.

**Figure 9: Handicraft Market Channels (2006)**



Source: GLOBAL MARKET ASSESSMENT FOR HANDICRAFTS (USAID)

The question of intellectual property rights has been a problem for the Indian handicrafts industry. Several of its traditional patterns and styles have been imitated by other nations, costing Indian exporters money and market share. For Indian handicraft exporters, tariffs, non-tariff barriers, and other trade restrictions put in place by foreign governments can be a major obstacle. These obstacles raise export prices, limit market access, and decrease the growth. The handicrafts business is firmly depending on Indian culture, and the diversity and traditions of the nation are reflected in its products. Nevertheless, these cultural differences might occasionally make it difficult for exporters to satisfy the requirements and preferences of overseas customers.

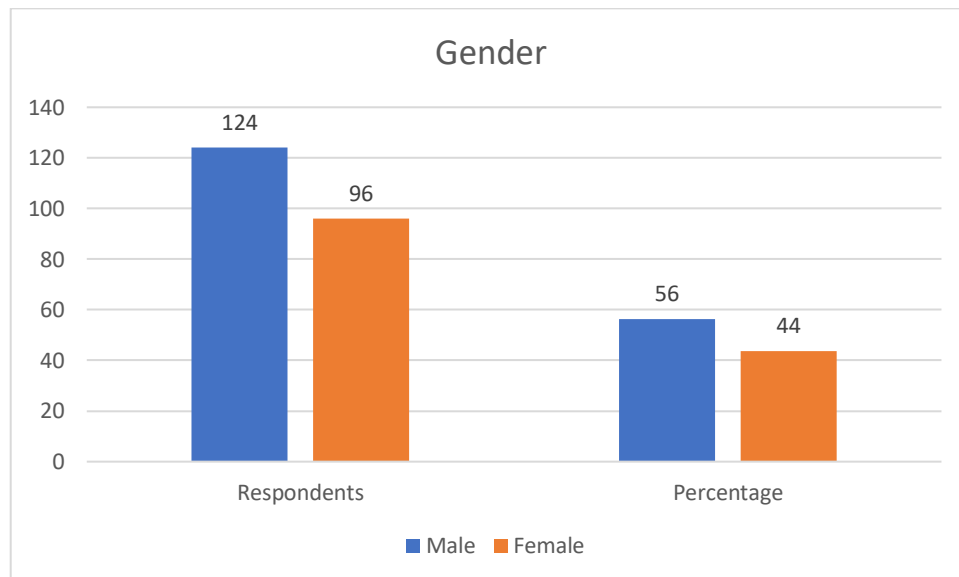
#### 4. Practical Part - Analysis

##### 4.1. Demographic Analysis

Table 4: Gender Relationships Between Male and Female

Gender	Respondents	Percentage
Male	124	56
Female	96	44
Total	220	100

Figure 10: Gender Relationship between Man and Female



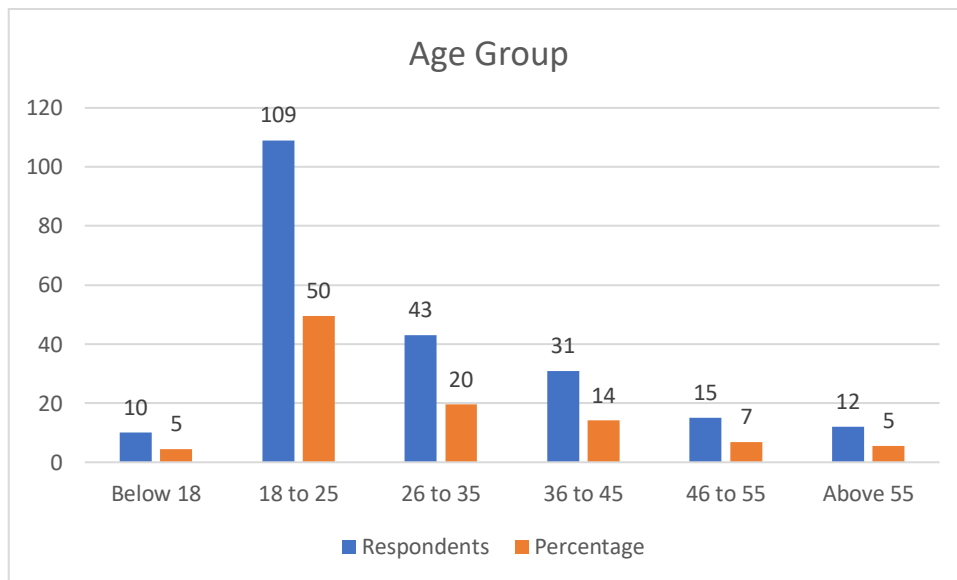
Source: Based on Primary Analysis

Based on the data, it shows that out of the total 220 respondents, 56% were male, and 44% were female. This suggests that a slightly higher number of male participants were surveyed as compared to female participants.

Table 5: Age Group of Questionnaire

Age Group	Respondents	Percentage
Below 18	10	5
18 to 25	109	50
26 to 35	43	20
36 to 45	31	14
46 to 55	15	7
Above 55	12	5
Total	220	100

Figure 11: Age Group of Questionnaire



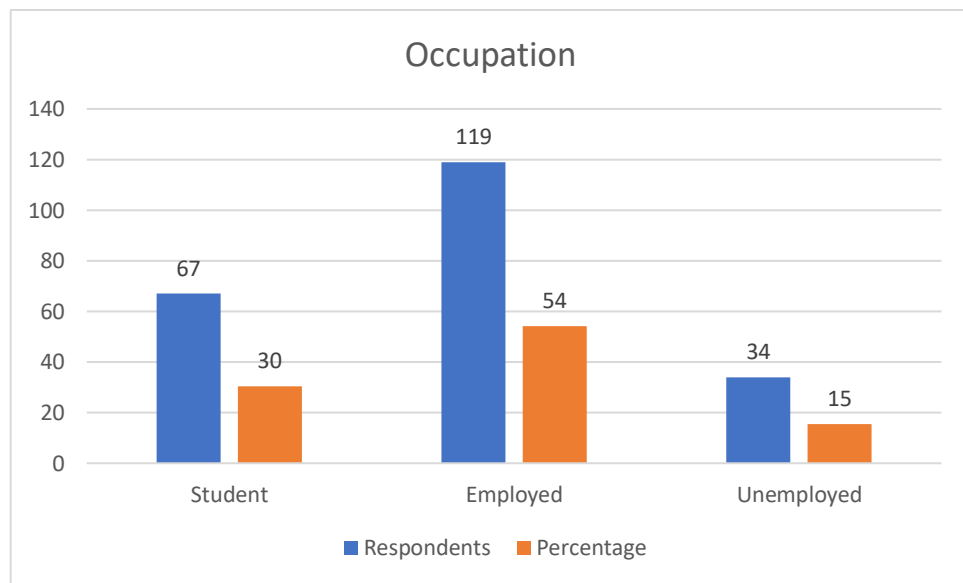
Source: Based on Primary Analysis

Based on the data, it shows that most of the respondents were aged between 18 to 25 years, with 50% of the respondents falling in this age group. The second-highest group of respondents was aged between 26 to 35 years, accounting for 20% of the total respondents.

Table 6: Occupation of the People in Questionnaire

Occupation	Respondents	Percentage
Student	67	30
Employed	119	54
Unemployed	34	15
Total	220	100

Figure 12: Occupation of the Respondents



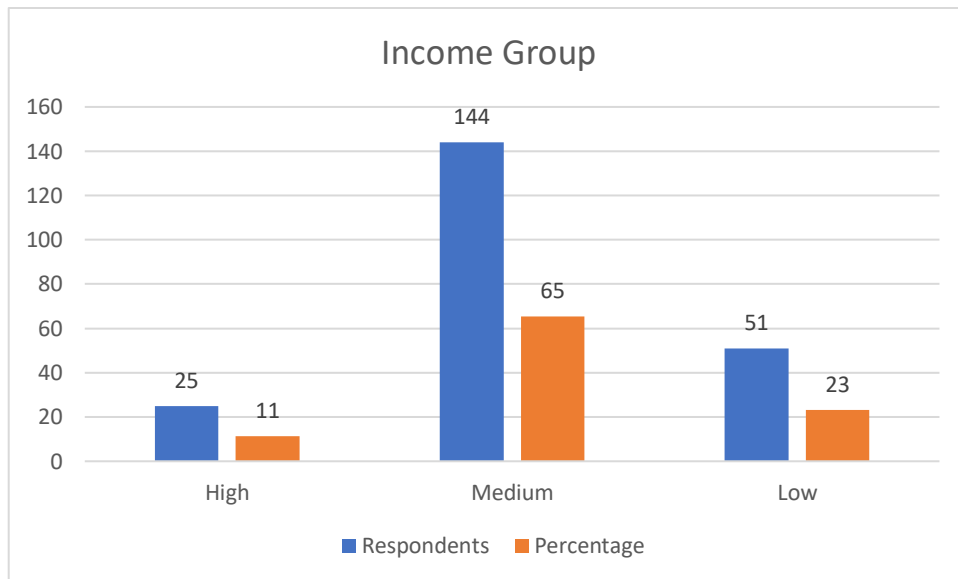
Source: Based on Primary Analysis

Based on the data, it shows that the many of the respondents were employed, with 54% of the respondents falling in this category. The second-largest group of respondents was students, accounting for 30% of the total respondents. The unemployed respondents made up 15% of the total respondents.

Table 7: Income difference in People Wages

Income Group	Respondents	Percentage
High	25	11
Medium	144	65
Low	51	23
Total	220	100

Figure 13: Income of People in Wages



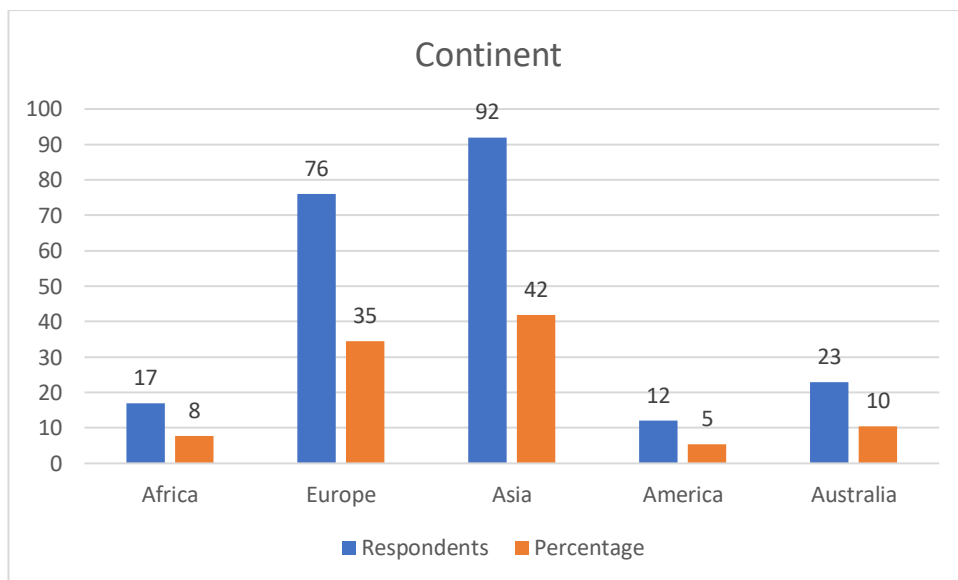
Source: Based on Primary Analysis

Based on the data, it shows that the majority of the respondents had medium income, with 65% of the respondents falling in this category. The low-income group accounted for 23% of the total respondents, while the high-income group accounted for 11% of the respondents.

Table 8: Population Ration of Different Continent in Questionnaire

Continent	Respondents	Percentage
Africa	17	8
Europe	76	35
Asia	92	42
America	12	5
Australia	23	10
Total	220	100

Figure 14: Population Numbers of Different Continent



Source: Based on Primary Analysis

Based on the data, it shows that the majority of the respondents were from Asia, with 42% of the respondents falling in this category. The second-highest group of respondents was from Europe, accounting for 35% of the total respondents. The respondents from Australia accounted for 10% of the total, while those from Africa and America accounted for 8% and 5%, respectively.

## 4.2 Descriptive Analysis

Table 9: Results from Descriptive Analysis

<b>Variables</b>	<b>Mean</b>	<b>SD</b>
Handicraft Purchase	2.86	1.30
Impulsive Purchase	2.97	1.30
Spontaneous Desire	3.10	1.35
Social Approval	3.07	1.30
Social Influence	3.23	1.31
Prior Approval	3.39	1.35
Observing Others	3.22	1.32
Personal Preference	2.52	1.12
Genuine Feel	2.77	1.21
Artistic Value	2.77	1.28
Status Display	4.22	0.96
Functional Value	4.06	0.90
Luxury Affluence	2.71	1.38
Country Preference	2.81	1.15
Authenticity Verification	4.12	0.78
Artisans Knowledge	4.22	0.01

Source: Based on Primary Analysis

The variables related to social influence and prior approval, such as Social Approval, Social Influence, and Prior Approval, have means above 3, indicating that they are moderately important factors in the respondents' decision to purchase Indian handicrafts. The variables related to the perceived value of the handicrafts, such as Artistic Value, Functional Value, and Authenticity Verification, have means above 4, indicating that the respondents place a high value on these aspects of Indian handicrafts. The variable related to status display, Status Display, has the highest mean of all the variables, indicating that the respondents consider Indian handicrafts as a means of displaying their status or wealth. The variables related to personal preference and emotional attachment, such as Personal Preference and Genuine Feel, have lower means compared to other variables, indicating that these factors might not be as important in the respondents' decision to purchase Indian handicrafts.



The variables related to personal preference and emotional attachment, such as Personal Preference, Genuine Feel, and Artistic Value, have relatively high standard deviations, indicating that there is considerable variability in the responses for these variables. This suggests that individuals have diverse personal preferences when it comes to handicrafts, and there is no clear consensus among the respondents on what constitutes genuine feel or artistic value. The variables related to social influence and prior approval, such as Social Approval, Social Influence, and Prior Approval, have relatively low standard deviations, indicating that there is less variability in the responses for these variables. This suggests that the respondents' opinions on the importance of social approval and prior approval are more consistent. The variables related to the perceived value of the handicrafts, such as Functional Value, Authenticity Verification, and Artisans Knowledge, have relatively low standard deviations, indicating that the respondents share a similar understanding of the importance of these factors when it comes to handicrafts.

#### 4.3 Hypothesis Analysis

H0 - There is no significant relation between gender and Indian handicraft purchase.

H1 - There is a significant relation between gender and Indian handicraft purchase.

Table 10: Chi-Square Tests Results (1)

<b>Chi-Square Tests</b>			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.048	12	0.026
Likelihood Ratio	8.477	12	0.041
Linear-by-Linear Association	0.779	1	0.025
<b>N of Valid Cases</b>	<b>220</b>		

Table 11: Symmetric Measures (1)

<b>Symmetric Measures</b>					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	0.008	0.104	-0.13	0.008
Ordinal by Ordinal	Spearman Correlation	0.007	0.105	0.015	0.009
<b>N of Valid Cases</b>		<b>220</b>			

Source: Based on Primary Analysis

As per analysis, the P-value of statistics is 0.026 for chi-square which is less than 5% level of significance. Therefore, the alternate hypothesis is accepted, and null hypothesis is rejected. This shows that there is a significant relationship between gender and Indian handicraft purchase. As per Pearson's correlation, there a no significant relationship between these variables as the P-value of statistics is 0.018 for Pearson's correlation is which is lower than 5% level of significance. The Pearson's correlation values differ from +1 to -1 where +1 signifies perfect positive correlation, -1 shows perfect negative correlation and 0 signifies there is a linear correlation. As per analysis, the Pearson's correlation value is -0.008 which shows the very slight positive correlation.

H0 - There is no significant relation between age and Indian handicraft purchase.

H1 - There is a significant relation between age and Indian handicraft purchase.

Table 12: Chi-Square Tests Results (2)

<b>Chi-Square Tests</b>			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.968	12	0.841
Likelihood Ratio	9.397	12	0.886
Linear-by-Linear Association	1.699	1	0.970
<b>N of Valid Cases</b>		<b>220</b>	

Table 13: Symmetric Measures (2)

<b>Symmetric Measures</b>					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	-0.005	0.107	-0.127	0.901

Ordinal by Ordinal	Spearman Correlation	0.010	0.108	0.018	1.002
<b>N of Valid Cases</b>		<b>220</b>			

Source: Based on Primary Analysis

As per analysis, the P-value of statistics is 0.841 for chi-square which is more than 5% level of significance. Therefore, the alternate hypothesis is rejected, and null hypothesis is accepted. This shows that there is no significant relationship between age and Indian handicraft purchase. As per Pearson's correlation, there is no significant relationship between these variables as the P-value of statistics is 0.901 for Pearson's correlation is which is higher than 5% level of significance. The Pearson's correlation values differ from +1 to -1 where +1 signifies perfect positive correlation, -1 shows perfect negative correlation and 0 signifies there is no linear correlation at all. As per analysis, the Pearson's correlation value is -0.008 which shows the very slight negative correlation. H0 - There is no significant relation between occupation and Indian handicraft purchase. H1 - There is a significant relation between occupation and Indian handicraft purchase.

Table 14: Ch-Square Tests Results (3)

<b>Chi-Square Tests</b>			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.860	12	0.805
Likelihood Ratio	9.289	12	0.850
Linear-by-Linear Association	1.591	1	0.934
<b>N of Valid Cases</b>	<b>220</b>		

Table 15: Symmetric Measures (3)

<b>Symmetric Measures</b>					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	-0.010	0.102	-0.132	0.896
Ordinal by Ordinal	Spearman Correlation	0.005	0.103	0.013	0.997
<b>N of Valid Cases</b>		<b>220</b>			

Source: Based on Primary Analysis

As per analysis, the P-value of statistics is 0.805 for chi-square which is more than 5% level of significance. Therefore, the alternate hypothesis is rejected, and null hypothesis is accepted. This shows that there is no significant relationship between occupation and

Indian handicraft purchase. As per Pearson's correlation, there is no significant relationship between these variables as the P-value of statistics is 0.896 for Pearson's correlation is which is higher than 5% level of significance. The Pearson's correlation values differ from +1 to -1 where +1 signifies perfect positive correlation, -1 shows perfect negative correlation and 0 signifies there is no correlation. As per analysis, the Pearson's correlation value is -0.010 which shows the very slight negative correlation.

H0 - There is no significant relation between income and Indian handicraft purchase.  
H1 - There is a significant relation between income and Indian handicraft purchase.

Table 16: Ch-Square Tests Results (4)

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.0456	12	0.011
Likelihood Ratio	9.4746	12	0.006
Linear-by-Linear Association	1.7766	1	0.090
<b>N of Valid Cases</b>	<b>220</b>		

Table 17: Symmetric Measures (4)

<b>Symmetric Measures</b>					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	0.001	0.113	-0.121	0.007
Ordinal by Ordinal	Spearman Correlation	0.016	0.114	0.024	0.008
<b>N of Valid Cases</b>		<b>220</b>			

Source: Based on Primary Analysis

As per analysis, the P-value of statistics is 0.011 for chi-square which is more than 5% level of significance. Therefore, the alternate hypothesis is accepted, and null hypothesis is rejected. This shows that there is a significant relationship between income and Indian handicraft purchase. As per Pearson's correlation, there is a significant relationship between these variables as the P-value of statistics is 0.007 for Pearson's correlation is which is higher than 5% level of significance. The Pearson's correlation values differ from +1 to -1 where +1 signifies perfect positive correlation, -1 shows perfect negative correlation and 0 signifies there is a linear correlation. As per analysis, the Pearson's correlation value is 0.001 which shows the very slight positive correlation.

H0 - There is no significant relation between continent and Indian handicraft purchase.  
H1 - There is a significant relation between continent and Indian handicraft purchase.

Table 18: Ch-Square Tests Results (5)

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.2116	12	0.028
Likelihood Ratio	9.6406	12	0.033
Linear-by-Linear Association	1.9426	1	0.047
<b>N of Valid Cases</b>	<b>220</b>		

Table 19: Symmetric Measures (5)

<b>Symmetric Measures</b>					
		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	0.020	0.092	-0.142	0.006
Ordinal by Ordinal	Spearman Correlation	0.005	0.093	0.003	0.007
<b>N of Valid Cases</b>		<b>220</b>			

Source: Based on Primary Analysis

As per analysis, the P-value of statistics is 0.028 for chi-square which is more than 5% level of significance. Therefore, the alternate hypothesis is accepted, and null hypothesis is rejected. This shows that there is a significant relationship between continent and Indian handicraft purchase. As per Pearson's correlation, there is a significant relationship between these variables as the P-value of statistics is 0.006 for Pearson's correlation is which is higher than 5% level of significance. The Pearson's correlation values differ from +1 to -1 where +1 signifies perfect positive correlation, -1 shows perfect negative correlation and 0 signifies there is a linear correlation. As per analysis, the Pearson's correlation value is 0.020 which shows the very slight positive correlation.

## **4.4 Case Study**

### **4.4.1 A Woman-Owned Handicraft Business**

Social activist, TEDx speaker and international fashion designer, Dr Ruma Devi is an accomplished businesswoman from Barmer, (Rajasthan State, India) who has impacted the handicrafts sector. She is the creator of the non-profit organization Ruma Devi foundation, which promotes women's empowerment in rural Rajasthan by offering them possibilities for finding work through the handicraft industry. She manages her online store [www.rumadevi.com](http://www.rumadevi.com), which goes by the name Ruma Devi. It is a sustainable method of bridging the gap between the customer and rural artisan communities.

The Export Promotion Council of Handicrafts (EPCH) worked with Gramin Vikas Evam Chetna Sansthan (GVCS), a NGO to create the Applique Handicrafts Producer Company, which offers textile-based items made by artisans. This is a step toward connecting the artisanal community directly to the market. Ruma has a well-known e-commerce site where handicraft makers can sell their products both domestically and globally. The EdelGive Foundation is helping to construct the website.

Ruma Devi's group encountered several difficulties during the COVID-19 epidemic after the lockdown, which caused markets to close and hampered the flow of handicraft supplies. Ruma Devi and her team immediately adjusted to the new situation and put many good strategies into place to face that difficult time.

Ruma Devi's initial action was to send raw materials to the female craftswomen so they could continue working on the handicraft items in their homes. They also created an e-commerce website to expand their consumer base and sell their goods.

Despite the difficulties brought on by the pandemic, Ruma Devi's organization continued to offer possibilities for the women artisans to make a living and assisted them in maintaining their income. Government officials appreciated her efforts and in 2018 the President of India Sh. Ramnath Kovind gave Ruma Devi the Nari Shakti Puraskar (Award for Women's Empowerment) on International Women's Day on 8th March 2019.

#### **Other Awards-**

- Invited to participate as a panellist in Harvard University's 17th all-India conference in Boston, United States (15-16 February 2020)

- Recognized as the 51 most influential innovators (A Global Listing) by the World CSR Congress in 2019.
- 2018 award from India's Textile Ministry's Export Promotion Council for Handicrafts for outstanding work in the handicraft industry.
- Recognition at the 2017 Germany & Singapore Fair for promoting handcrafted goods.
- Women on Wings Netherlands 2016 Honour.
- In 2018, Ruma was featured on the cover of India Today Magazine.
- In 2015, Ruma displayed her collection at Lakme Fashion Week
- Shilpa Abhimani Prize given by the Sri Lankan government to promote handicrafts.
- Recognized by the esteemed "India Today Magazine" as the face of its cover page for the 2018 anniversary edition.

Ruma Devi's case study is a very motivating journey of a lady who shows how female entrepreneurs may have a big impact on the handicrafts sector and support community economic development even in circumstances like the COVID-19 pandemic.

**Picture 1: Ruma Devi with Her Co-worker and Female Artisans**



**Source: The Craft of India ([rumadevi.com](http://rumadevi.com))**

#### 4.4.2 Ruma Devi- An Introduction

Ruma Devi was born on November 16, 1988, in the Indian state of Rajasthan, in a small place called Rawatsar hamlet (Barmer). Her family was struggling to make ends meet due to their poverty. At the young age of four, her mother passed away. Her paternal uncle then



took care of her. She went to school in her village but was compelled to leave in the eighth grade because of financial difficulties. She had to fetch water for the family from a well that was 8 to 10 kilometres away for daily needs. Life was already difficult for her when she married at the age of 17 because of the financial situation of her husband's family. She continued to pursue her aspirations despite this setback. She began studying traditional crafts like stitching from her grandmother at very young age.

Ruma Devi persuaded 10 women from her village to form a self-help organization in 2006. First, they purchased fabric, thread, and plastic wrappers for manufacturing pillows and bags with a contribution of Rs 100 from each woman. Thankfully, they were able to increase production because they had consumers in the same village where they come from. That's how she started her incredible adventure as a female artisan. Ruma's hobby for stitching and handicrafts quickly became clear, and she began creating stunning items that attracted the attention of customers from neighbouring cities. This motivated her to launch her own handmade business.

Her ongoing resolve and conviction allowed her to become acquainted with (GVCS) in 2008, and in the end, her vision to empower women artisans was acknowledged and she was appointed president of GVCS in 2010.

#### **4.4.3 Background of the Story**

Ruma Devi experienced a lot of difficulties as a child because she was raised in a remote place with few resources. She was so committed to overcoming them and improving both her family's and her own lives. Ruma continued her education despite being forced to leave school at a young age by learning hand skills from her family members. She started off working with just a few women in her village, but now she is working with over 22,000 people and 75 villages throughout the state of Rajasthan. Ruma's goal was to save Rajasthani traditional handicrafts in addition to giving these women economic possibilities.

Ruma has built a thriving business through her perseverance and hard work, and she has also empowered hundreds of women and contributed to the preservation of rural India's traditional handicrafts that have been handed down from generation to generation. Her experience serves as motivation for others by demonstrating that anyone can realize their objectives with passion, commitment, and effort.

Ruma Devi has received praise for her advocacy on behalf of women's rights and empowerment in addition to her work with GVCS. She has delivered speeches at several conferences and gatherings both domestically and internationally, and she has received countless honours and prizes for her achievements. Ruma Devi is now well recognized as a pioneer in India's social entrepreneurship sector in rural India. Many people find inspiration in her story because it shows that it is possible to make the world a better place if you work hard, are determined, and care about having a positive social influence.

#### 4.4.4. Business Operations

Thousands of rural women artisans in Rajasthan have received training from the Gramin Vikas Evam Chetna Sansthan under Ruma Devi's direction in traditional handicrafts like embroidery, weaving, and block printing. Through planning exhibitions and fairs, the organization also gives these women access to marketplaces in India and internationally.

Ruma Devi's company has given local handicrafts a boost and helped to conserve them while also giving rural women a means of support. she approached well-known designers; they acknowledged her potential and gave her an introduction to the fashion industry. During Rajasthan Heritage Week in 2016, Ruma Devi had the chance to present her designs. She served as an example for many women in her community. This made it possible for numerous domestic and foreign fashion designers to connect with the GVCS's female craftsmen and collaborate with them on handcrafted goods. Through engagement with the artisans directly during the production process rather than employing middlemen, Ruma Devi's business approach makes sure that the artists are paid fairly for their work.

Ruma Devi also uses social media and online marketplaces to advertise and market her goods internationally. She has formed partnerships with e-commerce sites, trade shows, and social media platforms. This has increased her company's visibility and led to more sales.

**Picture 2: Potter at Work Makes Ceramic Pots. India, Rajasthan**



Source: Photo is taken by Andrey Armyagov (Adobe.com)

Ruma Devi is dedicated to sustainability and environmental preservation. To lessen the negative effects of her company's operations on the environment, she promotes the use of environmentally friendly materials and production methods and has put in place a waste management system. Ultimately, Ruma Devi's strategy for managing her handicrafts company has not only improved the financial and social standing of the artisans she collaborates with, but it has also served as a model for ethical and environmentally friendly business practices.

#### **4.4.5. Organisations Started by Ruma Devi**

1. Applique Handicrafts Production Company Limited was established on April 20, 2020, as a Private. It is registered with the Registrar of Companies in Jaipur and is categorized as a Non-Government Company. Its authorized share capital is Rs. One million and its paid-up capital is Rs. 522,900.
2. Founded on October 9, 2020, Ruma Devi Private Limited is a private company. It is registered with the Registrar of Companies in Jaipur and is categorized as a Non-Government Company. Its paid-up capital is Rs. 100,000, while its authorized share capital is Rs. 500,000.

3. Founded on May 14, 2021, Ruma Devi Foundation is a private company. It is registered with the Registrar of Companies in Jaipur and is categorized as a Non-Government Company. Both its paid-up capital and authorized share capital are Rs. 100,000. Social work activities involve it. The slogan of the foundation is – Jaha hunar, waha kadam which means where skill is, there is respect. The handicrafts goods produced by Ruma Devi's business serve to highlight Rajasthan's rich cultural history.

#### **4.4.6. Handicrafts products made by Ruma Devi's Organization**

**Hand-weaving-** In hand-weaving human force is required because it is completely done without the use of electricity. One can weave various things like baskets, chairs, and rugs by hand.

**Applique-** The ancient name for Applique is Bharat which means to fill. There is evidence that this art was even at the time of the Indus Valley Civilization. An Applique product had to go through 8 to 15 different procedures before getting prepared.

**Jogi (Patchwork)-** Traditionally animal or floral patches are carved into lovely items like pillow coverings, wall hangings, bedcovers, and gularis. Every patch draws inspiration from a different aspect of its environment.

**Kantha-** Rags are called Kantha in Sanskrit language. This craft originated in eastern India which is in Bangladesh now. It is also quite popular in area of West Bengal and The Thar region of Rajasthan.

**Embroidery-** The Meghwal community of Barmer primarily performs the routine embroidery. All of the embroidery techniques used by the artists are known by their traditional names, such as "saankli" for chain stitch, "dantiyo" for buttonhole stitch, "kannado" for cross stitch, and "bakhio" for herringbone stitch. The communities of Barmer are mostly responsible for the souf and pakka work.

**Textiles-** Along with many unique products her organisation handcrafted textiles, such as **Ajrak sarees**, dupattas, shawls, and items for home decor like bed covers, cushion covers. Natural fibres like cotton and silk are frequently used to create these fabrics, which are then coloured with organic dyes.

**Picture 3: Female Artisan working on Applique Art**



Source: The Craft of India (rumadevi.com)

The overall goal of Ruma Devi’s company is to preserve and advance traditional crafts and skills while also producing unique and sophisticated designs that appeal to contemporary customers.

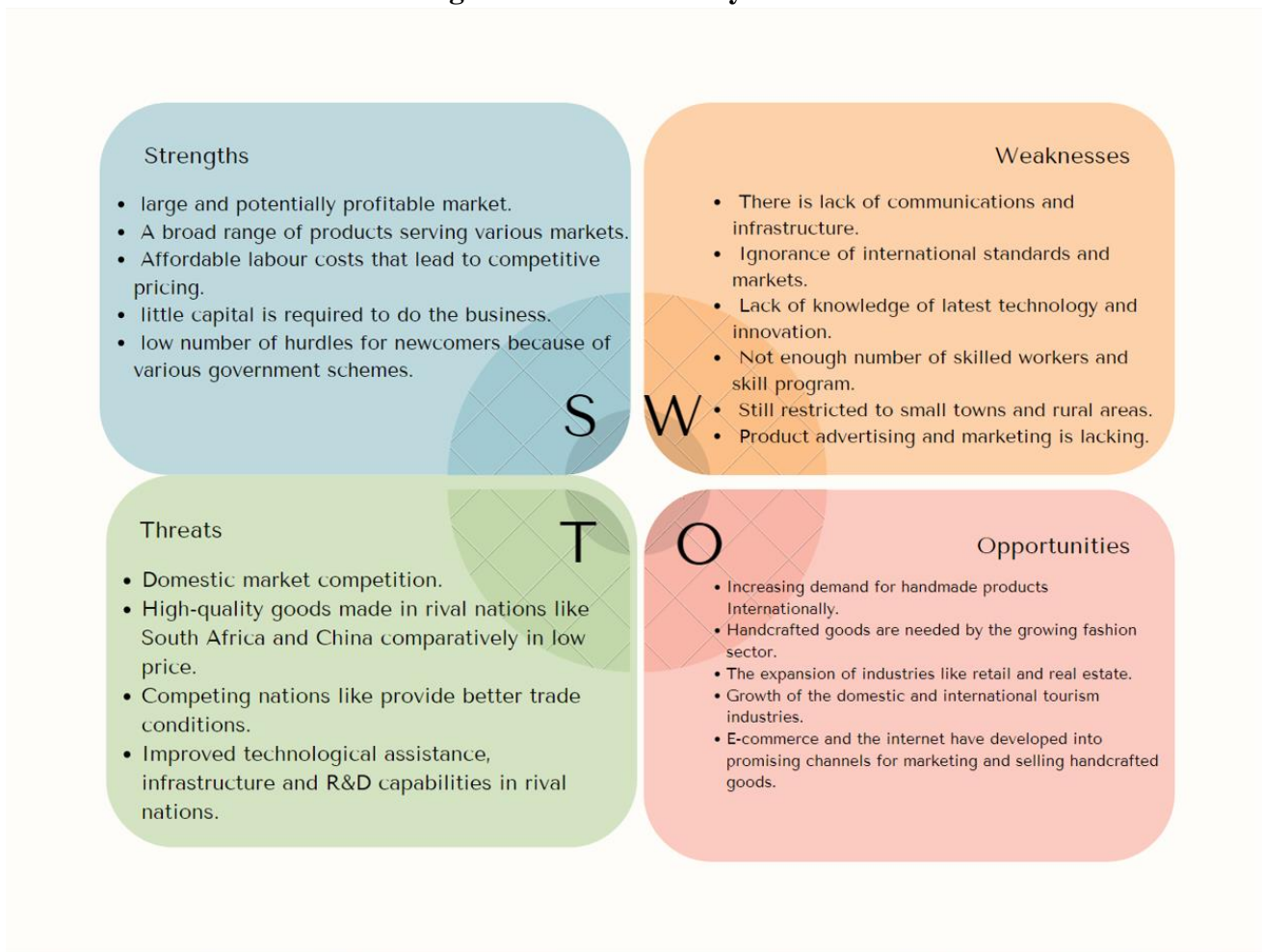
#### **4.4.7 The purpose of Ruma - The Craft of India and its vision**

The brand's mission is to unite rural and urban lifestyles by providing these artists with a platform to support themselves that would enable them to advance in all facets of their lives. The vision is described as follows in their own words:

**“‘From rural to urban’ – linking the artisanal community directly to the buyer community and creating awareness among the youth about ‘The Crafts of India’.”**

#### 4.4.8 SWOT Analysis of Ruma Devi's Case study

**Figure 15: SWOT Analysis**



Source- Own Elaboration and Findings

## 4.5 Linear regression model

### 4.5.1 Construction of economic model

An economic model of Export of Handicrafts trade was constructed on a basis of economic theories, and it has following formula:  $Y_1 = f(X_1, X_2, X_3, X_4, X_5)$

Where:

$Y_1$  = Indian Handicrafts Export (Rupees in Crore)

$X_1$  = Exchange Rate (INR/USD)

$X_2$  = GDP Per Capita of India (Rupees in Crore)

$X_3$  = Foreign Visitors in India (in Million)

$X_4$  = Unemployment Rate of India (in Percent)

The main assumption of the economic model is the dependency of Indian Handicrafts export as an endogenous variable on exchange rate of INR GDP per capita.

According to economic theory, the relationship among variables-

- If the GDP per capita of India increases, the value of Indian Handicrafts export increases.
- If the exchange rate (INR/USD) increases, the value of Indian Handicrafts export increase.
- And it goes same for foreign visitors as we see the high numbers of people visiting India then there is more export in Handicrafts export.
- Unemployment rate is also directly co-related with the handicrafts export of India, and it is visible that when there are low numbers of people visiting India then there is less export and at the same time high unemployment rate.

### 4.5.2 Creation of an Economic Model

One endogenous variable,  $Y_t$  at time  $t$ , four exogenous factors,  $X_1$ ,  $X_2$ ,  $X_3$ , and  $X_4$ . One random component,  $U_t$  are all included in the one equation econometric model. The one-equation econometric model has a linear functional shape.

The following describes the ultimate one-equation economic model.

The final one equation econometric model is following-

$$Y_{t1} = Y_1X_{1t} + Y_2X_{2t} + Y_3X_{3t} + Y_4X_{4t} + U_t$$

**Table 20: Data Set to run it on Gretl**

VARIABLE	HANDICRAFTS EXPORT IN INR(CRORE)	EXCHANGE RATE(INR/USD)	GDP PER CAPITA(INR IN CRORE)	FOREIGN VISITORS IN INDIA(IN MILLION)	UNEMPLOYMENT RATE(%)
Year	Y1	X1	X2	X3	X4
2011	7870.31	46.67	0.0061564	6.31	5.43
2012	11130.04	53.44	0.0068747	6.58	5.41
2013	13892.59	56.57	0.00746	6.97	5.42
2014	19103.98	62.33	0.0078348	13.11	5.44
2015	20082.53	62.97	0.0083091	13.77	5.44
2016	21557.12	66.46	0.0088617	15.02	5.42
2017	24392.39	67.79	0.0094752	16.81	5.36
2018	23029.36	70.09	0.0100035	17.42	5.33
2019	25548.97	70.39	0.0105526	17.91	5.27
2020	25270.14	76.38	0.0108645	6.33	8
2021	25679.98	74.57	0.0099694	1.52	5.98
2022	33253	81.35	0.0127768	6.19	8.3

Source: Own Elaboration/ World Bank Data, Ministry of Statistics and Programme Implementation. (2022), Government of India. Trading Economics, EXIM Analytics (government of India), and Statista.

**Table 21: Summery Statistics**

	Mean	Median	S.D.	Min	Max
Y1	20901	22293	7081	7870	33253
X1	65.75	67.12	9.993	46.67	81.35
X2	0.009095	0.009168	0.001884	0.006156	0.01278
X3	10.66	10.04	5.578	1.520	17.91
X4	5.900	5.425	1.067	5.270	8.300

Source: Own Analysis through Gretl Software



### 4.5.3 Correlation Matrix

When we need to find out if the model has strong multicollinearity or not, the correlation matrix is computed.

**Table 22: The calculated grid is shown in below table**

Y1	X1	X2	X3	X4	
1.0000	0.9781	0.9651	0.1613	0.5814	Y1
	1.0000	0.9666	0.0527	0.6467	X1
		1.0000	0.0715	0.6910	X2
			1.0000	-0.4753	X3
				1.0000	X4

Source: Own Analysis through Gretl Software

Correlation Coefficients after using the observations 2011-2022.


5% critical value (two-tailed) = 0.5760, for n = 12

In Gretl, data indicates that the model has no multicollinearity and no paired correlation coefficients exceed 0.8 and are greater.

### 4.5.4 Estimation of parameters using Ordinary Least Square method

Gretl software was used to develop the Ordinary Least Square technique for parameter estimation.

**Table 23: Ordinary Least Square Model Results on Gretl Software**

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Model 1: OLS, using observations 2011-2022 (T = 12)					
Dependent variable: Y1					
	coefficient	std. error	t-ratio	p-value	
const	-21097.7	5233.59	-4.031	0.0050	***
X1	485.350	172.146	2.819	0.0258	**
X2	1.29370e+06	1.04569e+06	1.237	0.2559	
X3	87.4161	114.786	0.7616	0.4712	
X4	-442.646	831.440	-0.5324	0.6109	
Mean dependent var	20900.87	S.D. dependent var	7080.969		
Sum squared resid	14078293	S.E. of regression	1418.162		
R-squared	0.974475	Adjusted R-squared	0.959889		
F(4, 7)	66.80926	P-value(F)	0.000012		
Log-likelihood	-100.8787	Akaike criterion	211.7574		
Schwarz criterion	214.1819	Hannan-Quinn	210.8597		
rho	-0.005329	Durbin-Watson	1.852347		
Excluding the constant, p-value was highest for variable 5 (X4)					

Source: Own Analysis with available date on Gretl Software

**Table 24: Calculated Parameter Values are Displayed in Table**

Parameters	Value of Parameter
Y1 (CONSTANT)	-21097.7
X1 EXCHANGE RATE(INR/USD)	485.350
X2 GDP PER CAPITA (INR IN CRORE)	1.29370e+06
X3FOREIGN VISITORS IN INDIA(MI.)	87.4161
X4 UNEMPLOYMENT RATE (%)	-442.646

Source: Own Elaboration based on Results

The resulting one-equation econometric model is as follows, based on computed parameters-

$$Y1_t = 485.350 X1 + 0.000012937+06 X2 + 87.4161 X3 + (-442.646) + U_t$$

#### **4.6 Economic Verification**

The direction and strength of exogenous factors' influences on endogenous variables are assessed within the context of economic verification. According to a ceteris paribus scenario, we can see some results here-

- The value of India's Handicrafts exports is -21097.7 Crore Indian Rupees annually if all exogenous variables are equal to 0.
- The value of Indian Handicrafts exports rises by 1.29370e+06 Indian Crore Rupees for every unit increase in the INR/USD exchange rate.
- Indian Handicrafts exports rise in value by 0.000012937 Indian Crore Rupees annually if the Indian GDP per Capita increases by 1 Crore Rupees.

Each of the above-mentioned hypotheses is compatible with the predetermined hypotheses.

#### **4.7 Statistical verification**

The statistical significance of the estimated parameters is examined in terms of statistical validation. The model or exogenous factors can account for 97% of the variation in the value of Indian Handicrafts exports, according to the coefficient of determination R<sup>2</sup> value of 0.974475. The adjusted R<sup>2</sup> number is 0.959889, which indicates that changes in independent variables account for 95% of the changes in the dependent variable.

#### **Significance of the Calculated Parameters Statistically**

The t-test is used to assess the statistical relevance of estimated parameters. In output displays p-value for each parameter, which provide information on the degree of significance at which a null hypothesis is rejected. The null hypothesis claims that, at a particular degree of significance, the parameter is not statistically significant. The null hypothesis is rejected if the p-value is less than the selected threshold of significance.

## 4.8 Econometric Reliability

Autocorrelation and Heteroskedasticity tests were evaluated as part of econometric model application verification process to ensure that the conditions were met.

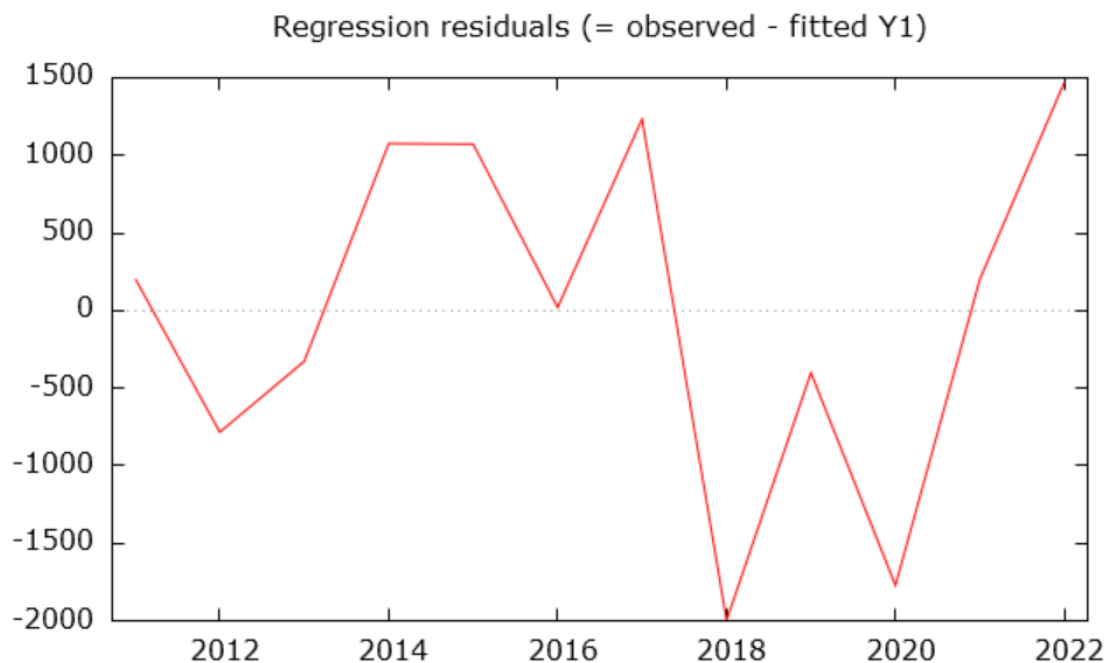
### 4.8.1 Autocorrelation

The Durbin-Watson test is used to determine whether the model contains autocorrelation. The DW statistic's P-Value is equivalent to 0.179219. It is statistically significant and there is no autocorrelation because P-Value is greater than the significance level ( $P > 0.05$ ) and the calculated test statistic. That means 0.179219 is greater than 0.05.

### 4.8.2 Heteroskedasticity

Heteroskedasticity has been evaluated through White test. According to the null hypothesis, Heteroskedasticity exists because residuals have a constant variation. The P-Value, based on White test is 0.440222. The null hypothesis is accepted at the specified significance level because the P-Value for significance. Consequently, the mode has no Heteroskedasticity issues.

**Figure 16: Variation in Residuals**



Source: Own Analysis of Data Set in Gretl

## **5. Results and Discussion**

### **5.1 Results**

The analysis part is focused on the awareness and preference of handicraft products from India. The study included multiple demographic factors as well as variables. Based on the demographic analysis, characteristics of respondents can be identified such as majority of respondents were male, the highest respondents were from the age group of 18 to 25 and because of these results most of respondents are from the medium income group. The continent data suggests that Asia and Europe have the maximum respondents. The descriptive analysis can be interpreted as based on mean values, the variables such as knowledge about the artisans, verification of authenticity have the highest impact on the handicraft product purchase from India and the major reason for the purchase can be display of status in the society. Finally, the hypothesis analysis shows that gender, income, and continent have the significant relation and positive correlation with the Indian handicraft purchase. This can be represented as, females have the higher density to purchase the handicraft products from India, higher income individuals can spend enough for the purchase of Indian handicraft products and Asian buyers can feel the connection with Indian handicraft products while making the purchase decision. The recommendation would be to trade good quality and design products at higher rates that can be suitable for the display of status.

In the practical part, the export of handicrafts goods from 2011 to 2022 was first evaluated. The international handicrafts trade balance of India showed a trade imbalance when comparing exports to imports. India also had to face a global pandemic and because of that Indian handicrafts export almost had no growth in 2021(25,679.98 Indian rupees in Crore) compared to the previous year 2020 (25,270.14 Indian rupees in Crore) and there was negative growth in 2020 we compare to 2019(25,548.97 Indian rupees in Crore). It was a negative balance of 278.83 Indian rupees in Crore during the pandemic time. Once the COVID-19 effect started to reduce in the world then we see a slight growth in 2021(25,679.98 Indian rupees in Crore) and an exponential growth of 22.77% in the

financial year 2021-2022. The export of handicrafts goods in this FY was 33,253 Indian rupees in Crore.

The outcome also showed that there was a significant and favourable correlation between the export value of Indian handicrafts goods and exchange rate considering the time frame we took to analyse which was between 2011-2022

Indian handicrafts goods are well produced and have great potential to export to many different countries like the United States of America, United Kingdom, Italy, France, and Germany. These countries can serve as the main destinations for the Indian handicraft industry. Indian handcraft products have been steadily rising in international markets. USA, UK, Australia, Canada, France, Germany, Italy, Japan, Netherlands, UAE, and Switzerland are India's top export markets for handicrafts. The highest share of export of handicraft goods goes to USA in the world.

Handcrafted woollen, woodwares, embroidered and crocheted items, art metal items, hand-printed textiles, agarbattis & attars, zari & zari goods, and imitation jewellery are among India's top exports. From April 2020 to January 2021, the following segments of handicrafts saw exports: woodwares at US\$ 611.48 million, embroidered, and crocheted items at US\$ 463.13 million, art metal wares at US\$ 353.92 million, handprinted textiles and scarves at US\$ 239.73 million, imitation jewellery at US\$ 144.19 million, and other handicrafts at US\$ 714.67 million. The entire value of handicrafts, excluding handmade carpets, from April 2022 to September 2022 was US\$ 716.21 million.

The size of the global handicraft industry was estimated at USD 659.7 billion in 2022 and is anticipated to increase to USD 1,511.5 billion by 2030, at the compound annual growth rate (CAGR) of 9.4%.

<b>Formula of CAGR = <math>[(\text{Ending Value}/\text{Beginning Value}) ^ (1/N)]-1</math></b>
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As we saw that Covid-19 affected many industries and the handicraft industry also could not save from it. It was because of the pandemic that Indian export of handicrafts goods decreased in 2020 as compared to 2019.

The case study of Ruma Devi owned handicraft business has shown us how growth and gender equality may achieve along with income equality. It has shown us how businesses can be run without harming the earth and achieve all results economically and socially with sustainability

## 5.2 Discussion

There are many problems which each exporter must deal with it. Exporters of India want to reach the international market but there are some problems like lack of financial funds, no modern innovation, using old technology, lack of infrastructure, lack of subsidy, productivity rate is low and different types of taxes for doing export business etc exist.

It is important to solve these problems and address these issues, skill development programs, innovation in technology, and changes in government policy for handicrafts exports trade. There is a need for a healthy competition environment of Indian handicrafts goods made by Indian artisans in the global market.

According to MSMEs, trade, import, and export have all increased. The export of handcraft products, including those sold via e-commerce platforms, climbed by 26.2% to Rs 32,417 crore in the fiscal year 2021–22 from Rs 25,679 crore in the prior fiscal year. In response to a written question in the Lok Sabha, Minister of State for Textiles Smt. Darshana Vikram Jardosh cited data from the Directorate General of Commercial Intelligence and Statistics (DGCI&S), noting that the highest exports in FY22 were woodware products worth Rs 7,891 crore, followed by embroidered and crocheted goods worth Rs 5,674 crore, art metal wares worth Rs 4,179 crore, and handprinted textiles worth Rs 2,995 crore. In addition, the minister reported that 397 local and 55 overseas marketing events were held in FY21 and FY22.

Indian handicrafts exports trade showed a growing tendency, with an average value of over 155 billion Indian rupees in fiscal year 2022, according to Statista. This trend is predicted to persist in the coming years. The manufacturing of handcraft goods, the exchange rate (INR/USD), the foreign visitors in India, the GDP/capita in India, and unemployment rate of India, all exogenous variables showed an upward tendency in Indian handicrafts exports. The endogenous variable in the one equation model was the export value of Ethiopian coffee, and the exogenous factors were the visitors in India (in million), unemployment rate (%), and the GDP/capital in India. The correlation matrix was calculated to look for multicollinearity in the model. There was no multicollinearity in the model. The estimation of individual factors came next, and then the final one-equation econometric model was built.

The impact of exogenous factors and their perspective on the endogenous factor were evaluated during the economic verification process. According to hypothesis made up.

All calculated values from the finished economic model were consistent with economic theory during its construction. The findings indicated that a rise foreign visitors' numbers to

India favourably adds to the value of Indian export market. There is a clear correlation between export volumes and commodity prices. The value of Indian handicrafts exports is favourably impacted by the exchange rate. A positive correlation between India's handicrafts exports trade and its revenue was identify. The value of Indian handicrafts exports is favourably correlated with the GDP/capital in India.

The existence of autocorrelation and heteroskedasticity were examined as part of the econometric verification of the model. Gretl results were matched to predetermined hypotheses. There was no autocorrelation and no heteroskedasticity in the model.

As I discussed the case study of Ruma Devi which was particularly in rural areas of India, and she has done so well in the handicrafts industry despite having so many different factors and adverse situations. Ruma Devi's business has been able to grow and develop because of her strong focus on quality and her dedication to providing artisans pleasant working conditions with fair pay. So, there is a great hope that rural regions can contribute a lot to the Indian handicraft industry and has huge potential to increase the export of Indian trade. This way this industry can support in Indian GDP and can make the Indian economy stronger.

Ruma Devi has faced many challenges limited financial resources, bad geographic location and big rivals in the competition who can make mass production in no time. Despite that Ruma overcome these challenges and worked on her skill to learn something new so they can make something unique. Also, her positive nature and friendliness with her client and co-workers helped her to achieve this success. This dedication makes her different from the competition.

Today is the age of social media as we know many customers from various markets rely on and decide to purchase something that they see on the internet. Social media is a great platform for communication and people express their feelings about likes and dislikes. Customers can easily influence what they see on the internet. If they like something on it, then they become your target market and eventually a future customer of your products. That is how different brands can reach out to many customers and groups in no time. This is the big reason many brands build their own social identity and encourage customers to buy their products by giving them discounts, sales, promotions, and advertising.

The case study on Ruma devi shows all insights faced by small medium size handicraft business owners in the handicraft industry. It emphasizes the value of hard work, dedication,

creativity, skilfulness, marketing strategy and finding success in very competitive environments.

It is also emphasized that small businesses are very crucial for any country as it contributes the most to the GDP and brings employment to huge numbers of people in that country. There is space for every handicraft industry, and it has a great potential for expansion which can impact the Indian economy at a sizable level. India offers a broad range of handicraft products in each of its states with skilful artisans. These artisans are also saving Indian rich cultural legacy and art for future generations by continuing and following the same path as like their ancestors. Millions of people are dependent on the handicraft industry in India and there is a huge number of women in it. These people are underprivileged and live in rural areas of India.

There is a huge demand for sustainable and environment-friendly products in The United States and The European Union because it is the need of the hour after seeing the adverse effects of global warming, people tend to buy more environment friendly and sustainable products. This is the reason these handmade products are getting popular day by day and are always in demand even after their high prices.

Although there are many opportunities, yet there are many obstacles as well such as high transportation costs due to high oil prices, the complicated structure of business when it comes to sending your products out of the country because of tariff barriers and lack of marketing strategies.

The COVID-19 pandemic affected many small-scale businesses and most of them shut down during that time it was difficult for many craftsmen to start over it again.

This pandemic disrupted the whole supply chain and millions of artisans' livelihoods have been impacted by the lockdowns and travel restrictions. On the other hand, this pandemic had a bright side too because after this crisis people shifted to digital platforms to sustain and expand the market reach of their products at the global level easily.

Indian government is also supporting these artisans by running many beneficial schemes for them and organising trade fairs across nation as well as internationally to show their unique and hidden art.



## **6 Conclusion**

In conclusion, India's handicraft industry has a rich cultural legacy and makes a substantial economic contribution to the nation. Over time, India has increased its export of handicrafts to other nations, with the United States, the United Kingdom, and Germany being the main consumers. However, the industry faces so many difficulties, including the COVID-19 pandemic, a lack of access to financing, and inadequate infrastructure.

The Indian handicraft sector is currently facing both opportunities and challenges. The COVID-19 epidemic has impacted the sector, with supply chain interruptions and the shutdown of international markets having an impact on exports. This has caused a decrease in the demand for handcrafted products and the loss of many craftsmen's means of livelihood. At the same time, the handicraft sector has shown other ways because after the pandemic many craftsmen using internet marketplaces to market their goods and find new clients.

The Indian government has launched quite many good projects to solve these issues. The creation of handicraft clusters, the provision of financial and technical assistance to artists, and the marketing of handicraft exports through trade shows and exhibitions are a few of them. Artisans Should receive training in the skills needed to launch successful businesses, including entrepreneurship, management, communication, access to finance, and design.

The Start-up India and Make in India programs which were Started by the Indian government was a great initiative to support these Small and medium-sized enterprises. The Make in India Program is a government program that was introduced in September 2014. It has aim to encourage businesses to manufacture in India. This government effort aims to increase foreign investment in the nation while boosting domestic manufacturing.

The Prime Minister of India Mr Narendra Modi started the Start-up India campaign on August 15, 2015. This project has aim to create a start-up culture and an ecosystem for entrepreneurs in India to support self-employment. This way many small businesses can create opportunities and innovations in many different fields.

Apart from these programs, there are many initiatives like NHDP, CHCDS, ODOP, Market Access Initiative (MAI) scheme etc. taken by the Indian government for the specific handicrafts Industries.

Indian government has been so many projects to achieve its Sustainable Development Goals (SDGs). That is the reason Indian government is trying to bring different training programs

in this field and training should be based on need, viability, and results. Traditional craft knowledge and skills will be updated, promoted, and based on results in relation to artisan and market requirements. These training programs will be developed and put into action in partnership with master craftspeople who will serve as experts and provide guidance on the content, length, and modalities of the skills development modules for crafts.

Business assistance and services will be offered by a combination of public and private organizations; government will have a facilitative role in ensuring proper use of private services and financing.

The case study of Ruma Devi's handicraft company sheds light on how someone might overcome these obstacles by tenacity, creativity, and in-depth market knowledge through hard work. Devi's company supports the preservation of traditional crafts while also accepting modern adaptations to fulfil consumer expectations. It also creates employment opportunities for women in her area.

India's handicrafts sector has tremendous growth potential, but to face these obstacles and seize possibilities, it needs a lot of help from the state, financial institutions, and other parties involved. For the industry to continue to thrive and assist the nation's economic progress, a more comprehensive export strategy that incorporates market research, product innovation, and proper infrastructure support is needed.

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## List of abbreviations

SME	Small and Medium Enterprises
UNESCO	United Nations Educational, Scientific and Cultural Organization
ITC	Information Technology Community
SWOT	Strength, Weaknesses, Opportunities, threats
DW	Durbin-Watson
EPCH	Export Promotion Council for Handicrafts
NHDP	National Handicrafts Development Program
HHEC	Handicrafts and Handlooms Export Corporation of India
UK	United Kingdom
USA	United States America



UAE	United Arab Emirates
CHCDS	Comprehensive Handicrafts Cluster Development Scheme
GST	Goods and Services Tax
ODOP	One District One Product
GeM	Government e-Marketplace
DGFT	The Directorate General of Foreign Trade
MSMEs	The Ministry of Micro, Small and Medium Enterprises
DGCI&S	Directorate General of Commercial Intelligence and Statistics
COVID-19	Corona Virus Disease 2019
IBEF	India Brand Equity Foundation
GVCS	Gramin Vikas Evam Chetna Sansthan
TedX	Technology, Entertainment, Design
GDP	Gross Domestic Product
WTO	World Trade Organization
MAI	The Market Access Initiative
MOCI	Ministry of Commerce and Industry
INR	Indian Rupee
SPSS	Statistical Package for the Social Sciences
MOT	Ministry of Textiles
EXIM	Exporters and Importers
OECD	The Organization for Economic Cooperation and Development
AIACA	All India Artisans and Craftworkers Welfare Association
LAC	Latin America and the Caribbean
USAID	United States Agency for International Development
IDPH	Integrated Development & Promotion of Handicrafts
P-Value	Probability Value
NGO	Non-governmental organizations
FY	Financial Year
MAI	Market Access Initiative
SDGs	Sustainable Development Goals

## **Appendix**

**Name** –

**Gender** - Male, Female

**Age Group** - Below 18, 18 to 25, 26 to 35, 36 to 45, 46 to 55, Above 55

**Occupation** - Student, Employed, Unemployed

**Income Group** - High, Medium, Low

**Continent** - Africa, Europe, Asia, America, and Australia


**Please state your preference towards Indian handicraft products for these statements**

(1 - Strongly Agree, 2 - Agree, 3 - Neutral, 4 - Disagree, 5 - Strongly Disagree)

1. On occasions when I go shopping, I prefer to purchase Indian handicrafts based on my liking.
2. Whenever I come across any Indian handicraft that catches my eye, I usually buy it impulsively without considering the consequences.
3. I have a spontaneous desire to purchase Indian handicrafts.
4. It is essential to me that the Indian handicrafts I purchase are appreciated by others.
5. The opinions of my friends and family hold great significance to me when it comes to buying Indian handicrafts.
6. I rarely buy any Indian handicrafts without the approval of my friends and family.
7. To ensure that I am purchasing authentic Indian handicrafts, I always observe what others are buying.
8. Whether or not I buy Indian handicrafts largely depends on my own preferences.
9. I prefer buying Indian handicrafts over factory-produced items as I believe they have a more genuine feel.
10. I purchase Indian handicrafts primarily for their artistic value.
11. Despite the higher cost, I buy Indian handicrafts to display my status to others.
12. I buy Indian handicrafts because I find them to be functional and practical.
13. I enjoy having luxury Indian handicraft items at my home, which is why I purchase them.
14. I find handicrafts from other countries more interesting than those from India.

15. It is crucial for me to have a seal of approval from an independent authority to ensure the authenticity of the Indian handicraft product.
16. It is essential for me to have information about the artisans who created the Indian handicraft product.

**Table 23: Ordinary Least Square Model Results on Gretl Software**

File Edit Tests Save Graphs Analysis LaTeX 					
Model 1: OLS, using observations 2011-2022 (T = 12)					
Dependent variable: Y1					
	coefficient	std. error	t-ratio	p-value	
const	-21097.7	5233.59	-4.031	0.0050	***
X1	485.350	172.146	2.819	0.0258	**
X2	1.29370e+06	1.04569e+06	1.237	0.2559	
X3	87.4161	114.786	0.7616	0.4712	
X4	-442.646	831.440	-0.5324	0.6109	
Mean dependent var	20900.87	S.D. dependent var	7080.969		
Sum squared resid	14078293	S.E. of regression	1418.162		
R-squared	0.974475	Adjusted R-squared	0.959889		
F(4, 7)	66.80926	P-value(F)	0.000012		
Log-likelihood	-100.8787	Akaike criterion	211.7574		
Schwarz criterion	214.1819	Hannan-Quinn	210.8597		
rho	-0.005329	Durbin-Watson	1.852347		
Excluding the constant, p-value was highest for variable 5 (X4)					

Source: Own Analysis with available data on Gretl Software