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**IMPACT OF GLOBALIZATION ON HANDICRAFT INDUSTRY IN JAMMU & KASHMIR; A CASE STUDY OF HILLY RURAL AREAS IN KATHUA DISTRICT**

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**ABSTRACT**

Globalization refers to the growing integration of economies, culture and societies around the world; has become one of the important topic among the statesmen, corporate, academia etc. over the past decade. Globalization generally means the process of transformation of local phenomenon into global ones. Globalization is one of the most important phenomena in an economy, in which the various products of a small scale industry as well as firms compete/challenges with international product under a roof of global economy. India's rapid economic growth and other developing countries over the past few years has witnessed for globalization. But at the same time, increased inequality, exploitation and environmental degradation, global warming, climate change, etc. is the result due to the process of globalization. The tendencies of funds are invested and move the business towards domestic and national markets around the globe, thereby increasing the interconnectedness of different markets. Globalization has had the effect of markedly increasing not only the international trade but it also increasing cultural exchange.

**KEYWORDS: Globalization; Handicraft, Hills, Kathua, Jammu**

**INTRODUCTION**

In hilly rural areas, handicraft is a major source of livelihood. Handicraft is a labour intensive industry included in the Village and Small scale Industries sector of Indian economy. The industry widely dispersed throughout the country utilises the traditional skill of artisans handed down from one generation to the other. Handicraft comprising a variety of crafts such as metal ware, wood carvings, carpet weaving, and ivory carving and so on is diversified in its nature also. The handicraft sector has emerged as one of the main constituents of the high growth oriented industry in rural areas as well as semi-urban areas that has become the single largest foreign exchange earner, part time

income source and provide employment to millions. The handicraft industry in India involves large number of artisans from rural and semi urban areas. In a densely populated and underdeveloped country such as India, M. Gandhiji's vision of a decentralised economy in the rural areas is the realistic vision of our society and economic ills today. Instead of mass production, Gandhi ji was in favouring production of rural economy instead of setting up big industries in cities. Jammu & Kashmir is traditionally known for its exquisite handicraft. The creative ability of the craftsmen has given a great boost to the crafts of the State and have made them world famous. The unfavourable climatic conditions have also contributed for the growth of this sector. This is because of severe winter has forced to people adopt indoor jobs and handicraft has proved to be the ideal occupation. Handicrafts in Jammu and Kashmir present a fascinating spectrum of creative imagination and design that is intimately woven into the life pattern of its people.

As according to The Stanford Encyclopaedia of Philosophy, in popular discourse, the term globalization is understood as a little more than a synonym for one or more of the following phenomena/processes: the pursuit of classical liberal policies (or "free market") in the world economy (or what is called as "economic liberalization"), the growing dominance of western (or even American) politics, economy, and culture (which can be called as "westernization" or "Americanization"), the proliferation of new information technologies (or the "Internet Revolution"), as well as the notion that humanity stands at the threshold of realizing one single unified community in which major sources of social conflict have vanished (something that many address as "global integration").

#### **GLOBALIZATION AND INDIAN CRAFTS INDUSTRY:**

Since adapted to globalisation in the early nineties, India opened up its economy there are major changes initiated as a part of the LPG strategy included excluding of the industrial licensing regime, reducing the number of areas reserved for the public sector, amendment of the monopolies of various fields and the restrictive trade practices act, start of the privatisation programme, reduction in tariff rates etc. Though the forces of globalization have ample positive effects in the long-run in many sectors of our economy and society, some of its repulsive implications against the poor in many cases have worried our development strategists. The study of Pradeep Kumar Jena on Orissan

Handicrafts in the Age of Globalisation : Challenges and Opportunities in 2007, 'Indian handicrafts export crossing Rs.1,220/- crores in 1990-91 from merely 10 crores in the mid fifties.' Again the Ministry of Textiles data show, it increased to Rs. 4517.52 crores in 1994-95 and Rs. 7206.79 crores in 2000-01. It had reached at the peak Rs. 8059.63 Crores in 1999-2000. Handicrafts constitute a significant segment of the decentralized sector of our economy and its importance is being felt when it is assessed that it provides employment to lakhs of artisans scattered especially in the weaker sections of our society such as SCs, STs and the women.

#### **REVIEW OF LITERATURE:**

S.Vijaygopalan (1993) Handicraft sector is the largest decentralized and unorganized sector of the Indian Economy, and is among India's largest foreign exchange earner. Handicraft industry occupied second rank after agriculture sector in India on the basis of income and employment.

**Das Sudhansu R (2006)** The growing opportunity for handicraft sector in global market is observed when the Indian handicrafts export crossed Rs 1220 crores in 1990-91 from merely 10 crores in the mid fifties. Again it increased to Rs. 7157,64 Crores in 1998-99 and Rs. 9270,50 Crores in 2000-01. It had reached at the peak of Rs. 17 276,71 Crores in 2005-06 [21]. Further the Indian Handicraft Export Council has estimated the export of handicraft goods will touch Rs 32 700 crore by year 2010. Table 1 presents the extent of the exports of different handicrafts products from 1998-99 to 2006-07.

**Ernst & Young (2012)** Handicraft industry provides large number of artisans in rural and semi urban areas. The rural areas accounts for 78.2% of the units produced and 76.5% of the artisans, while the urban areas accounts for the rest. Most of these are women & people from the economically disadvantaged groups.

**Ananthu, T.S (2002)** The present day globalization is branded as a drive for profit making. The Cultural/Economic Imperialism theses describe it as replacement of the local culture by the global. 'When Coca-Cola or Kentucky's chicken want the freedom to open branches in China or Russia, their primary motivation is not love for the Russian or Chinese people, but the profits they will derive from such a venture.

## **OBJECTIVES:-**

1. To study the impacts of globalization on production and export of handicraft sector in Jammu & Kashmir State.
2. To study the young generation's concern about handicraft sector.
3. To study the State government attitude and challenges about that sector.

## **STUDY AREA**

The present study conducted in hill rural areas of Bani and Basohli Blocks in Kathua District of Jammu & Kashmir State. The main source of income and employment of Jammu & Kashmir State, generally in rural areas is tourism, agriculture, horticulture and handicraft. Handicraft provides gainful employment to a large number of artisans and craftsmen. The study is carried out in hilly rural areas, i.e. Bani and Basohli Block, which are 170 and 88 KM away respectively from district headquarter i.e. Kathua District. Handicraft is labour intensive and eco-friendly activity which needs less investment compared to other sectors of the economy, but at the same time employment investment ratio is much greater than other sectors. It is also an important source of income for seasonal agricultural labour force. It acts as an instrument in increasing the living standard of rural people. But due to absence of state's interest as well as young generation, this sector doesn't show any remarkable growth like other sectors in a State.

## **RESEARCH METHODOLOGY**

This study is descriptive and analytical. The study is based on both secondary sources data and primary source data; however information has been obtained from primary sources which include interviews, comments, observations, opinion, notes, etc. of the persons concerned with handicrafts sector and also from experts. The secondary data has been collected from various Government offices such as Digest of Statistics, Jammu & Kashmir Economic Review and Economic Survey and various reports of Directorate of Handicrafts government of Jammu & Kashmir as well as journals, newspapers, books, magazines, etc. To workout the difference between post globalisation and pre globalisation annual trend value and actual value of production and exports of handicrafts during last three decades that is, before turmoil and during twenty years of turmoil period, the formula of regression has been used:

$$Y = a + bX \quad (1)$$

Y = dependent variable;

X = independent variable;

a = intercept coefficient and b is the slope coefficient. The value of 'a' and 'b' is found by the following normal equations.

$$\Sigma Y = Na + b\Sigma X \quad (2)$$

$$\Sigma XY = a\Sigma X + b\Sigma X^2 \quad (3)$$

## RESULTS AND DISCUSSION

Jammu and Kashmir State is famous for its craft all over the world in the field of handicraft specially Paper mache, Pashmina, Zari Shawl, wood craft, stone craft, carpet, etc. Due to conflict in late eighties and in recent period i.e. after twenty first century the Kashmir craft passing through deadline due to mechanical works, the effect on production and export rate declined.

But due to globalization, the speed of handicraft production rate and export rate increased much more as compare to eighties. Table 1 also shows the impact of globalization on production rate and its export rate. The people of Kathua districts are mainly engaged in agriculture sector (rural areas), industrial sector, govt. and private jobs, handicraft, etc. Basohli and Bani Blocks are famous for their craft specially Basohli painting, Pashmina and Phool Kari all over the country. But due to ignorance of both State and Artisans, the craft shrinks now a days and very less artisans engaged today as compare to last decades.

The Table 1 shows that the production of handicrafts. This is because of the tourists of worldwide and within the country. The value of production has deteriorated during 1989-90 as Rs.150 crores from Rs.154 crores in 1988-98, because this was the starting period of conflict in Kashmir and during the peak seasons of turmoil i.e. from summer 2008, 2009 and 2010, the production of handicrafts has also deteriorated.

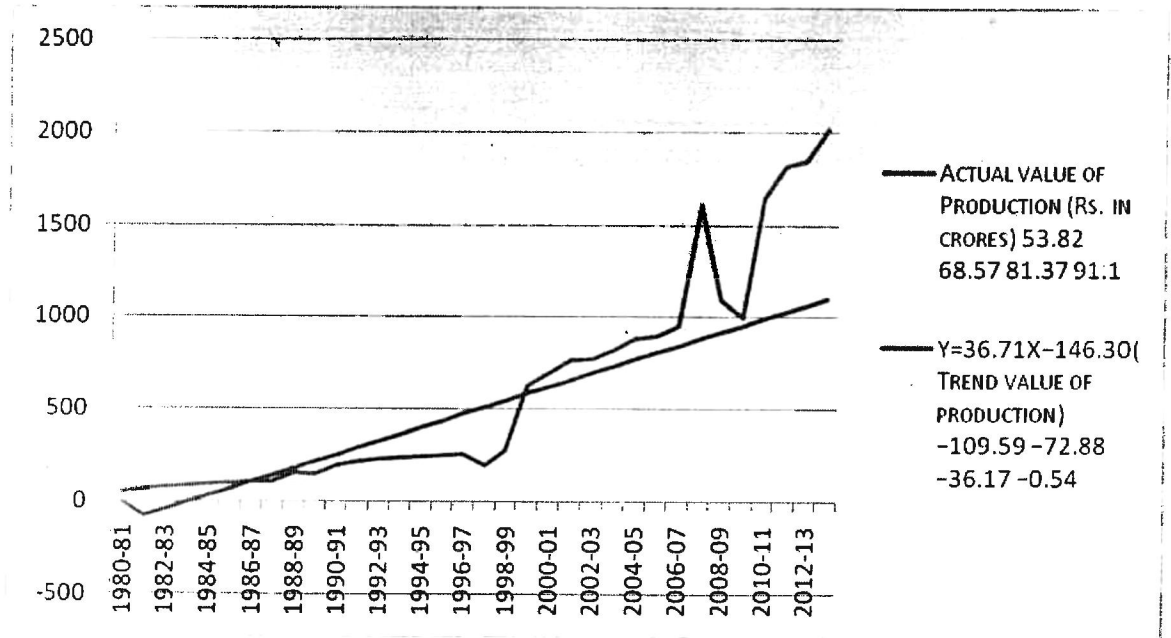
**PREFACE:-** Table 1 shows the production of handicrafts and trend value year wise during 1980-91 to 2013-14. As it is evident from the figure that the actual value of production during the period of 1989-90 to 1998-99 was lower than the value of linear trend line, which shows that the production of handicraft sector has not flourished during this period. After that the production of handicrafts shows an increasing trend up to the

period of 2008 and from the peak seasons of turmoil, i.e. summer 2008, 2009 and 2010 the production of handicrafts has decreased a lot i.e. from Rs. 1614.59 during 2007-08 to Rs.1100 in 2008-09, Rs.1000 in 2009-10 and Rs. 325 in 2010-11.

**Table 1. Year wise production of handicraft and its trend value**

Year	Actual value of Production (Rs. in crores)	$Y=36.71X-146.30$ (Trend value of production)
1980-81	53.82	-109.59
1981-82	68.57	-72.88
1982-83	81.37	-36.17
1983-84	91.10	-0.54
1984-85	97.85	36.84
1985-86	105.00	73.96
1986-87	108.40	110.67
1987-88	109.29	147.38
1988-89	154.00	184.09
1989-90	150.00	220.80
1990-91	200.00	257.51
1991-92	220.00	294.22
1992-93	230.00	330.52
1993-94	240.00	367.64
1994-95	245.00	404.35
1995-96	250.00	441.06
1996-97	260.00	477.77
1997-98	200.00	514.48
1998-99	280.00	551.19
1999-00	633.03	587.90
2000-01	696.33	624.61
2001-02	765.94	661.32
2002-03	775.00	698.03
2003-04	821.53	734.74
2004-05	887.00	771.45
2005-06	900.00	808.16
2006-07	950.00	844.87
2007-08	1614.59	881.58
2008-09	1100.00	918.29
2009-10	1000.00	955.00
2010-11	1650.30	991.71
2011-12	1815.33	1028.42
2012-13	1843.21	1065.13
2013-14	2017.82	1102.84

Source:- Directorate of Economics & Statistics, J&K



Source:- Directorate of Economics & Statistics, J&K

**Fig 1: Production of handicrafts**

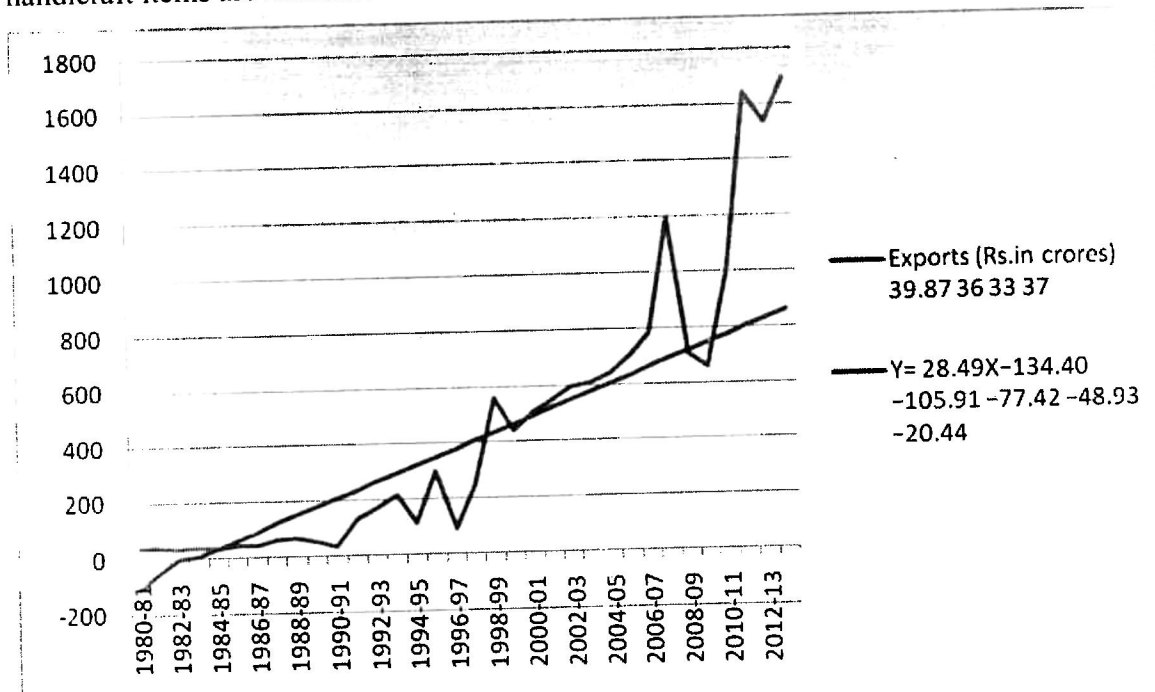
**Preface:-** Table 2 shows year wise exports of the handicraft sector and its trend value during the reference period of 1980-91 to 20113-14. As it is evident from the above figure that the actual value of exports during the reference periods of 1989-90 to 1992-93, 1994-96 and 1996-97 to 1998-99 has been decreased a lot as it is shown clearly from the divergence of actual value of exports from that of linear trend value. After that the production of handicrafts shows an increasing trend up to the period of 2008 and from the peak seasons of turmoil, that is, summer 2008, 2009 and 2010 the production of handicrafts has decreased a lot that is, from Rs.1200.47 during 2007-08 to Rs.705.50 in 2008-09, Rs.661.27 in 2009-10 and Rs. 142 in 2010-11 (Annual economic survey J&K, 2010-2011).

If we compare the first decade data i.e. 1980-81 to 1990-19 for 1991 and onward, we see a lot of difference in actual value of export rate. This is because of the impact of globalization in an economy and also the decreasing rate of terrorism ( people of other states as well as foreigners trip in JK) and increasing the demand of handicraft products.

**Concern about Younger Generation:-**

The real challenges of that sector are modern technologies and unavailability of resources for production. As the modernization increased, the demand of the products of

handicraft decreased gradually because of nano technology, skill development, machines, etc. As the data in table 3 shows different types of categorical artisan's especially young generation, most of the respondents are fall in un-follow traditional craft. There are total 100 respondents are studied in Bani and Basohli Block, and out of 100 respondents, there are 60% of respondents are not interested in their traditional craft. This is because of hard and narrow work and moreover interfere machine made items and the demand of handicraft items are decreased.



Source:- Directorate of Economics & Statistics, J&K

**Fig 2: Export of Handicrafts**

**Preface:-** The table shows that respondents of artisans cum entrepreneurship are 26 in which 12 (46.15%) respondents are eager into their hereditary craft and 14 (53.83%) are against it. It is interesting about seasonal artisans where maximum respondents are preferring hereditary craft. There are 16 respondents studied in seasonal craft out of total 100 respondents in which 62.5% (10) respondents are preferring their family occupation and remaining 37.5% (6) respondents are not follow it.

**Government attitude:-**

The handloom and handicraft industry, the state's oldest traditional cottage industry, has special socio-economic significance due to its vast potential for economic activities like the generation of employment and revenue.

**Table 2. Year wise export of handicraft and its trend value**

Year	Export (Rs. in crores)	$Y=36.71X-146.30$ (Trend value of production)
1980-81	39.87	-105.91
1981-82	36.00	-48.93
1982-83	33.00	-20.44
1983-84	37.00	8.05
1984-85	33.92	36.54
1985-86	40.00	65.03
1986-87	43.16	93.52
1987-88	62.62	122.01
1988-89	65.83	150.50
1989-90	50.70	178.99
1990-91	34.60	207.48
1991-92	130.94	235.97
1992-93	168.00	264.46
1993-94	213.30	292.95
1994-95	111.65	321.44
1995-96	294.20	349.93
1996-97	88.14	378.42
1997-98	247.14	406.91
1998-99	556.99	435.40
1999-00	439.90	463.89
2000-01	504.25	492.38
2001-02	549.20	520.87
2002-03	595.00	549.36
2003-04	610.00	577.85
2004-05	642.00	606.34
2005-06	705.00	634.83
2006-07	785.00	663.32
2007-08	1200.47	691.81
2008-09	705.50	720.30
2009-10	661.27	748.79
2010-11	1004.10	777.28
2011-12	1643.37	805.77
2012-13	1538.28	834.26
2013-14	1695.65	862.75

Source:- Directorate of Economics & Statistics, J&K

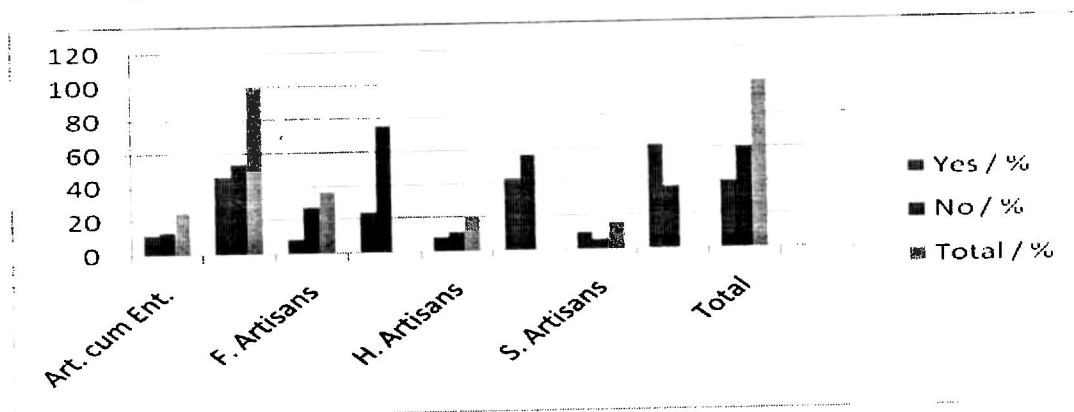
All the three regions of the state have unique specialties in this sector. Jammu holds the domain in Basholi painting, calico painting, phoolkari; Kashmir specializes in carpets,

shawl, wood carving, papier mache, chainstitch, crewel; and Ladakh's areas of expertise covers wood carving and painting, clay moulding, pashmina weaving, carpet, and thanka painting.

**Table 3 shows the response of younger generation eagerness about their handicraft sector of different categories:**

Category	Yes / %	No / %	Total / %
Artisans cum Entrepreneurs	12	14	26
	46.15	53.85	100
Family Artisans	9	28	37
	24.32	75.68	100%
Hired Artisans	9	12	21
	42.85	57.15	100%
Seasonal Artisans	10	6	16
	62.5	37.5	100%
<b>Total</b>	<b>40</b>	<b>60</b>	<b>100</b>
	<b>40%</b>	<b>60%</b>	<b>100%</b>

Source:- Primary data-November-December 2015



Source:- Primary data-November-December 2015

**Fig.3: Views of respondents on their children to follow their traditional craft.**

Special status of State and the rules and regulations, there are lack of big industries in a state and there are some sectors such as small scale industries, tourism, horticulture, agriculture, handicraft, etc. which contributes states GDP and employment for the people. The concern about handicraft is, as on 31.03.2014 there were 3005

handicrafts societies registered with a membership of 15084. The department provides Managerial subsidy on tapering basis @100% first year, 66%, 2nd year; and 33%, 3rd year to the pass out trainees which is paid for formation of cooperative societies. During the year 2014-15, 82 societies have been formed with a membership of 902 by the end of November, 2014. The department also promotes sale of handicraft goods by organizing expos/exhibition/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2014-15, the department has organized 5 craft bazaars/exhibitions within & outside the state by the end of Nov., 2014. Another important area of activity is skill development. Around 8500 persons are trained annually through 553 training centres in the state. During the year 2014-15 (ending Nov., 2014), 2925 persons have been trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc. and during training department gives incentives for trainees and after the completion of training, department give loans on subsidy rate for opening their own sector.

**Conclusion:-**

Handicraft sector is one of the most important sector specially on the basis of income and employment. After agriculture sector, it ranked second on the bases of employment in India. During the period of Sultan Zain-UI-Aabideen (1420-1470) in Jammu and Kashmir, there are no other sources of livelihood and then Sultan hired that craft from Middle East Asia to provide livelihood for the people. Since then the handicraft is the major source for the people of the State. No doubt, modernization increased the production and export rate of handicraft sector, but now a day the handicraft sector faces many challenges in the field of sale and purchase. The interference of modern technology and high prices of the product of handicraft, its demand decreased. Government should pay attention towards that sector specially marketing of products and encouraging artisans via sale of their products on reasonable prices so that this sector remain fruitful specially women and for flung rural areas. Machine made products which are made less capital are the substitute of various handicraft products can affect its demand. Government should pay attention towards that sector especially on the field of raw material, marketing, training centres, providing loan on less subsidy rate, co-

operative centres, exhibitions, etc. so that the Artisans work properly and keep safe for these threats.

The findings from the field study reveal that handicraft sector of J&K is experiencing certain difficulties in the way of its development. On the production front, the main problems are non-availability of timely and adequate raw-material as well as finance at reasonable rates. Globalization on one hand is fruitful for our domestic products to meet global competition especially handicraft products but on the other hand, the modern technology have great threat for that sector. This is because of the input cost in mechanical products are very less as compare to handicraft product which are time consuming for its production and high prices so that the demand of the modern technology products are greater than that of handicraft products. The other threat of that sector is lack of interest of younger generation. Thus, in order to develop the handicraft industry, there is a need for specific plan of development for the industry. There should be concerted action and policy between agencies that assist the development of industry, particularly in eliminating the previously mentioned constraints.

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