
CONTRIBUTION OF TEXTILE AND HANDICRAFTS BUSINESS IN INDIAN ECONOMY

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Abstract

Textile and handicrafts business have an important role in the development of Indian economy. It not only provides employment in semi-urban and rural area but also contributes in collecting foreign currency on a large scale. As per the evidences of Mohenjodaro and Harappa's excavations, thousands of years ago from BC the work of Indian craftsman were formidable and were appreciated by the whole world. The cottage industries not only helped rural craftsman but also provided them employment and thus playing important role in growing economy. Even today social and economic problems of Indian craftsman are solved by providing employment through small and cottage industries.

Textile and handicrafts business provides employment on a large scale to women and weaker section of the society.

There are many opportunities in Textile and handicrafts business. It is not only important for the existence of every craftsman residing in any area of India but also necessary for the people who are directly or indirectly related to activities related to Textile and handicrafts business.

Key Words: Textile, craftsman, Handicraft, semi-urban, rural, cottage industries

Introduction

Textile and handicrafts business have an important role in the development of Indian economy. It not only provides employment in semi-urban and rural area but also contributes in collecting foreign currency on a large scale. The story of handicraft is related to old India. At that time people lived in caves. They express their views in an artistic manner by drawing designs on stones. As per the evidences of Mohenjodaro and Harappa's excavations, thousands of years ago from BC the work of Indian craftsman was formidable and was appreciated by the whole world. The cottage industries not only helped rural craftsman but also provided them employment and thus playing important role in growing economy. Even today social and economic problems of Indian craftsman are solved by providing employment through small and cottage industries.

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If we think in respect of Uttar Pradesh, it is one of the largest states in India where many artists are expert in developing a large number of handicrafts work. For example different handicrafts activities such as silk saris, clay pottery, leather crafts, woodenware, textiles, glass bangles, embroidery shawls, manufacturing of carpets, chikankari embroidery etc. are the main activities of handicrafts which contributes in earning revenue for Uttar Pradesh and in growth of Indian economy.

If we study it according to cities in Uttar Pradesh then following table can help us to study the specification area of handicraft and textile of particular city situated in Uttar Pradesh–

Table showing specification in manufacturing of textile and handicrafts products in Uttar Pradesh

Serial Number	City	Specific Items
1.	Varanasi	Banarsi Sari , Silk sari and Zari works
2.	Mirzapur	Carpets
3.	Agra	Leather Crafts and Stone Crafts
4.	Kanpur	Leather Crafts
5.	Moradabad	Metal Ware
6	Lucknow	Chikankari Embroidery

Source: www.camelcraft.com >uttarpradesh-handicrafts

Objective of the study

Textile and handicrafts business provides employment on a large scale to women and weaker section of the society. There are many opportunities in Textile and handicrafts business. It is not only important for the existence of every craftsman residing in any area of India but also necessary for the people who are directly or indirectly related to activities related to Textile and handicrafts business, so it has become necessary to analyze how textile and handicrafts business plays an important role in the growth of Indian economy.

Research Methodology

Research is based on the survey through various official websites and assessment has been done on the basis of various secondary data taken from National Accounts Statistics, Annual survey of Indian. Various percentages are calculated for studying trends in GDP, employment and exports.

Role of Textiles and Handicrafts industries in Indian economy

Textile and handicrafts business contributes in Gross Domestic Product (GDP) at Gross Value Added (GAD). A large number of employments are provided by these industries and a major portion of Textiles Apparel including handicrafts are exported from India. Tourism industry has taken a new turn because of textile industry. It is also helping tourism to improve economic growth. Textile sector, being one of the traditional industries in India, is approximately USD 150 billion and will soon reach USD

250 billion. It was 7% of industry output, 15% of exports and 2% of GDP in 2017-18. Share of textile in GDP can be studied with the help of following table-

Share of Textile in GDP

Year	Share of Textile and total manufacturing to GDP (Gross Domestic Product) at GVA (Gross Value Added) (In Percent)		Share of textiles to total manufacturing at (GVA) (In Percent)
	Textile	Manufacturing	
2013-14	2.16	18.08	11.92
2014-15	2.33	17.14	13.6
2015-16	2.22	17.84	12.43
2016-17	2.36	18.21	12.65

Source: National Accounts Statistics, 2015, 2016, 2017 & 2018

Employment and Exports of Textiles and Handicrafts industries

Textile exports in 2017-18 were USD 39.2 billion. Textile industry of India becomes the second largest producer and exporter after China. Textile industry, which is a combination of rich heritage and culture of our country, exports around 45% of textiles and apparels.

According to Yearly Industrial Survey, Organized Textile and Wearing Apparel Sector has employed about 26,48,238 people in 2015-16 and 26,94,280 in 2016-17. Handloom sector has given employment to about 111 lakh people in both organized and unorganized sector.

Handicrafts sector is an unorganized sector under which approximately 22.85 lakh artisans have been trained under “Pahchan” initiative. 92 crafts work have been classified under Geographical Indication Act but 35 crafts work have been endangered. Carpet rating scheme originated to standardize carpets. The speciality of handicrafts sector is that each handicraft product differs from one another if it is made by the same craftsmen. “Pahchan” is a direct handicraft marketing portal for artisans to market, advertise and sell their products. And till now, 302 artisans have registered themselves on this portal. Here’s a table showing Employment generation and export in textile and handicraft industries which is imparting a positive impact on Indian Economy-

Employment

Year	Number of Persons employed in		Percentage of employment in Textile Sector to total employment in manufacturing Sector (In Percent)
	Textile and Wearing Apparel Sector	Manufacturing	
2013-14	24,74,903	1,35,38,114	18.28
2014-15	25,26,610	1,38,81,386	18.20
2015-16	26,48,238	1,42,99,710	18.52
2016-17	26,94,280	1,49,09,052	18.07

Source: Annual Survey of Industries

Export Textiles Apparel including Handicrafts

(In US \$ Million)

Year	Textiles	Apparel	Total
2009-10	13,812	10,722	24,534
2010-11	18,559	11,627	30,186
2011-12	22,353	13,731	36,084
2012-13	22,275	12,949	35,224
2013-14	24,914	14,990	39,904
2014-15	23,285	16,833	40,119
2015-16	22,322	16,966	39,288
2016-17	21,643	17,368	39,011
2017-18	22,516	16,705	39,221

Sources: DGCI

Risks and Issues of Textile and Handicraft Sector

Growth of textile sector depends upon domestic and exports market. In the last 4 years, textile exports have reduced to USD 39- 40 billion. Due to divided structure of industries and MSMEs (Micro, Small and Medium Enterprises), textile production has higher production costs. One of disadvantages of textile sector is duty of 9.6% in European countries in comparison to countries which have zero duty like Bangladesh, Turkey, Pakistan etc. But to overcome these challenges, garments and made-up sectors provide Rebate of State Levies (RoSL) and labour law reforms in addition to exemption from section JJAA of IT Act. Fabric, Fibre, yarn etc are being enhanced and supported. Interest Equalization Rate for textile sector has increased from 3% to 5%.

Availability of E-Portal for Village Haat

Not only do small craftsmen and handicrafts but also exporters want to take advantage of E-commerce platform. Amazon, Flipkart, Myntra etc websites have done a great work in this respect. These websites have given chance to small handicrafts and craftsmen to work with them and showed how the handicraft products made by them like jute-cotton bags, clothes, accessories, decorative items etc. lured foreign attention and many craftsmen succeeded in running their business. Amazon India and Ministry of Textiles mutually launched an E-portal "Weavesmart" to support handloom brands. More than 3000 weavers have joined this portal and more than 20,000 handicraft products of these weavers are available on Weavesmart and supplied worldwide. It is known that Amazon employees thought of "Weavesmart" in "Kala Haat" program in 2017, in which craftsmen were given a chance to showcase their handmade products. E-commerce entities should work for promotion of online marketing of handicrafts products.

Conclusion

Textile and handicraft sector will rise in terms of exports and domestic sector in future. As Income of people is increasing, they are affording branded products and so the global brands are opening up their stores here. There are challenges and one of them is export competitiveness. Now Handicrafts businessmen have clearly understood that there are two benefits after joining e-portal. One's product will be directly available to maximum customers on e-portal. Secondly there will be reduction in cost

due to elimination of agents. That's why there will be cost reduction of the goods and demand will increase. Largest buyers of Indian handicrafts goods are America and Europe. Government of India has to pay attention for increasing in the growth of textile and handicraft business through e-portal and directly so that more growth may be possible in Indian economy through increase in GDP.

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Annual Survey of Industries

www.camelcraft.com >uttarpradesh-handicrafts