

Challenges to the Development and Commercialization of Handicrafts in North-East India

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Abstract—The economy of India's North East Region (NER) is largely dependent on agriculture despite having immense potentialities and exploitable natural and mineral resources for development. The handicraft sector in the North Eastern Region is an important sector that offers immense potentials to supplement rural incomes and livelihoods. Lack of co-ordination in information sharing between government and resource centers, understanding of changing commercial status of handicrafts, assessing the existing position of artisans within the regions are some grey areas that need investigation. An analysis of indicators-both human capital and physical capital endowment and the changing pattern of handicrafts exports in a global perspective to identify priorities of supply and demand remains a problem. Thus, there is an urgent need to explore and analyze the reason of key hindrance for development of handicrafts and their trade from the North Eastern Region. This paper briefly attempts to understand the changing trends of commercialization of crafts, the level of local employment generation from the handicrafts sector at the national and regional level. An attempt has been made to analyze the initiatives of various resource centers and the progress of handicrafts trade in India as well as in the region in brief. This paper also highlights investment in the handicrafts sector at the state level in the North Eastern States and its implication in handicrafts and infrastructural gaps between the existing clusters; self help groups (SHGs) and artisans covered under the Ambedkar Hastashilpa Vikash Yojana (AHVY). A vivid analysis of marketing aspect of handicrafts products also has been carried out to assess and explore the feasibility of marketing beyond national boundary. Attempt has also been made to find out disparity in infrastructure and financial support to encourage handicraft sector in the region.

Keywords: Handicrafts, Livelihood, Clusters, Hastashilpa, Fledgling

INTRODUCTION

For India's northeast, geographically, historically and politically there is a variable need to integrate the region for accelerated development. To become socially and economically sustainable, north east India's growth story needs to be inclusive. Traditionally our industrial idea is confined to crafts and hand works. Last sixty years of our history have made us familiar with the use of machine but that only at a relatively simple process in a few industries. However, since independence the region is experiencing a comparatively slower pace of industrialization and socio-economic growth. The region of eight states, spread over a 263, 00 square kilometre stretches with a population of nearly 40 million is regarded as one of Asia's hottest trouble spots has remained backward in the country and has a traditional and agrarian poor state of economy but nature has showered benevolence on the region in the form of abundance untapped natural resources. Strategically, north eastern region has its own distinct advantages to access the traditional domestic market of eastern India, along with proximity to the major states in the east and adjacent countries such as Bangladesh, Myanmar and the South-East Asian markets. The resource-rich north east with its expanses of fertile farmland and a huge talent pool could turn into one of India's most prosperous

regions yet, owing to its unique challenges. We believe that conventional market-based solutions may not work here, given the issues related to poor infrastructure and connectivity, unemployment and low economic development, law and order problem etc. The government and the private sector need to collaborate and take the lead in providing solutions to these problems. More reform needs to be initiated in a range of areas, such as investment in agriculture, hydro power, and infrastructure as well as in creating new avenues. Yet the region displays growth stagnancy both in absolute and relative terms. Geographical inertia, unfavorable vocational factor from the point of view of market, accessibility, investment, poor transport and communication facilities and networks both with the region and in the rest of the region and scale and extent of natural calamities etc, are some of the facts which affect the entire regions development thereby perpetuating dependency.

Human poverty in the region is vastly influenced by lack of skills amongst poor. While the literacy rate is high, the skill development is low. Unemployment in the region is also alarming. As per the latest issue of "Women and men in India 2914" brought out by Central Statistical Office (CSO) workforce participation rate in N.E. states of Assam is only 22.46 per cent which is not only the lowest in India but also the lowest amongst NORTH-EASTERN region. Again state-wise workforce participation rate in 2011 in Assam was 23.7 per cent in rural area and only 14.9 per cent in the urban area. On the other hand nationally the workforce participation rate for females stood 25.51 per cent with female workforce participation rate at 30 per cent in urban area on an average and 15.4 per cent in rural area. With regards to the North Eastern States, the average figures were 44.74 per cent in Nagaland, 38.56 per cent in Manipur, 36.16 per cent in Mizoram, 35.44 per cent in Arunachal Pradesh, 32.57 per cent in Meghalaya and 23.57 per cent in Tripura. Henceforth, from the report 2012-13, the state wise worker population ratio indicates the lowest in the North Eastern State i.e. 12.2 per cent in rural and only 9 per cent in urban area. On the other hand state-wise unemployment rate amongst females in Assam in 2011-2012, is 9.2 per cent in rural and 1.7 per cent in urban area. The national average unemployment rate among female in 2011-2012 was 2.9 per cent in urban area and 6.6 per cent in rural area. These have highlighted the fact that unemployment rate for female is the highest in Nagaland and Tripura amongst the N.E Region. It is also stated that high percentage of drop outs in all the States of North Eastern Region is due to skills attributed more to the problem especially social sector. Youth unemployment in the region dominates with 40 per cent of the total unemployed are school drop outs.

At this juncture, "Handicraft" which is considered to be largest unorganized economic activities next to agriculture which is providing direct and indirect employment to about 182 lakh people in the region is closely associated with the mainstay of livelihood option of the people in the North Eastern Region (NER) which

includes a large number of women and people belonging to the weaker section of the society. In addition to the high potential for employment, the sector is economically viable from the point of view of low capital investment, high ratio of value addition and highly potential for export and foreign exchange earnings for the country as well as for the region. It is also highly labour intensive and decentralized being spread all over the country in rural and urban area. It helps to engage in certain craft works in part time basis. Handicraft is a sector which is being explored from the point of view of hidden potential area. From the point of view changing global life style products in the international market, changing consumer taste and trend, changing designs, pattern, product development, changes in production facilities for variety of materials, production techniques and small share of Indian handicrafts in the world market there is need to proceed further for its development.

However, with the liberalization of national economy, reforms in structural patterns and relationships, coming up of Regional Trade Agreement (RTA), recent signing of Free Trade Area (FTA) agreement between India and Association of Southeast Nation (ASEAN) are the most important developments for India (and also for the region as a whole) since the introduction of economic reform in early 1990s. This development of regional economic integration has added a new dimension towards handicraft activities in the region to revive the fledgling handicraft sector and generate sustainable employment and income for crafts men. It is expected that the FTA agreement will fill up the development gaps in north east India that have remained unattended for more than six decades through skill up gradation. Again Government India's declaration of National Policy on Skill Development in the year 2009 aiming to develop 500 million skilled workers by 2022, role of Export Promotion Council (EPCH) aiming at to bring all Indian handicrafts under one umbrella and boost Indian share in the global merchandise through export, recent signing of a pact with China, Council for the Promotion of International Trade (CCPIT) to explore possibilities of enhancing export of Indian handicrafts to the neighboring nation and present initiative of the office of the Development Commissioner(Handicrafts), Ministry of Textile's expression of interest (EOI) for integrated scheme for handicrafts development of N.E. India to address the related problems in an integrated manner have been able to push handicraft industry one step ahead for rejuvenation. For India's North East handicraft is believed to be one of its own brands of economic activities and means of livelihood. So, commercialization of handicrafts can be considered as "game changer" for north east India's rural economy. The North Eastern Region in view of their ethno-cultural diversity with tribal and non-tribal component significantly displays varieties of handicrafts in the region and outside world to some extent. It is associated with the ritual and tradition of the people of the region. These have demonstrated indigenous values and have won worldwide acclaim for their design. Crafts, it may be of wood carvings, wooden art wares, imitation jewellery, marble crafts, pottery with cane,

soft stone crafts, cane, bamboo, wood crafts activities and forest base activities, have the highest potential for commercialization as the region has the highest percentage of bamboo or forest resources. Handicrafts of this region have achieved commercial image which ultimately leads to socio-economic development in the region at large through employment generation for millions of people locally. Henceforth, crafts of North East India can be treated as a means of livelihood in this region. With the advent of science and technology, press and electronic media, transforming world in to a Global village, coming up of concepts of Regional Planning and Development, emergence of feelings of regionalism, localism and sense of preservation, traditional social ethos for each and every Community is also one of the reasons for the attraction towards traditional craft to each and every community leading to a huge commercialization of handicrafts worldwide. Commercialization of the handicrafts is becoming one of the vital issues and challenges for generations of new millennium, particularly for the people of India's north east for strengthening rural economy, values of arts and craft. There is an urgent need to integrate the handicraft sector for strengthening socio-economic condition of the region. Initiative to find out bottleneck and key hindrance for future development of handicrafts' has been felt most warranted because skilled man power in the handicraft sector is getting rare day by day as younger generation of craftsman are no longer interested in perusing the family tradition. Besides access to raw material is a big issue for the local industry the presence of middlemen ensures that produces are mostly sold to business houses outside the state or big metros and people of the region have to re-purchase them from traders of outside the state.

Though every state of India has its own baskets of handicrafts product and has a reputation of its own in the global market but is lacking in efficient appropriation of potentiality and struggling to reach the production and export possibility frontier. There is dearth of information sharing amongst participants in the market of handicraft products, Government policy and also financial as well as infrastructural gaps which are the biggest problems need study to understand the reality of handicraft status of North East India.

THE STUDY AREA

The present area of study incorporates all the 8 (eight) plain and hill states that are members of the North Eastern Council(NEC), which extends from 21.57° north to 20.30° north parallel latitude and from 88.6° east to 97.30° east meridian of longitude. It has a total population of 38,857,769 in 2011 over an area of 262,230 sq. km. It has an average density of population, 148 per. Sq. Km. The region represents 3.1 per cent of the total population of the country (1,210 million) and has nearly 220 ethnic groups and equal number of dialects. The north eastern region covers 2.62 lakh sq. km and it accounts for 7.9 per cent of the total geographical area of the country. The region is strategically important for the country on account of the fact that it shares nearly 90 per cent of long international boundary (4500 kilometer)

out of which 70 per cent is hilly, mostly through mountainous terrain, almost 98 per cent with China and Bhutan in the north, Myanmar in the east and Bangladesh in the south and west. The region is one of the rich bio-diversity regions in the world and at the same time highly prone to climatic change and rich in hydro-potential, oil and gas, coal, limestone and forest wealth. Around 65 per cent of the forest of the region is down by government. Forest covers in the region are also owned by the village communities, individuals and chiefs. The Brahmaputra valley of Assam accommodates half of the population of the region. At present north eastern region has 252 urban centers. The largest city amongst all according to census 2011 is Guwahati (9.63 lakh population) which we can also call the gate way of north east India.

RESEARCH QUESTIONS

1. Whether there are any gaps in financial resource mobilization for the development and commercialization of handicrafts in India's northeast?
2. Are there any infrastructural gaps between the existing clusters; self help groups (SHGs) and artisans for the growth of trade in handicrafts?
3. Whether the feasibility of market beyond the region is sufficiently explored for the development and commercialization of handicrafts in the region?

OBJECTIVES

1. To identify changing pattern of handicraft trading in the North Eastern Region.
2. To find out the causes of poor performance in the commercialization of handicraft in the region.
3. To identify the gaps between level of infrastructure cluster, artisan, total production and available human and physical indicators.
4. To find out trends of marketing and area of marketing in future.

METHODOLOGY

This study is primarily based on secondary data. Source of data on socio-economic variable is secondary. Handicraft data of the states have been collected from census survey of handicrafts (State-wise report) N.C.A.R.E., New Delhi 1999, Ministry of Handicrafts and Textile, Govt. of India, North East Development Financial Institution (NEDFi) databank Quarterly, office of the D.C. (Handicrafts) NERO Guwahati, House fed Complex and North Eastern Handicrafts and Handloom Development Corporation Limited (NEHHDCL) Guwahati, Bamunimaidam. NABARD Rural plus Issue-1 Feb 2014, the recorded handicrafts data is taken into account.

Data for socio-economic variables such as literacy rate, state-wise average land holding, literacy rate and sex ratio are collected from the census report of 2001 and 2011. Some of the Data for forest cover have been collected from Forest Survey of India. In respect of Data on Infrastructure of handicrafts in NORTH-EASTERN region under "AHVY", physical target, intervention recommended for handicrafts, financial targets of "AHVY" information have been collected from office of the D.C. (Handicrafts), NERO, Guwahati for the year 2011-12.

The present work is based on all the 8 (eight) plain and hill states that are members of the North Eastern Council (NEC), as the standard spatial unit i.e. North East India. From the available Data such as-No. of artisan, no. of unit, no. of Self Help Groups, no. of artisan and infrastructures covered under Ambedkar Hastashilpa Vikash Yojana (AHVY), total forest cover of the state, sex ratio, literacy rate, land holding on handicraft, physical target, intervention recommended for handicrafts and value of export percentage have been calculated and analyzed for each category of variable and represented maps and diagram for comparative study to understand existing position of handicraft industry, employment position, existing value of trade, global pattern of trade in the region and to find out backdrops of its development. Here, a brief analysis on handicrafts has been done for India and north eastern region in particular to exhibit the present position of handicrafts in the study area. Bar diagrams for handicrafts has been prepared to show the trends of handicraft in the region.

RESULTS AND DISCUSSION

This section is mainly concerned with the analysis and interpretation of data collected from the various secondary sources for better understanding and to find out image and reality of the fact of handicrafts in India and India's north east. Analysis has been carried out in six sub-heading:

ANALYSIS ON DISTRIBUTION OF ARTISAN AND FOREST COVER, HUMAN AND PHYSICAL CAPITAL ENDOWMENT IN NORTH EAST INDIA

Forestry, artisan and handicraft industry have close relation with each other. Each of these factors is interrelated to each other. To boost the non-timber forest product, availability of raw materials to the local business houses is very much essential. Handicraft sector basically cane craft, woodcrafts and bamboo crafts are based on availability of forest and skilled craftsmen or artisan. The analysis of distribution of forest cover, numbers of artisan and the distribution graph of forest cover and artisans of the states clearly depict the fact that the state of Goa, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa as well as States of N.E India like Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura indicate higher probability of development of handicraft industry (Fig. 1). There is every possibility to encourage potential human resources from rural areas to cities

linking with forest resources in north east India. As compared to average sex ratio of the state, sex ratio and literacy rate amongst artisans shows very high and indicated a high possibility to generate skilled craftsmen through training in the region (Fig. 2 and Table. 2).

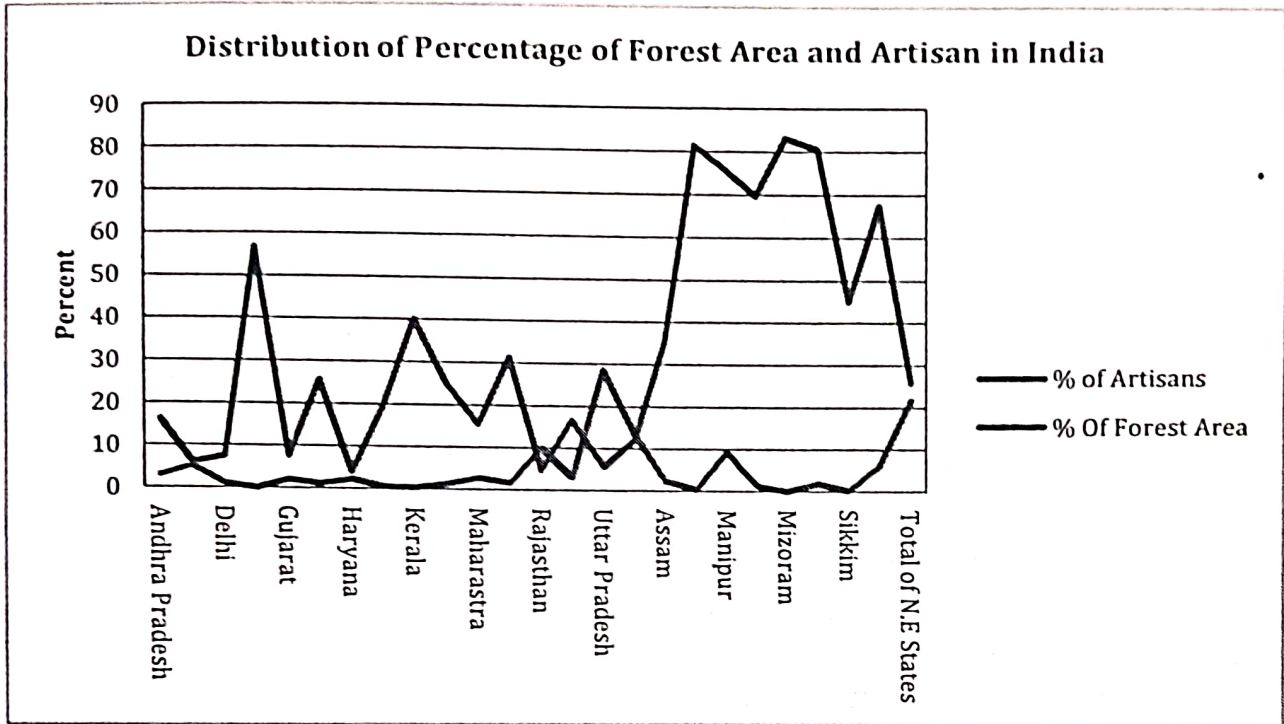


Fig. 1: Distribution of Percentage of Forest Area and Artisan in India

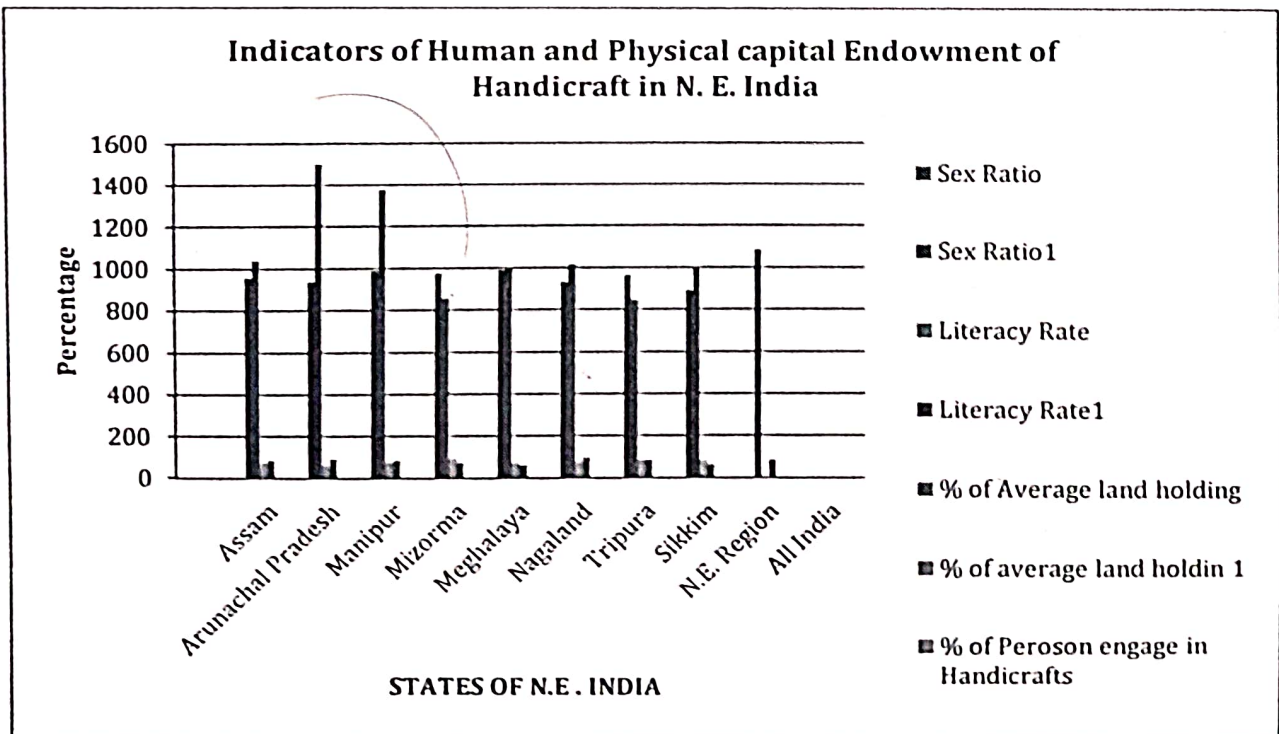


Fig. 2: Indicators of Human and Physical Capital Endowment of Handicraft in N.E. India

Table 2: Human and Physical Capital Endowment

State	Sex Ratio	Sex Ratio	Literacy Rate	Literacy Rate	% of Average land holding	% of Average land holding	% of person Engage in Handicraft
	State	H\$H	State	H\$H	State	H\$H	
Assam	958	1039	73.81	85.43	1.11	0.78	1.01
Arunachal Pradesh	938	1500	65.38	94.74	3.52	0.49	0.08
Manipur	992	1377	79.21	85.60	1.13	0.71	2.68
Mizoram	976	857	93.91	75.00	1.14	0.73	0.05
Meghalaya	989	1000	74.43	62.50	1.37	0.40	-
Nagaland	931	1017	80.11	97.98	5.94	1.3	0.86
Tripura	966	848	84.22	84.75	0.52	0.53	0.10
Sikkim	890	1000	82.20	63.16	1.59	0.44	1.75
N.E Region	-	1086	--	85.63	-	0.78	-
All India	-	-	--	-	1.16	N.A	N.A

Source: Census of India 2001, 2011 and study sponsored by NEDFi (2002) Source: Confederation of Indian Industry

STATUS OF HANDICRAFT INDUSTRY IN INDIA AND NORTH EAST INDIA

Handicraft industry in India and North East in particular is lagging in efficient appropriation of potentialities and struggling to reach a minimum level of production and export possibility frontier aiming at local employment generation. So, to understand the true fact of the problem a cross section analysis of factors that influence the trend and future prospect of handicraft is felt necessary. For better analysis, percentage of artisan, percentage share of the forests and percentage of value of production have been taken into consideration to find out the existing status of handicrafts of India and North East India. Bar diagram (Fig. 3) indicates an unexpected gap between physical and human component of handicrafts' both in the country and North Eastern Region. In states like Goa, availability of forest resource seems to be higher than existing artisan and production unit. Whereas, Uttar Pradesh, Rajasthan, Haryana, Bihar and West Bengal vulnerability indicates higher in India, states such as Orissa, Kerala, Himachal and Goa and in the North Eastern Region except Assam have the highest potentiality of growth of handicraft industry. Bar chart shows that there is considerable degree of opportunity for development of handicraft industry. The north eastern region can also be called virgin fields in terms of percentage of forest to generate employment opportunity and livelihood for weaker section of the people. It has been observed that Himachal Pradesh has a forest cover 25.79 per cent, artisan 1.19 per cent and volume of production 0.17 per cent, Goa and Kerala have 56.59 per cent forest covers but shares only 0.04 numbers of unit, 0.02 numbers of artisan and production of only Rs 0.04, whereas Kerala has 40.04 per cent forest area and shares 0.58 numbers of unit, 0.37 per cent of artisan and value of production of Rs 6.64 crores respectively. On the contrary Rajasthan indicates contrasting situation, where value of production, numbers of units and

numbers of artisan exceed the existing forest cover in the state i.e. forest. This indicates adverse impact on forest. In respect handicrafts of north east India, it depicts enough scope comparing to availability of forest cover in respect of numbers of unit, numbers of artisan and level of existing value of production of each state. State of Arunachal Pradesh shares 81.25 per cent of forest cover as against 0.31 per cent of numbers of unit, 0.38 per cent numbers of artisan and value of production of Rs 3.25 crores. Manipur shares 75.81 per cent forest against 7.74 per cent numbers of unit, 9.29 per cent of artisan and value of production of Rs 0.56 crores. Mizoram shares 82.98 per cent forest covers but only 0.17 per cent of numbers of unit 0.12 per cent of artisan and value of production of Rs 0.02 per cent which highlight greater prospect for future development comparing to total unexploited natural resources. It has been observed that except Assam and Nagaland value of production shows very high indicating greater exploitation forest resources. In totality, though the value of production indicates high in the region but state wise development of handicraft in the region still displays low and indicates scope for development of handicraft industry in the country as well as in the region (Fig. 3).

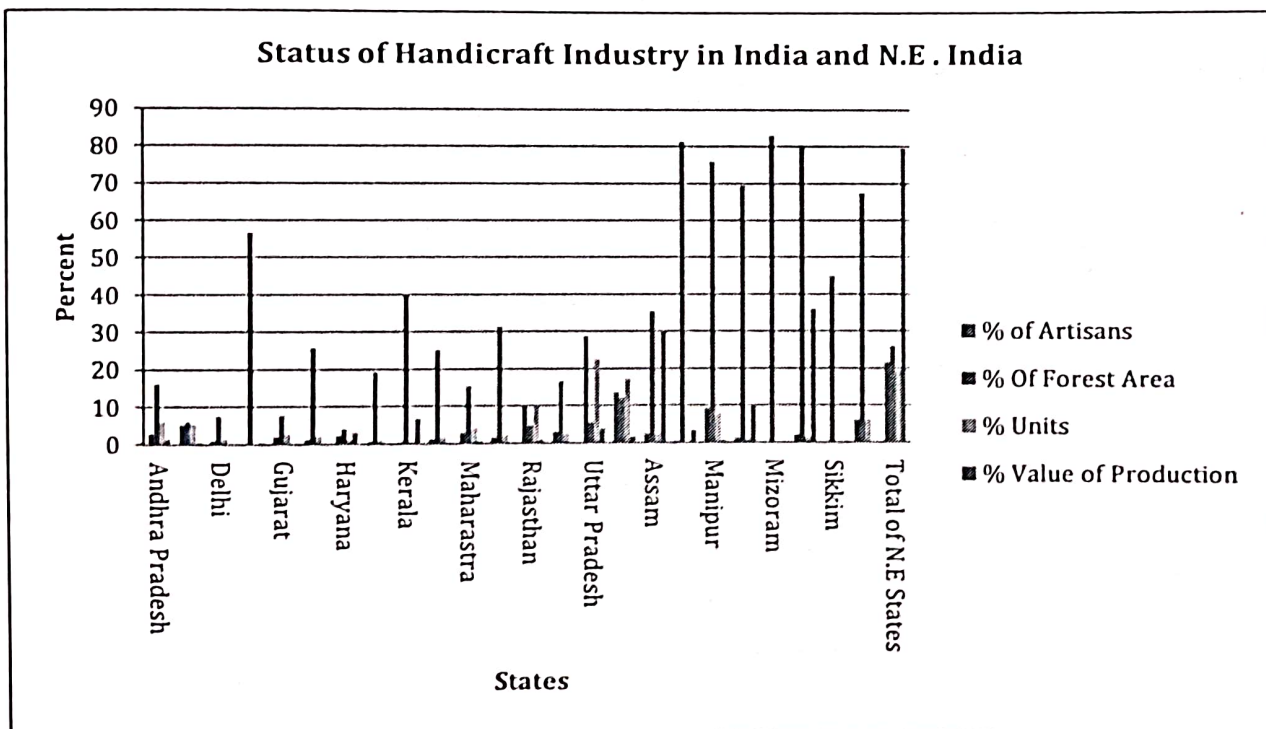


Fig. 3: Status of Handicraft Industry in India and N.E. India

LEVEL OF INFRASTRUCTURE GAPS UNDER SCHEME AMBEDKAR HASTASHILPA VIKASH YOJANA (AHVY) IN THE NORTH EAST INDIA

The level of infrastructure is one of the prime factors responsible for the growth and development of industry in the county or in the region. For India’s North East several scheme and projects are being implemented for the development of handicraft one such initiative on this line is Ambedkar Hastashilpa Vikash Yojana

(AHVY) which has been undertaken in the north eastern region for the Development of Handicrafts to generate employment and livelihood to the local people aiming at to strengthen regional economy. To existing position of handicrafts of the region, basic amenities of handicrafts such as common facility centre, raw material bank, design bank, handicrafts museum, Craft Bazar, No. of ongoing cluster, No. of Shelf help groups in handicrafts (SHGHs) and Number of artisan cover under scheme under AHVY has been taken for study to find out infrastructural gaps in the region. From the "Bar Diagram" (Fig. 4) it has been observed that there is a considerable infrastructural gap between the states of India and in the region. States, where availability of natural resources is high for handicrafts depict low infrastructural development. State of Meghalaya possesses 69.5 per cent, Arunachal Pradesh 81.3 per cent, Manipur 75.8 per cent, Mizoram 83 per cent and Tripura 67.4 per cent of forest areas (Table 1). Infrastructure available under this scheme is very poor as compared to other states of the north east India, i.e. Self Help Groups of Handicrafts (SHGHs) in Arunachal Pradesh possess 4.21 per cent, Manipur 18.33 per cent, Mizoram 3.52 per cent, Tripura 15.90 per cent, Nagaland 10.72 per cent. No. of artisan cover under the scheme in Arunachal Pradesh is 4.18 per cent, Manipur 21.48 per cent, Mizoram 2.81 per cent, Tripura 14.23 per cent and Nagaland 11.70 per cent. In respect of "Craft Bazar", except Assam, Nagaland and Manipur depict nil. In respect of No. of Common Facility Centre almost the states in the region are poor except Assam, Manipur and Nagaland (Table 3). There is significantly high gap in infrastructural development in the region as per availability of the both human and physical capital endowment.

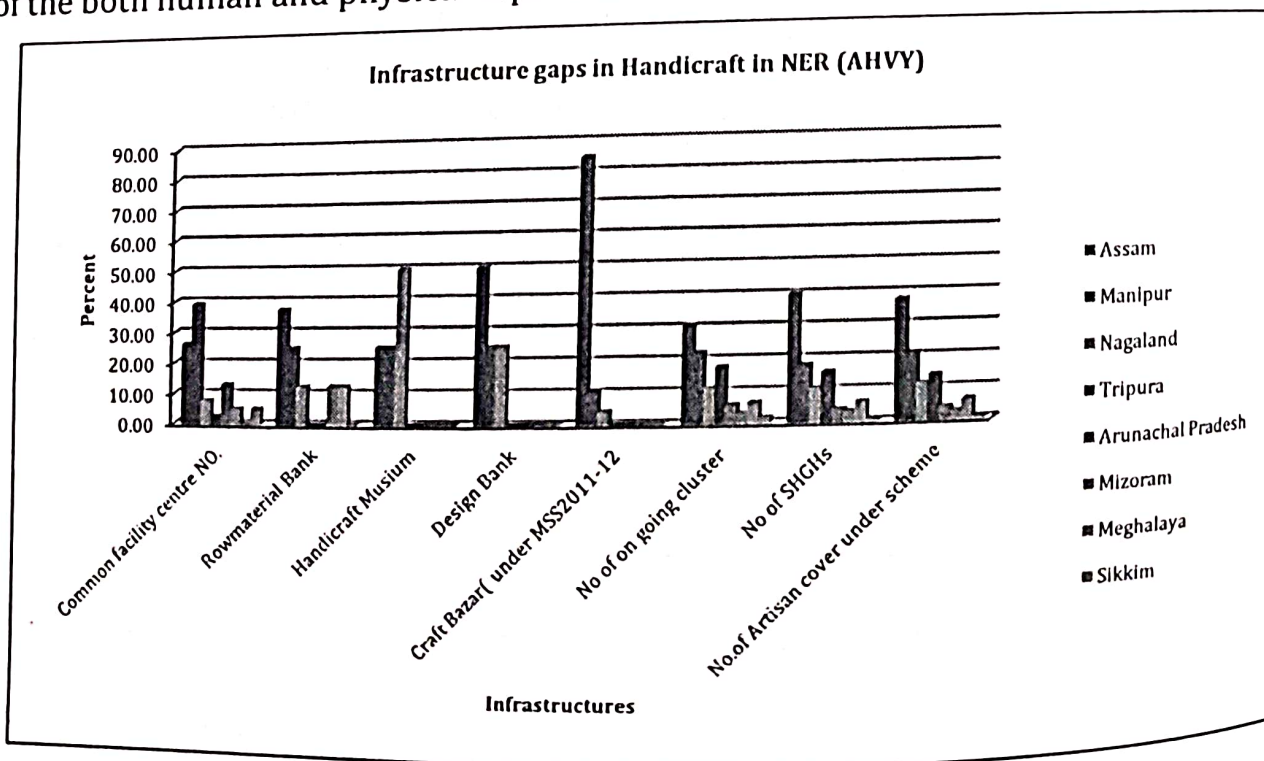


Fig. 4: Infrastructure Gaps in Handicraft in NER (AHVY)

Table 3: Infrastructure Gaps in Handicraft in NER under Ambedkar Hastashilpa Vikash Yojana (AHVY)

Name of the State	Common Facility Centre NO.	Raw Material Bank	Handicraft Museum	Design Bank	Craft Bazar (under MSS 2011-12)	No of ongoing cluster	No of SHGHs	No. of Artisan Cover under Scheme
Assam	26.32	37.50	25.00	50.00	85.11	30.46	40.03	38.09
Manipur	39.47	25.00	25.00	25.00	10.64	22.52	18.33	21.48
Nagaland	7.89	12.50	50.00	25.00	4.26	11.26	10.72	11.70
Tripura	2.63	0.00	0.00	0.00	0.00	17.88	15.90	14.23
Arunachal Pradesh	13.16	0.00	0.00	0.00	0.00	5.96	4.21	4.18
Mizoram	5.26	12.50	0.00	0.00	0.00	3.31	3.51	2.81
Meghalaya	0.00	12.50	0.00	0.00	0.00	6.62	6.40	6.43
Sikkim	5.26	0.00	0.00	0.00	0.00	1.99	0.91	1.08
Total NER	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Proposal submitted to HQR, New Delhi during 2011-12 as on 19-10-2011 under AHVY in respect of office of the D.C (Handicrafts) NERO, Guwahati

LEVEL OF FINANCIAL IMPLICATION FOR THE DEVELOPMENT OF HANDICRAFT INDUSTRY

Strengthening of industry in any region entirely rests on availability of financial resources. Handicraft which is considered to be an industry of opportunity for livelihood is very much essential to study the existing financial position and implication towards development so as to bring the derailed industry back the track. For India's north east, current financial allocation under Ambedkar Hastashilpa Vikash Yojana (AHVY) has been studied (Fig. 5 and Table 4). Here, intervention sanctioned, amount to be released, submitted to Hqr. anticipated release, percentage of artisan, percentage of unit and volume of production has been compared by 'Bar Diagram' for all eight states of North East India. It has been observed from the fact that except Assam, Manipur, Sikkim and Tripura all the other states of north east depict poor intervention as compared to their natural resources. In respect of financial allocation, except Assam, Manipur and Tripura rest of the states have been sanctioned less than expected. Arunachal Pradesh where the expected resources for handicraft are as high .i.e. Arunachal Pradesh 81.25 per cent, Meghalaya 69.5 per cent and Mizoram 83 per cent but intervention sanction and finance sanctioned and volume of production indicated less than expectation .i.e. Arunachal Pradesh 3.72 per cent and 0.84 per cent and 0.03 per cent, Meghalaya 0.93 per cent, 0.97 per cent and 0.03, Mizoram 1.27 per cent, 0.97 and 0.03 per cent respectively. One of the vital aspects to be observed in this chart is that Nagaland where Forest cover depicts 80.5 per cent next to Arunachal Pradesh and No. of artisan and unit of production was 42.74 per cent and 42.29 per cent have only 0.70 per cent production which indicated a sad picture in respect of growth and development in handicrafts in Nagaland, Arunachal Pradesh and Meghalaya in 2011-2012. The highest volume of production was observed in the states of Assam, Mizoram and the Tripura and the lowest was in

Arunachal Pradesh and Meghalaya. In Manipur, Nagaland, Meghalaya and Sikkim both financial as well as human component needed for development of handicrafts had shown increasing trends but depicted poor performance in volume of production. On the contrary, Assam, Mizoram and Tripura showed the highest percentage of production as compared to the other states of N.E. India.

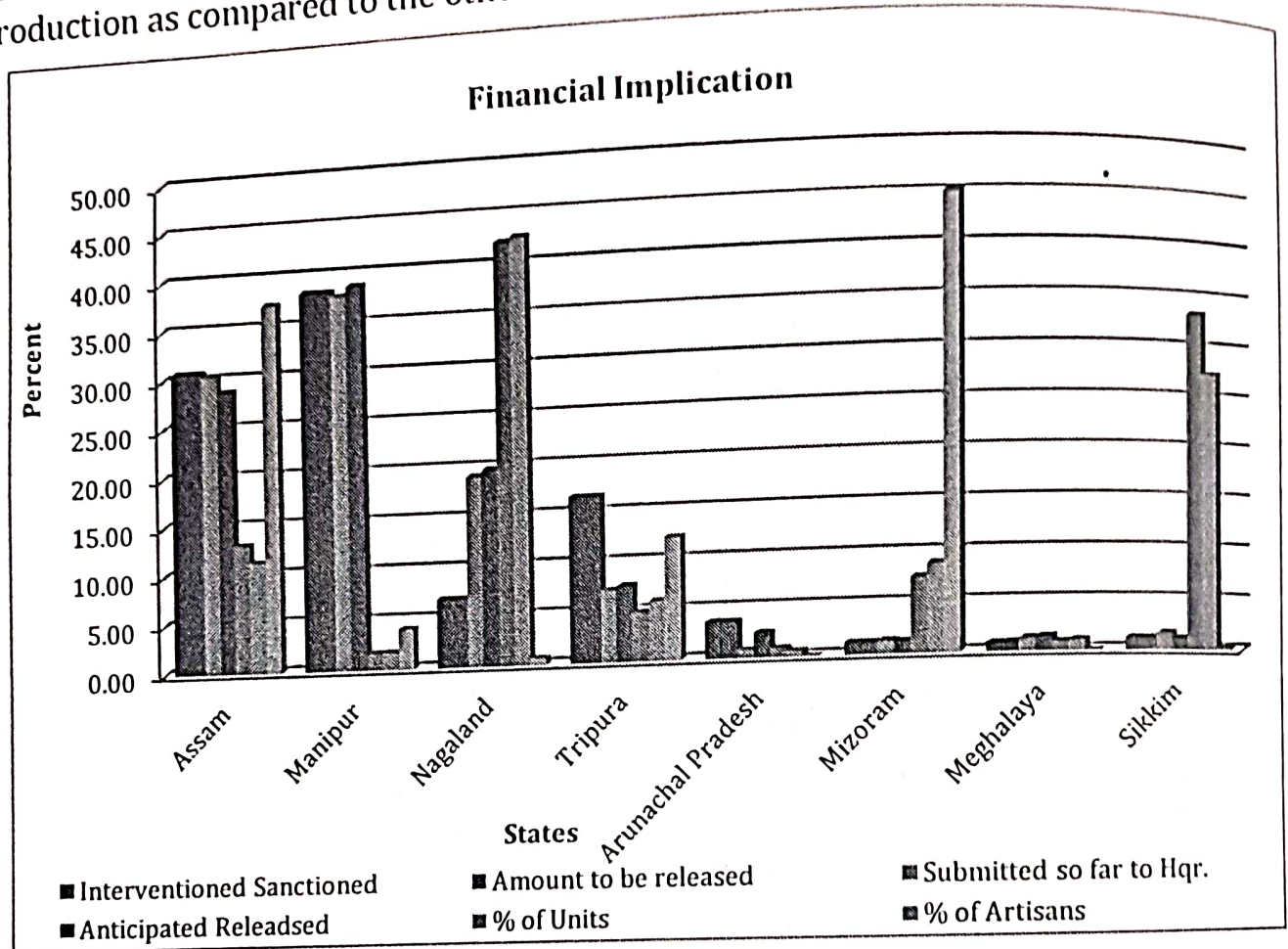


Fig. 5: Financial Implication

Table 4: Financial Implications

Name of State	Interventional Sanctioned	Amount to be Released	Submitted so far to Hqr.	Anticipated Released	% of Units	% of Artisans	% Volume of Production
Assam	30.82	30.82	30.35	28.75	13.10	11.30	37.35
Manipur	38.35	38.35	37.88	38.76	1.74	1.77	4.09
Nagaland	6.95	6.95	19.14	19.81	42.29	42.74	0.70
Tripura	16.69	16.69	7.27	7.66	4.97	6.02	12.32
Arunachal Pradesh	3.71	3.71	0.84	2.51	0.95	0.59	0.03
Mizoram	1.27	1.27	1.41	1.29	7.59	8.98	45.19
Meghalaya	0.93	0.97	1.37	1.48	0.95	1.10	0.03
Sikkim	1.27	1.27	1.75	1.21	33.37	27.50	0.29

Source: Proposal submitted to HQR, New Delhi during 2011-12 as on 19-10-11 Under AHYV in respect of office of the D.C (Handicrafts) NERO, Guwahai.

CURRENT TRENDS OF EXPORT AND IMPORT, PERCENTAGE OF GROWTH AND BALANCE OF TRADE OF HANDICRAFTS IN INDIA

Foreign trade cannot be isolated from the total economy and it can be integrated to the analysis of the component that determines the level of employment and income of a country. So, analysis of income determination in a closed economy in which the foreign sector is excluded begging with the familiar national income equation. For India, handicraft is one of the prime sectors which play a significant role in economic development. India, having a the largest Democracy, demographic evidence and demand for business as a fast growing developing country, analysis of foreign trade in terms of export, import, its percentage of growth and balance of trade cannot be isolated from the total economy. The important issue of foreign trade is to understand the existing position trade and level of earning and employment front in the “Handicraft” sector in India. It has been observed from the following fact that in the first four years i.e. 2004/08 trade balance shows significantly negative but slow progress but after 2009, indicates negative trade in handicrafts. From 2009/2011 (April-Dec) there shows improvement in handicrafts balance of trade. Though there has been increase in the export of handicrafts in 2011-13, corresponding import also increase at a high level. Therefore balance of trade indicates negative in all the years. (Fig. 6 and Table 5). In 2004-2005, export of handicrafts of Rs. 83.536 crores but in the same year import position was Rs 111.517 crores. Exports indicated increasing trends.

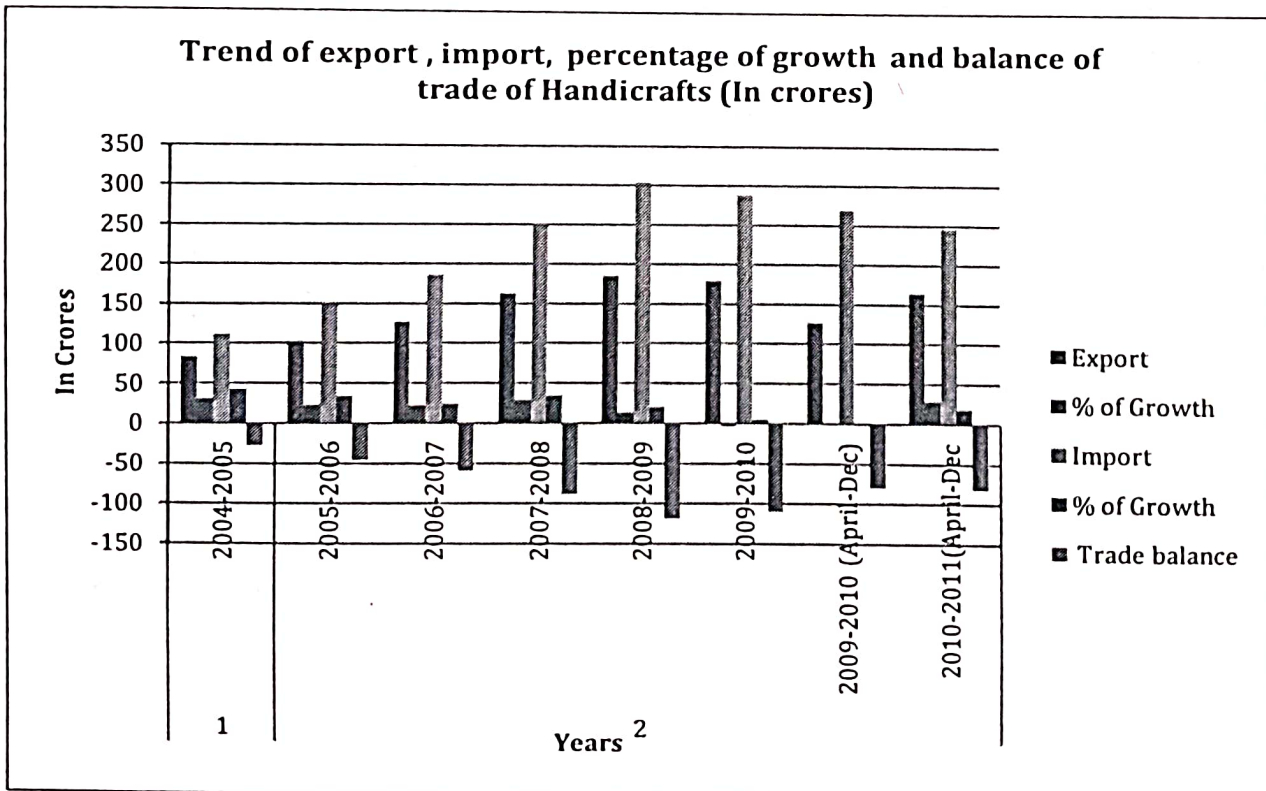


Fig. 6: Trend of Export, Import, Percentage of Growth and Balance of Trade of Handicrafts (In Crores)

Table 5: Trend of Export, Import, Percentage of Growth and Balance of Trade of Handicrafts (In Crore)

Sl. No.	Year	Export	% of Growth	Import	% of Growth	Trade Balance
1	2004-2005	83.536	30.85	111.517	42.7	-27.981
2	2005-2006	103.091	23.41	149.164	33.76	-46.075
3	2006-2007	126.414	22.62	185.735	24.52	-59.321
4	2007-2008	163.132	29.05	251.654	35.49	-88.522
5	2008-2009	185.295	13.59	303.696	20.68	118.401
6	2009-2010	178.751	3.53	288.373	5.05	-109.621
7	2009-2010 (April-Dec)	127.182	-	270.373	-	-80.133
8	2010-2011(April-Dec)	164.707	29.5	246.724	19.01	-82.017

Source: DGCI \$\$

CHANGING GLOBAL TRENDS AND PATTERNS OF COMMERCIALIZATION OF HANDICRAFTS AND POSITION OF INDIA'S NORTH EAST

India, has 68.70 per cent of rural population and nearly 65 per cent of population below 35 years. Economically active population under the age group 15-59 according to census 2011 was 62.5 per cent. The country has enough labour potentiality for the development of handicraft industry to generate employment and livelihood to the rural local people along with strengthening national economy by exporting handicrafts abroad. As an engine of social and economic reform and means of livelihood, handicrafts is providing employment to over 60 lakh artisans (including those in the carpet trade) mainly of women belonging to weaker sections of the society primarily in the rural India. As a labour intensive industry handicrafts have a high potential for export earnings. India is one of the key players in export of handicraft in the world market and considered to be second largest employment generating sector with numerous artisans engaged in craft works on part-time basis. Presently handicrafts tradition of India assimilated between traditional designs and modern technique. Continuing demand handicraft items has pushed the existing unorganized handicraft sector to more organized one to avail the growing international demand for it. Indian economy by virtue of its strong macroeconomic fundamental has been one of the most resilient and faster growing emerging economies of the world. Despite the financial crisis that has had negative consequences for most of the nations, India continued to grow handicrafts. Export Promotion Council for Handicraft (EPCH) which is considered to be the apex body of the Government for promotion of export of handicrafts in the country and depicts India's images abroad as a reliable supplier of high quality of handicraft goods and services. It has also taken initiative to ensure various measures keeping in mind the international reports for handicrafts to excel in these fields globally.

As per the report of the Export Promotion Council for Handicrafts (EPCH) and NEDFi quarterly journal on North Eastern States Economy (Handloom and Handicrafts) Vol. 4, Issue IV, October 2005, increasing trend of handicrafts (other than hand knotted carpet) was merely 387.00 crores during the year of

establishment of handicrafts council in 1986–87 and it has rises to Rs 13032 crores in 2004–05. The countries found to be the highest importer of Indian handicraft are USA (30%), Germany (11%) and UK (11%) and the lowest importer was Switzerland (1%). Rest of the countries also depicts low volume of export. This scenario highlighted the fact that the volume of international trade in handicrafts is very low as compared to our available human and physical endowment and forest resources (and Table 2). Though there are 193 countries in the world the other hand the country is able to export handicraft product only to a few nations in the world. This scenario highlighted the fact that handicrafts are still confined in the country and unable to tap global market as expected (Fig. 6). Fact is that handicrafts export promoters are still lagging behind to showcase or exhibit marts globally to encourage buyers more for Indian handicraft product need to cover more and more countries to boost the handicraft industry and to generate more employment and livelihood for weaker sections of people in the country thereby strengthening rural economy at large.

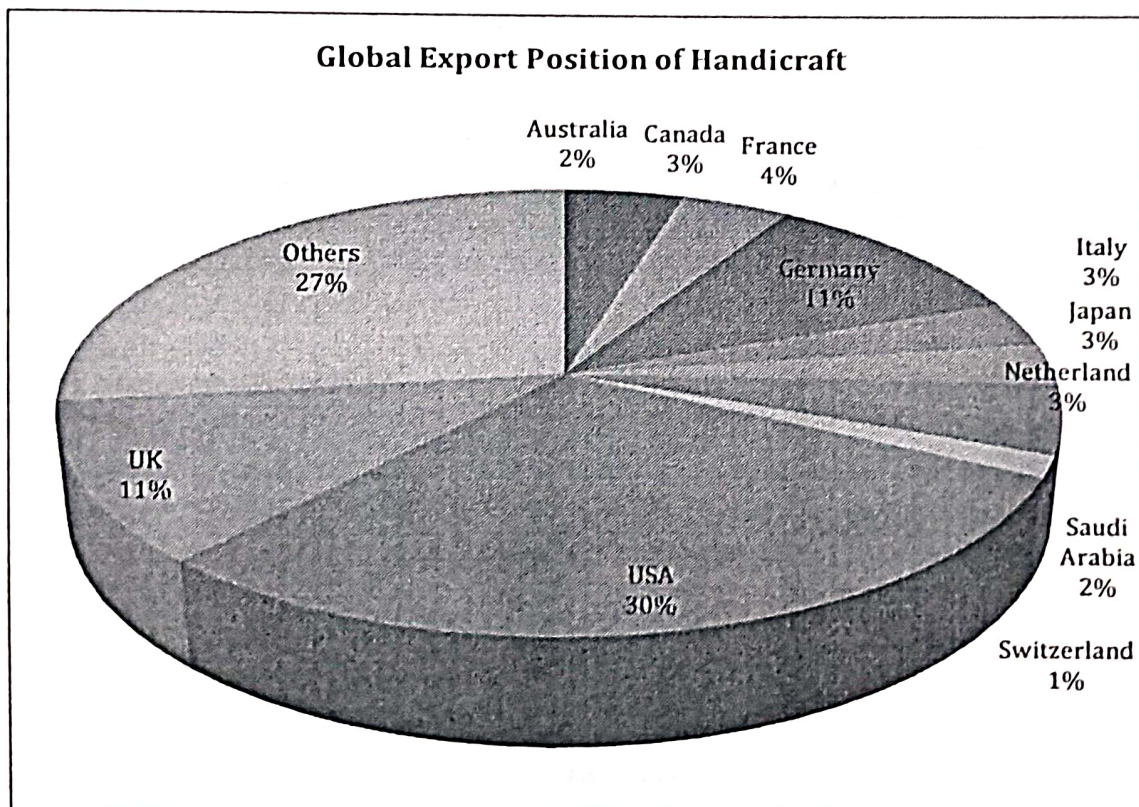


Fig. 6: Global Export Position of Handicraft

CONCLUSION

From the foregoing discussion it is clear that there exists sharp regional disparity between Human and Physical Capital Endowment and percentage of forest cover needed for handicrafts which made the handicraft sector sick. The literacy rate amongst the artisans depicts higher than the State's average literacy rate in the

region, sex ratio (number of women per thousand men) is higher amongst the artisan compared to north east India as a whole and indicates high prospect for future development of handicrafts and skill up gradation. In regards to the status of north east India, except Assam and Nagaland, the volume of production shows very high indicating large exploitation of forest resources. In totality, though the value of production indicates high but state wise development of handicraft in the region still indicates low and indicates scope of development and there is an urgent need to find out export possibility frontier aiming at local employment generation. From the above analysis it has been observed that there is a considerable infrastructural "Gaps" in the scheme-Ambedkar Hastashilpa Vikash Yojana (AHVY) undergoing in the north eastern region for the development of handicrafts for generating local people's daily livelihood and to strengthen regional economy which needs to be addressed for improvement. State wise level of financial implication shows high. There is significantly high degree of disequilibrium in the distribution of funds according to resource availability in the region under the Scheme of Ambedkar Hastashilpa Vikash Yojana (AHVY) for all round development of handicrafts'. It is to be mentioned here that Meghalaya, Arunachal Pradesh and Sikkim indicated very low percentage of mobilization of financial resource for the development of handicrafts as compared to availability of natural resources for handicrafts. The study revealed that though there is significant changes in export, import, level of growth and balance of trade in the country but it reflects poor performance in export i.e. growth of export(13.59) per cent in 2008-09, (3.53) per cent in 2009-2010 and (29.5) per cent in 2010-2011 up to April to December. During the time trade balance was negative i.e. in 2008-09(-118.401) per cent, in 2009-2010 (-109.621), and in 2010-2011 (-82.01) per cent up to April to December. From the above observation we can come to the conclusion that trading and commercialization of handicrafts remain confined to the region because international importing countries of handicrafts are very less as compared to the total nation in the World. It is presumed that the Indian handicrafts in the international market mainly based on USA, UK, Japan and Germany and contribution in case of other is negligible.

RECOMMENDATION

Taking into consideration the above facts it is suggested that there is an urgent need to revamp this stressed sector by initiating various measures such as opening up of handicraft institute to train our literate craftsmen and to help getting absorbed in industry. Government needs to pump the resources for development and need to developed short term courses to craftsmen for quality killed manpower. There is a need to review the forest policy to boost non-timber forest product and to protect natural resources for local artisans or business houses to run smoothly. There is a necessity to cover up more and more areas under the scheme-Ambedkar Hastashilpa Vikash Yojana (AHVY) in the region to accelerate pace of development

of handicraft in the region. As the craftsmen are becoming rare day by day and young generations are no longer interested in pursuing the old family tradition due to changing global scenario of economy and service, so to revive the handicraft sector there is an urgent need to take initiative by the Government in building up of confidence amongst the artisans through financial help. The nodal agencies for handicraft development such as "Export Promotion Council for Handicrafts" need to take immediate step to identify more areas of export internationally and open exhibition marts to showcase handicraft product to generate employment and livelihood for the poor people aiming at strengthening national economy.

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