

A STUDY ON FINANCIAL ANALYSIS OF RURAL ARTISANS IN INDIA: ISSUES AND CHALLENGES

SUBHAMOY BANIK
ASSISTANT PROFESSOR
DEPARTMENT OF MANAGEMENT AND COMMERCE
K.K.UNIVERSITY, NALANDA, INDIA

Abstract: The purpose of this paper is to provide a broad summary of the financial analysis of rural artisans in India and the challenges they are facing. A notable aspect about these rural artisans is that they belong from the unorganised sector. These artisans on one hand are regarded as custodians of the heritage of India and on the other hand deprived of all the modern facilities and financial assistance. This unorganised sector can contribute a lot to the Indian economy by providing employment opportunities, generation of rural income and improving the purchasing power of rural people. The craft and handcraft sector forms the second largest unorganised employment sector in India, second only to agriculture. In India craft can be described not merely an industry but a creation symbolising the inner desire and fulfilment of the community, at present nearly 23 million handcraft people in India today. Some economic policies have been taken by the government to improve the financial positions of these rural artisans and enhancing the socio-economic growth.

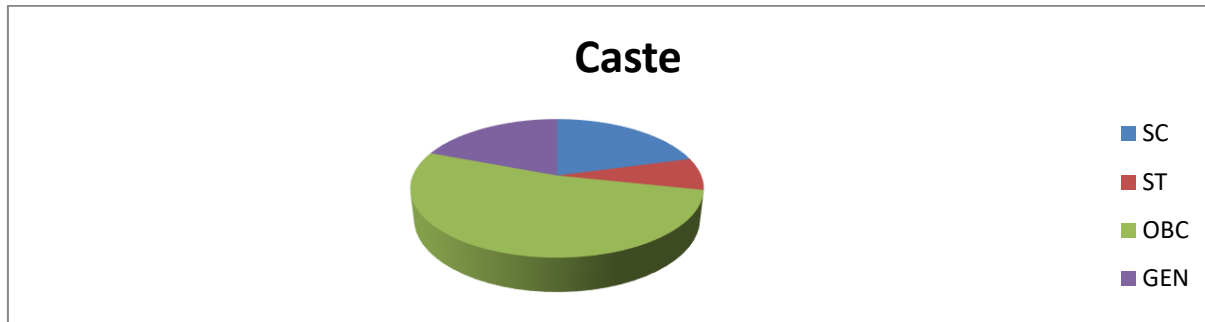
Keywords: rural artisans, unorganised sector, growth and development, issues and challenges, socio-economic developments.

I. Introduction: India has a rich history and heritage of arts and crafts, the traditional Indian village economy has been self-sufficient and self-providing for centuries. Artisans are the backbone of India's non-farm rural economy, the notable aspect about these rural artisans is that they belong from the unorganised sector. As per the result of labour force survey on employment and unemployment conducted in 2011-12 by NSSO, the number of estimated employed person were 47.41 crore of which 82.7% of workforce (39.14 crore) was in unorganised sector. The National Commission for Enterprises in Unorganised Sector defines 'The unorganised sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers'. The rural artisans comprises of art and handcraft maker, weaver (sarees, stole, shawl, dhoti), potters, metalwaresmakers(silver, copper, brass), sculpturists(wood, metal, clay, stone), etc. These artisans on one hand are regarded as custodians of the heritage of India and on the other hand deprived of all the modern facilities and financial assistance. This unorganised sector can contribute a lot to the Indian economy by providing employment opportunities, generation of rural income and improving the purchasing power of rural people. Mostly these rural artisans adopt their forefather's vocations and play an important role in maintaining rich cultural life. These rural artisans have learned their skills from their fathers or mothers, it can be described as not merely an industry but a creation symbolising the inner desire and fulfilment of the community. As per the census of Handicrafts sector being conducted in the 11th Plan are listed in Table 2.

Table 1. Types of Handicraft artisans and earnings per day

Type of rural artisans	Unit manufactured per day	Earnings per day
Puppet makers of Katputli Nagar	10 pieces	Rupees 300
Block printers of Sanganer	7-8 bedsheets	Rupees 500
Handmade Jewellery	-----	Rupees 400
Blue potters of Jaipur	-----	Rupees 500

Table 2. Demographic profile of Artisans



Meaning of rural artisans: Rural artisans can be described as a skilled worker who derives more than 50% of his livelihood income from village crafts like art and handicraft maker, weaver(sarees, stole, shawl, dhoti), potters, metalwares makers(silver, copper, brass), sculpturists(wood, metal, clay, stone), leather worker, carpentry, etc. The rural artisans conduct their activities mostly at their own residence and the family persons are employed as labours. They utilize local raw materials and produce articles as per the local needs. These rural artisans also perform certain activities which can be regarded as an ancillary service to farming and agricultural sector. A special feature of these artisans is that they live in clusters, some of which are depicted in Table 3.

Table 3. Some artisans cluster in the country

Handicraft Items	Cluster	No. of Artisans
Zari	Surat is the home of zari industry in India followed by Bareilly, Varanasi, Agra, Hyderabad, Lucknow, Vadodara, Lathur, Jaipur, Barmer, etc.	Surat 15,700 zari units, employed about 1.05 lakh artisans and 50,000 artisans provide support to the cluster.
Leather Footwear	Chennai, Ranipet, Mumbai, Agra, Lucknow, Kanpur, Karnal, Faridabad, Kolkata, Jaipur, Jodhpur, Odisha, etc.	More than 1 lakhs artisans work all over the country, according to central leather research institute there are 2091 tanneries functioning across the country.
Carpet	Bhadohi, Varanasi, Mirzapur, Agra, Jaipur, Bikaner, Kashmir, Gwalior, West Bengal, Uttarakhand, etc.	2 million artisans and 2500 exporters-cum-manufacturers
Textile(Handloom)	Bahraich, Bhuj, Karimnagar, Patan, Varanasi, Nawan, Shaher, Boudh, etc.	As per Handloom census of 2009-10, there are 23.8 lakh handlooms and employing 43.3 lakh handloom weavers and allied workers.
Wood Carving	Saharanpur, Manipur, Bhopal, Nagpur, Chennai, Madurai, Mysore, etc.	Saharanpur: 250 artisans and 15 SHGs Manipur: 266 artisans and 17 SHGs Bhopal: 300 artisans and 25 SHGs Nagpur: 300 artisans and 30 SHGs Khairpadar: 529 artisans and 25 SHGs
Stone Carving & Stone Inlay	Agra, Bhubaneswar, Puri, Jaisalmer, Cuttack, Cuddapah, Bankura, Patna, Mysore, Gwalior, Puducherry, Rajkot, etc.	About 4,000 artisans working on this craft are members of Agra's Marble Udyog Vikas Samiti.
Cane and Bamboo	Assam(Lakhimpur, Bongaigaon, Guwahati, etc.), Tripura(Agartala, Nelaghar, etc.), Manipur, Arunachal Pradesh, West Bengal, Orissa, etc.	In Manipur around 1.5 lakh artisans
Conch Shell	West Bengal and Tamil Nadu	Bishnupur, Saaspur, Hatgram and Rampur.
Jewellery	Delhi, Moradabad, Sambhal, Jaipur, Kohima, Nellore, Mysore,	Nearly 5,00,000 goldsmiths and 6,000 diamond processors.

	Nizamabad, etc.	
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II.OBJECTIVES OF THE STUDY:

The main objective of this paper is to study in details the works and activities of the rural artisans, the issues and challenges faced by these artisans in India.

1. To understand the work and activities of the rural artisans
2. To examine the issues and challenges faced by the artisans
3. To highlight the policies taken by government to overcome the challenges

III.RESEARCH METHODOLOGY:

This research paper is a workout of exploratory research, based on the secondary data collected from various journals, magazines, articles and media reports.

IV.REVIEW OF LITERATURE:

There are many obstacles which are emerging while considering successful policies for the rural artisans, the skill of rural artisans continues to be old and technology is traditional. The problems faced by the unorganised sector of artisans are lack of skill, less exposure to information and technology, lack of formal training, marketing support, non-competitive products,etc. As per the data of the National Commission for Enterprises in the unorganised sector(NCEUS), the Arjun Sengupta commission which submitted its report in 2007, 50% of India's GDP comes from the unorganised sector in terms of activity. The NSS data of 2004-05, NCEUS has estimated 85% of the total workforce i.e 390 million of the country's workforce is employed in the unorganised sector and the Economic Survey 2007-08, 93% of the India's workforce include the self employed and employed in unorganised sector.

At the Speaker's Research Initiative on 10 August 2015 at BPST main lecture Hall, Parliament library building Dr. Saikat Sinha Roy had identified four factors financial access, proper infrastructure, technology development fund and skill development fund.

V.PRESENT SCENARIO

Artisans are recognised as the backbone of India's non-farm rural economy, according to the official figures it is estimated to be 7 million artisans in India (up to 200 million according to unofficial sources) engaged in craft production to earn their livelihood. India's industrialisation and globalisation i.e. participation in the modern world economy is decade old, despite of that millions of Indian still depend on indigenous modes of production, traditional techniques and skills for manufacturing handmade products. The economic statuses of these rural artisans are far below the satisfactory level, which also makes their marketing power weaker both at selling and buying levels. These artisans are either uneducated or their education level is low and their linkage with the rural development institutions are not satisfactory. With the ever-increasing competition from mill-made products and decreasing consumption power of rural community due to prevailing economic condition, these artisans have lost their traditional rural market and their livelihood income. Survey shows that households headed by these artisans have much lower net wealth and 90% are landless. The average monthly income derived by these artisans is Rupees 2,000 for an average family of five members. The current status of India's artisans is a matter of serious concern. Since the early twentieth century government policies have emphasised in generating employment and increasing export earnings but in spite of this most artisans live in dismal poverty. In the face of constant struggle, most of the artisans have capitulate and moved away from their traditional occupation.

VI.REASONS FOR PROBLEMS FACED BY RURAL ARTISANS

Most of the problems that are being faced by the rural artisans emerge from the conditions in which the artisans are placed. The importance of handicraft items of these artisans is decreasing in their locality. The quality of this handicraft items are decreasing day by day because of great competition with the industrial sophisticated and cheap products. Major factors which are responsible for their failure are listed below.

1. Weak Financial Power and inability to get bank loans

The financial position of the artisans is very weak hence they had to depend on the money lenders for the financial requirements, who charge exorbitant rate of interest on this loan,in many cases if the artisans are unable to pay interest or

principle amount these money lenders take the handcraft items at very low price which is much below the market price. Due to weak financial power, these artisans are unable to buy raw material in bulk and hence to production cost goes high with low profitability. However government have announced loans and finance at concessional rates for procurement of equipment's and tool-kits, yet they are unable to get because of huge formalities maintained by the nationalised banks. Lack of finance and cash flow is almost always the crux of the artisans, these artisans are still waiting for simplified and proper financial award which can help them to survive their business and livelihood.

2. **Illiteracy of artisans**

Mostly rural artisans are uneducated and illiterate thus lack of education makes it difficult to manage inventory, access government schemes and bargain with traders and middlemen. As per the report published in economic and political weekly 2003, by the World Bank titled handmade in India: Preliminary analysis of crafts producers and craft production 90% of the female artisans are completely uneducated and 50% of heads of households of crafts producing families had no education.

3. **Non availability of quality raw material**

Rural artisans often lack access to quality raw material, for raw material they have to depend upon the middle men and dealers on very high price and even of poor quality. Another reason is due to weak purchasing power they can't procure bulk raw material as a result they have low bargaining power and are forced to buy sub-standard material at a higher price. So these rural artisans are gradually shifting as a labour to agricultural sector.

4. **Lack of skill improvement and technology up gradation**

Artisans lack the financial capability to upgrade technology in production and to undergo necessary trainings on regular basic. Most of the artisans engaged in handloom and handicraft business are using old and obsolete tools, machinery and equipments which drastically effect upon the quality and quantity of their product.

5. **Shift of rural customers towards the industrial product**

With the growth of industrialisation the demand of handloom and handicraft products are decreasing substantially and the rural buyers are attracted towards machine made, good looking, and attractive package products. With the advent of globalisation and availability of cheaper and more varied products craft faces tough competition in contemporary market. They are typically perceived as traditional, old-fashioned and antithetical to modern taste. In most modern societies design evolved in the interaction between the artisans and consumer but the rural artisans are unaware of the sociocultural context of the consumer and could not design the products as per their needs and fashion.

6. **Nonexistence of infrastructural facilities**

Artisans are lacking various infrastructural facilities like communication, work sheds, storage space, packing facilities and transportation in rural areas, they have to depend on middlemen for selling the products as consumers of craft products are increasing becoming urbanized. These artisans have few opportunities to reach new customers through relevant retail platforms such as departmental stores and shopping malls. Further due to lack of education and training, artisans are often unable to supply their products online.

7. **Lack of aggregation**

Aggregation involves bringing together products from decentralised production units to enable economies of scale in transportation, storage and retail. Due to dismal status of infrastructure and communication in India aggregating products is a challenging task and leads to many of the bottlenecks in the crafts supply chain today. Currently there is a lack of organised systems to effectively aggregate goods from small producers, carry out quality checks, store approved goods in warehouse and supply them to wholesalers and retailers in urban areas.

8. **Very low income and no regular work to Artisans**

Wages of the craft artisans are insufficient, even the highest wages are relatively lower than those others in the agriculture or other non-firm activities. The combination of low wages and insufficient work tends to exacerbate poverty among craft artisans. Production for home consumption is completely different from production for a commercial market. In this competitive and dynamic market the artisans needs sensitive adaption, proper quality control, accurate costing if they intends to win and keep a place in the market. In other words right combination of human, financial, physical and social capital is essential.

9. **Other Problems**

- a. Marketing support
- b. Neglect by Government and absence of non-farm policies

VII.Prospects to improve the condition of artisans

Most of the artisan faces the problem of inadequate accommodation, accommodation can be provided to these artisans through Government housing schemes or cooperative housing societies. Training institutions should come forward to train the artisans in upgrading skills. A good number of institutions, as the council for the advancement of people's action and rural technology

(CAPART), the khadi and village industries commission (KVIC), the small industries development bank of India (SIDBI) and national bank for agriculture and rural development (NABARD) have been involved in funding and implementing development works in different aspects. More health related schemes have to be implemented for social security of the artisans, government had implement two programmes in the name of Rajiv Gandhi ShipliSwasthyaBimaYojana and the JanshreeBimaYojana for artisans in the age group of 18-60 for health and life insurance in association with the Life Insurance Corporation of India for the artisans along with three dependents. Financial institutions and commercial banks should take increasing interest in helping the artisans and establish a well linkage between these artisans and co-operative, commercial banks and rural banks. Some development should be brought in design and technology to cater the increasing domestic and export demand. Some credit card schemes have been implemented so far such as the artisan credit card scheme and the baba sahebambekarhastshilpvikasyojana by the development commissioner of Handicrafts. Efforts had been taken by the development commission for marketing support of the artisans, DilliHaat an open air craft bazaar in the national capital modelled as a traditional village market where artisans from across the country can rent the available space and display their wares for two weeks at a time. Initiative can be taken to boost sales in domestic and foreign market by e-commerce activities, proper training on information technology to be imparted for uploading the items to internet. This will enable them to reach out to a wider consumer base thus opening new horizons for the artisans.

Budget allocation for rural development made for the financial year 2017-18 is Rupees 1,05,447.88crores as against 86,000 crores for the financial year 2016-17.

Some development scheme undertaken by the government are noted below:

- i. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for providing wage employment,
- ii. National Rural Livelihoods Mission (NRLM) for self employment and skill development,
- iii. Indira AwaasYojana (IAY) for providing housing to BPL households,
- iv. PradhanMantri Gram SadakYojana (PMGSY) for construction of quality roads
- v. National Social Assistance Programme (NSAP) for social pension
- vi. Integrated Watershed Management Programme (IWMP) for improving the productivity of the land.

Conclusion

Artisans mostly work on traditional or unorganised sector in which they are vulnerable to exploitation and low wages. Their economic and social conditions are lower as compare to the people in other sector. Despite efforts being taken by government, issues like lack of implementation of policies and concentration on the macro perspective have ceased the effectiveness of the efforts, giving little or no results. Traditionally the artisans had been the backbone of the Indian society, yet today they are the most valuable character for the development. Thus in this paper an attempt has been taken to study the weakness and challenges and to identify the possible ways to overcome this challenges.

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