UNIT 21 COMMODITIZATION OF HANDICRAFTS

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21.0 OBJECTIVES

After reading this Unit you shall be able to learn about the:

- concepts of commodity and commoditization;
- growth and decline of Indian handicrafts historically;
- role of tourism in promotion of handicrafts illustrated by two case studies;
- growth potential of Indian handicrafts in international and domestic markets, and
- problems related to the growth of this sector.

21.1 INTRODUCTION

The artisanal production was the only form of industrial production until the mill industries were established in India during the 19th Century. There were broadly two types of goods produced in this sector:

1) Articles of mass consumption which were used in everyday life and were cheaper and could be produced with much less skill.

2) On the other hand, there were refined and sophisticated items for the use of moneyed classes. The production of these articles required skills of very high standard and they could not be produced in bulk. Their clientele was restricted and only the affluent could afford their high prices. These goods also had an international market. Among these items were fine muslins, silks, jewellery, traditional shoes, decorative swords and weapons, etc.

Both types of handicrafts faced decline during the British rule as a result of colonial policies and the onslaught of the mill industry. The decline has continued even in the independent India for lack of adequate support and the invasion of the machine made goods even in the rural areas. Support from the Government, development of marketing strategies and growth in tourism can help to reinvigorate the traditional arts and crafts of India. This Unit starts with explaining commoditization. It then gives you a historical perspective of the Indian Handicrafts. Finally, the Unit deals with two case studies regarding the relationship between tourism and handicrafts along with the issues related to the marketing of handicrafts in India.
21.2 COMMODITY AND COMMODITIZATION

Any product of labour intended for exchange through buying and selling is a commodity. Everything is produced by combining the factors of production, that is, land, labour and capital. However, only those things which are produced for the purpose of sale are called commodities. This means that those things which are produced for direct consumption are not commodities. Any commodity has a use value and an exchange value. For example, a basket, which is a handicraft item, can be used at home or anywhere for storing grain, fruit, etc. This is its use value. The same basket can also be exchanged for grain or a pot or tooth paste, soap or sugar or simply for money. That is its exchange value.

The process of turning a useful thing into a thing for sale, that is, into a commodity, is called commoditization. The extent of commoditization was limited in pre-capitalist economies where the market system was not fully developed. For example, in a barter economy, goods are exchanged in lieu of each other and consumed more or less immediately. In a money based economy, however, the consumption is not immediate but is mediated at various levels. For example, a shawl produced by a Kashmiri weaver is purchased by a middleman/merchant who sells it to a wholesaler in Delhi who, in turn, sells it to a retailer from whom it is purchased by a consumer. The commoditization in this case has developed full blown and the exchange value of the commodity is enhanced.

The majority of the handicrafts items are also produced for exchange or sale. Production of handicrafts requires raw materials and labour. It is only by selling the products that the artisans can purchase these factors of production and perpetuate the tradition. The handicrafts items, therefore, have always been commodities in one form or the other. In fact, unless complete patronage from some source is provided, commoditization is the only channel through which the craft traditions can be maintained. Excessive commoditization can, however, have two different impacts on the traditional handicrafts:

i) On the positive side, it can motivate the artisans to refine their skills, introduce innovations in design and techniques and train more manpower to increase the production. This way the arts and crafts traditions can be maintained, revived and enriched. They can provide more employment and generate more skilled manpower.

ii) On the contrary, if care is not taken, excessive commoditization can also lead to the devaluation of the artistic content of particular crafts. In a rush to meet demands the quality can be lowered which can ultimately lead to the loss of consumers’ interest in the products leading thereby to their decline.

Thus, while the commoditization of handicrafts is not unwelcome, it must be carefully handled in order to avoid its negative impacts.

21.3 INDIAN HANDICRAFTS: A HISTORICAL PERSPECTIVE

India has an ancient tradition of arts and crafts (See the next three Units). In this section we will discuss the development and decline of the Indian handicrafts over the centuries.

21.3.1 Pre-British India

Most of India’s crafts have a long ancestry reaching back to hundreds of years. There is at least one of them, namely, pottery-making, whose continuity can be traced as far back as the Harappan Civilization. India’s most famous artisanal product, the textiles, reached the zenith of refinement during the Mughal period. Many other artisanal crafts also flourished under the patronage extended to them by the state and the nobility. During Gupta period, crafts like metal works, ivory work, jewellery, etc. were much in demand even outside the country. Under the Mughals all kinds of weaving and silk spinning were brought to perfection.

The artisanal production in pre-British India was organised mainly in four ways:

i) The largest volume of artisanal production was integrated with the village economy under the jajmani system. In Deccan and Maharashtra this was termed as balutedari system.
The production included the articles of daily use, agricultural implements, commodities for local fairs, etc. The most crucial services were those of blacksmiths, carpenters, potters, weavers and shoemakers. The payments were generally made in kind sometimes immediately but mostly at the harvest time.

Slowly, however, money economy penetrated into the rural areas and, in the 17th century, we find some instances of payment in cash in the rural areas. By the mid 18th century, some of the rural artisans started producing for the urban markets also.

ii) The second category of artisanal production was done in the urban areas by individual artisans mostly independently. This production was mainly for sale and almost every craft had specialized artisans who manufactured articles for the market. In the medieval period this specialization was very marked in the textile production. There were area specializations also. Thus we find that Masulipatnam, Banaras and Qasimbazar emerged as specialised centres for Saris or Kashmir for carpets and shawls.

The individual artisan organized the entire production process. Procuring of raw materials and tools and manufacturing by involving the family labour were part of this process along with the selling of the finished product. But the individual artisan did not have much capital and the output was small. The quality also differed from artisan to artisan and from region to region.

iii) In many parts of India during the 17th Century, they also developed some sort of putting-out system of artisanal production. It was called dadni. In this system:

- the merchants advanced cash to the artisans for production,
- the artisans had to produce goods according to the specifications given to them by the merchants, and
- they had to deliver goods within the given time.

In this way, the artisans lost control over the quality, quantity and duration of production.

iv) Another form of artisanal production which catered to the demands of the kings and nobles during the medieval period was through the karkhanas. The ownership of the karkhanas vested in the kings and high nobles. Skilled artisans were employed there to produce expensive luxury items for the nobility. Since the capital required to produce such articles was huge, the individual artisans could not afford to produce them on their own. The production from these karkhanas was not for the market but for the personal use of kings and nobles.

India's crafts were traditionally produced by individual caste groups. Thus while the weavers (Julahas, Bunkars) made clothes, shoes were made by Mochis (leather workers); Sunars (goldsmiths) were adept at making jewellery while Luhars (ironsmiths) made iron tools, implements etc. and carpenters (Barhais) worked with wood. This tradition still continues in most parts of India today. These artisan castes are endogamous groups and have their places in the caste hierarchy. This closed nature of crafts production, on the one hand, stifled the possibilities of innovation and intermixture, but, on the other hand, it kept alive the traditions through centuries of economic and political vicissitudes.

The urban artisans were organized in guilds. We find accounts of various craft guilds from literary sources in ancient India. By the early medieval period, that is, 9th to 12th centuries the guilds appear to have become less important. But during the late medieval period we find two types of guilds in existence. On the one hand, there were craft guilds which were basically associations of the craftsmen from a particular caste group. On the other hand, there were merchant guilds which were loose organizations of traders and merchants.

In the pre-British India, the artisanal production was very important, both in terms of providing employment and its contribution to the economy. It was the second biggest source of employment and its proportion to the national income was approximately 6.5% in the 18th century.

21.3.2 Under Colonial Rule

Under the rule of the British the Indian artisanal production declined rather sharply. This decline occurred in many phases.
Handicrafts – Continuity and Change

1) The first phase started with the British East India Company acquiring political power in Bengal after the Battle of Plassey in 1757. Before 1757 the Company brought gold and silver into India in exchange for Indian hand-made textiles and other goods. In this exchange India benefited as there was no market for British made goods in India and the Indian goods could only be purchased by money.

After 1757, however, the situation changed at three levels.

i) Firstly, the East India Company financed its trade in India by the money acquired through plunder and Diwani rights in Bengal. Now it was not very hard pressed to bring much bullion from Britain.

ii) Secondly, it established monopoly over the produce of the Bengal artisans who were forced to supply goods at low prices to the Company. The prices were kept fixed at 15 to 40% less than that of the market prices of these goods. This created great hardship to the weavers and other artisans of Bengal and other parts of India.

iii) Thirdly, the British rule, by eliminating most of the Indian princes and nobles, destroyed the main market for the artisanal luxury products.

Thus during the first phase which covered the period from 1757 to 1813 and has been termed as the period of monopolistic trade, the artisanal productions in India, particularly in the area of textiles, were adversely affected.

2) The second phase which started from 1813 when other British companies were also allowed to trade in India and the English machine made cotton goods started arriving in bulk in India. Indian nationalist economists showed that the import of English cotton goods increased in value from 156 in 1794 to 108824 in 1813. In the coming decades this import increased phenomenally. These machine-made goods were cheaper compared to the hand made Indian textiles. This caused a rapid decline in the production of Indian textiles thereby causing great misery to the weavers. One contemporary authority remarked: "The misery hardly finds a parallel in the history of commerce. The bones of the cottonweavers are bleaching the plains of India."

3) The third phase started in the 1850s and 1860s and continued up to 1947. During this period, Indian handicrafts were subjected to the combined onslaught of the British as well as the Indian mills. While the Indian cotton mill industry was fighting its own battles against the discriminatory colonial policies, they further eroded the already declining handicrafts market. The impact was most notable on the hand made cotton goods.

21.3.3 Post-Independence India

Some attention was paid in the direction of development of Indian handicrafts after independence. The All India Handicrafts Board was established in November, 1952 to investigate the problems and suggest the promotional avenues for the development of handicrafts. In 1958, the Handicrafts and Handloom Export Corporation of India Ltd. was set up to promote handicrafts exports. Various state emporia were opened to make the artisanal products accessible to the buyers. Crafts Museum was opened up in 1953 in Delhi to popularize the Indian hand made goods. In the cooperative sector, the Central Cottage Industries Emporium in Delhi is a major marketing body. Apart from this, the Government of India has also established Zonal Cultural Centres in the form of Shilpagram in Udaipur (Rajasthan), Calico Museum and Utensils Museum in Ahmedabad (Gujarat), Raja Dinkar Kelkar Museum in Pune (Maharashtra) etc. Details of these Museums have already been given in TS-2, Block-5, Unit-20.
1) Explain the terms commodity and commoditization in 50 words.

2) Discuss the organization of artisanal production in pre-British India in 100 words.

21.4 TOURISM AND HANDICRAFTS: TWO CASE STUDIES

What is the relationship between tourism and the development of handicrafts? In this Section you will find the intricate yet positive relationship between tourism and handicrafts. This is elucidated by means of two case studies - one from the South Western Region of the United States of America and the other one from Thailand.

21.4.1 United States

(The following discussion is derived from Lewis I. Deitch's article entitled 'The Impact of Tourism on the Arts and Crafts of the Indians of the South Western United States' in Hosts and Guests: The Anthropology of Tourism (ed.) Valene L. Smith, University of Pennsylvania Press, 1990.)

The South Western part of the USA is inhabited mostly by the original inhabitants of the region - the American Indians. They passed through various phases in their long history. Their multi ethnic stock consisted of the Pueblos, the Apaches, the Navajos etc. The Pueblos were more advanced and by the early 1600, when they came into contact with the spaniards, they already knew the arts of pottery, baskets, cotton cloths, jewellery etc. The Navajo Indians were less artistically developed but were quick to learn both from the Pueblos and the Spanish. The Spanish introduced sheep in this area and the Navajos took to the domestication of sheep at a large scale. The wool weaving developed as a consequence and by the mid 19th century their weaving skills reached a high level of excellence.

Apart from the jewellery made from silver, those made of turquoise, coral and shell were also developed among the Navajos and Pueblos. But the more traditional crafts like pottery-making and basketry faced extinction when the metal pots were introduced by the white people.

The development of tourism in this region heralded a new era in many ways for the inhabitants of this region. It had a great effect on their crafts tradition as well. The sale of the existing handicrafts increased and it encouraged them to go for further refinement to establish their products. We shall discuss now some of their handicrafts and the changes brought in by the growing contacts with the tourists.
These rugs were woven by the Navajo Indians, particularly their women folk, from the sheep and goat wool. Initially, with the increasing tourist traffic, the demand for them increased phenomenally leading to the increased volume of production. This led to a decline in the quality of craftsmanship and production of inferior rugs. Due to this their popularity began to decline and the genuine buyers started to lose interest. This brought the realization among the craftsmen and the merchants that this over-production of substandard goods was doing more harm than good to their trade. Innovations in designs, use of quality raw materials and introduction of new colour patterns infused this traditional handicraft with new vigour and vitality. The prices increased but so did the buyers willing to purchase it at a higher price.

b) Jewellery

As happened with the rugs, the increased demand for various items of jewellery due to tourism caused a deterioration in their quality. At the same time, however, it also promoted distinctive regional styles which led to their nation-wide recognition. The problem of quality was also overcome later on after the stabilization of the market.

c) Pottery and Basketry

These dying crafts of the American Indians were revived under the impact of tourism. Although they never became as famous as their rugs or jewellery, their demands increased and small pottery pieces became tourist items.

The impact of tourism on the arts and crafts of the American Indians has been quite positive. It has not only increased their earnings but also has led to artistic refinement. The quality of today's products is much higher than those in the 19th century. This impetus has been provided by the growing tourist market. It is true that in some cases it has also given boost to imitation products which are sometimes sold as genuine items. But the overall impact of tourism on the local handicrafts production has been positive.

21.4.2 Thailand

(The following discussion is derived from Eric Cohen, 'Tourism Craft Ribbon in Thailand' in Tourism Management vol. 16, no.3, May 1995.)

In Thailand tourism has developed rapidly. Between 1960 and 1990 the number of tourists coming to Thailand increased more than sixty times. While in 1960 only 80,000 foreign tourists came to that country, in 1973 there were one million tourists and by 1990 the number reached 5.3 millions. This phenomenal growth in international tourism was accompanied by equally significant development of domestic tourism. The improvement in road system prompted the tourists to move around in cars to various tourist resorts. This increasing tourist activities in various areas induced the Thai Government to promote Thai arts and crafts.

The main traditional craft producing areas in Thailand are located away from the tourist centres and the craftsmen, therefore, were forced to deal with the intermediaries in order to reach the tourist markets. The development of road network, increase in tourist traffic, growing motorization and the helping hand of the government led to the emergence of touristic craft ribbons. These ribbons consist of shops along the roads selling mostly tourist crafts. Although specialization has not developed to that extent as to exclude the non-tourists, the crafts pieces sold from these shops on the ribbon are mostly oriented towards the tourists.

Two types of ribbon development has taken place in Thailand. One is the localized ribbon which develop simply and on a single road. It is, initially, quite short and offers one type of products. This type of ribbon normally links a village to a small town on the main road. The shops along such ribbon are mostly locally owned. With further development some heterogeneity is introduced in the variety of products offered. The shops also show some kind of heterogeneous composition with the outsiders setting up some establishments which are larger in size.

Another type of ribbon is the ramified ribbon. It is longer stretching to several kilometres and more complex consisting of several roads linking many craft producing villages to the major artery road leading into an urban centre. Such craft ribbons contain variety of shops...
having heterogeneous products. The shops near the villages are mostly owned by the locals while those on the highway are owned by outsiders.

The growth of these craft ribbons has given tremendous fillip to the production of crafts in Thailand. The volume of production and sale has increased tremendously. Moreover, the craftsmen have benefited from direct interaction with the tourists. The role of the intermediaries has been reduced to some extent. The tourists have also derived benefits from such interaction. They can now observe the process of craft production first hand and this has made these ribbons as centres of tourist attraction. The arts and crafts of Thailand have gained international reputation and many declining traditional crafts have revived due to the availability of both national and international markets.

It is true that the role of the middlemen is still important and a large part of the benefit accruing from the increased production and sale of the crafts has gone to them. Nevertheless, the craftsmen and their crafts have also greatly benefited from these developments.

### 21.5 MARKETING OF INDIAN HANDICRAFTS

In India, in the last fifty years, the handicrafts are basically produced for the export market. The domestic market is very small. Nine broad categories of articles have dominated the exports: hand printed textiles, art metalware, woodware, hand-knotted carpets, imitation jewellery, shawls, zari, embroidered goods and miscellaneous handicrafts. Out of these the share of hand printed textiles, woolen carpets, art metalware and woodware are the largest. Their proportion has been the same throughout this period.

In the period between 1960-61 to 1992-93, the exports of Indian handicrafts grew at the rate of 13.7% while the total Indian exports increased only by 9.1%. Its share in the total Indian exports has risen from 1.5% in 1960-61 to 4.8% in 1993-94.

The total value of handicrafts exports in terms of dollars has been as follows:

<table>
<thead>
<tr>
<th>Handicrafts Exports (excluding Gems and Jewellery)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
</tr>
<tr>
<td>1993-94</td>
</tr>
</tbody>
</table>

For Gems and Jewellery, the export growth has been phenomenal:

**GEMS AND JEWELLERY EXPORTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-62</td>
<td>$ 18.98 MILLION</td>
</tr>
<tr>
<td>1971-72</td>
<td>$ 64.70 MILLION</td>
</tr>
<tr>
<td>1981-82</td>
<td>$ 899.99 MILLION</td>
</tr>
<tr>
<td>1992-93</td>
<td>$3052.00 MILLION</td>
</tr>
</tbody>
</table>

(Both figures from Nisha Taneja and Pooja Sharma, *Handicrafts Exports Global Trends and Future Prospects, 1995*)

Tourism has also helped in the promotion of traditional crafts in India. In Kashmir which, till recently, has been attracting a large number of both the domestic and foreign tourists, the value of handicraft production has gone up from 20 crore rupees in 1974-75 to 154 crore rupees in 1988-89. Besides, the employment in handicrafts sector has also registered a growth from 80,000 in 1974-75 to 2,00,000 in 1988-89. Those areas which are most export-oriented the employment has increased more than the average figures:
Handicrafts – Continuity and Change

Shopping in Delhi
Woollen handicrafts marketed by KMNV's Parvat Woollens, Nainital.

Shops along the Ganga in Haridwar.

Shawl Weaver, Himachal Pradesh.

Painting on a Pot in Suraj Kund Crafts Mela, Haryana.

Bead Workers in Varanasi.

Cottage industry in Kerala specializes in Jute and Coir products.
EMPLOYMENT FIGURE (NO. OF PERSONS)

<table>
<thead>
<tr>
<th>CRAFTS</th>
<th>1974-75</th>
<th>1988-89</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpet</td>
<td>4,000</td>
<td>64,500</td>
</tr>
<tr>
<td>Crewel Embroidery</td>
<td>4,000</td>
<td>24,600</td>
</tr>
<tr>
<td>Numdah</td>
<td>2,000</td>
<td>3,700</td>
</tr>
<tr>
<td>Papier Mache</td>
<td>900</td>
<td>5,700</td>
</tr>
<tr>
<td>Wood Carving</td>
<td>2,000</td>
<td>4,600</td>
</tr>
</tbody>
</table>

(From Manzoor Ahmed Shah, Export Marketing of Kashmir Handicrafts).

Similar growth has been witnessed in many areas of Rajasthan, Kerala and the states where growth in tourist traffic has been substantial. Traditional handicrafts items from Orissa, North East region, Gujarat, Maharashtra etc. have been popularized among both the domestic and foreign tourists.

**21.6 WEAKNESSES OF HANDICRAFTS SECTOR**

Despite this potential we find that India's actual share in world's handicrafts exports has not been up to the mark. In 1991 while the newly industrialised countries (Hong Kong, Taiwan, South Korea and Singapore) share 11.0% of world market and China shares 9.5%, India's share is only 1.31%; while China's share increased from 3.6% in 1980 to 9.5% in 1991, India's share declined from 1.34% in 1988 to 1.31% in 1991.

This insufficient growth has happened due to following factors:

a) **Lack of Proper Infrastructure**

   The handicrafts production in India is mostly in unorganized sector. Lack of transport and other communication network leads to information gap. So whenever there is an increase in demand, large quantities of goods are produced without any regard to quality. This lowers the value of the product in the market ultimately damaging the craft.

   At another level, infrastructural problems include problems in procurement of proper raw materials, lack of publicity and lack of literacy and skill in marketing. There are also no attempts to introduce innovations and improvements in traditional designs which leads to monotony in the quality of product.

b) **Use of Outdated Tools**

   Indian handicrafts are still produced by using centuries old tools and techniques. For example, Indian potters still use the hand-driven wheel for making potteries whereas the use of mechanised wheel can increase production manifold. Similarly, the use of mechanised jenny can increase the production of yarn tremendously. In fact, in China, the improvements in tools and design have helped the traditional handicrafts to gain enormous competitive edge in the international market.

c) **Lack of Capital**

   Indian artisans lack the capital for investment in their own production. They have, therefore, to borrow from the market at high rates of interests. This not only reduces their margins of profits but also takes the quality control and timing of their products out of their hands. The prices are also pitched high thereby making the products less competitive.

d) **Lack of Market Research**

   Market Research is generally undeveloped in the areas of Indian handicrafts. The artisans simply go on producing their specialized goods on the demands of the merchants who then decide where to sell these products. Lack of marketing strategy may lead to
dumping of goods in one area while they are unavailable in another. This ultimately leads to drop in production and losses to both the merchants and craftsmen.

e) Middlemen

A very large number of middlemen are thriving at the expense of both the consumers and the artisans. They not only artificially hike the prices but also sell fake products in the name of the originals. The artisans normally lack avenues to directly approach the customers. If the facilities are created whereby the producers can have direct access to the market, this will not only benefit the artisans but will make available the genuine and cheaper products to the customers.

The Government is trying, at its own level, to improve the situation. There are also many non-governmental organizations (NGOs) such as SEWA (Self-Employed Women’s Association) etc. which are working to set these things right.

Check Your Progress-2

1) Discuss the role of tourism in the growth of handicrafts with special reference to Thailand.

2) What are the weaknesses of the handicrafts sector in India?

21.7 LET US SUM UP

Artisanal productions in India have had a very long history stretching back to our ancient past i.e., the Harappan, Civilization. It continued to prosper and grow during the ancient and medieval periods reaching great heights under the Mughal rule. It branched out into new areas and developed new specializations. Under the colonial rule, however, it declined due to following four factors:

a) The colonial rule removed the old nobility. This led to the decline in the demand for luxury products.

b) The monopoly control exercised by the British East India Company forced the artisans to either produce at low prices or abandon their trades.

c) The arrival of the machine made and cheaper British goods into the Indian markets edged out the hand made Indian goods.
d) The plunder and extortionist policies of the colonial rulers made the people so poor that the market for Indian handicrafts became further restricted.

In the post-independence India, the importance of handicrafts has been well recognized by the government which has made many efforts to promote it. There are, however, many factors such as lack of transport facilities, capital, literacy, market research, new designs, etc. which are inhibiting its fast growth. It is in these areas that the support from the government and non-governmental organizations has become necessary.

21.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress-1

1) See Sec. 21.2.

2) See Sub-Sec. 21.3.1.

Check Your Progress-2

1) See Sub-Sec. 21.4.2.

2) See Sec. 21.6.