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A CASE STUDY :

Value chain study of handicraft in Barmer district of Rajasthan

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SUMMARY : Barmer district is situated in western part of Rajasthan state. Barmer is the second largest district of Rajasthan. Rajasthan is the important state in the country as far as handicraft sector is concerned. Considering the drought situation which exists almost every year, it is one sector which can provide huge employment and alternate income to rural mass. The exports of handicrafts from Rajasthan in 2003-2004 stood at Rs. 1800 crores as against 1200 crores in the previous year, with a growth rate of 33 per cent. The export of zari and zari goods, which was 57.19 crore in 1994-95, increased to 210.54 crore by 2003-04. Every district has its distinctive handicrafts and over 7 lac craft persons are employed in this activity. Thus, their is a immense scope for livelihood enhancement through handicraft and marketing in Barmer district.

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KEY WORDS :
Handicraft, Value chain, Livelihood, Artisian

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BACKGROUND AND OBJECTIVES

District Barmer is situated in western part of Rajasthan state. Barmer is the second largest district of Rajasthan. It shares borders with Jaisalmer district in the north, Jalore district in the south, Pali district and Jodhpur district in the east and in west it shares international boundary with Pakistan.

Barmer, second largest districts of Rajasthan state and is largely arid. Apart from a small offshoot of Aravalli hills in the East, the region has vast sand covered tract which stretches for miles together and forms a part of Thar desert known for its dryness, extreme temperature and erratic rainfall.

For the local population comprising mostly of schedule castes, scheduled tribes and refugees of the Indo-Pak wars, life is a struggle. Agriculture, which is the mainstay of rural India, is an unattractive proposition due to the frequency of droughts that plague the area, the inhospitable terrain and the lack of irrigation facilities. With no industries around, the only source of income seems to be animal husbandry, the traditional craft of patchwork and mirror embroidery, practiced by the women of the area (Agarwal, 2013).

In Barmer Recently, a large onshore oil field has been discovered and made functional in Barmer district. Embroidery, hand block printing, carved wooden furniture, folk music and dance are activities associated with people of Barmer. For many these activities have been source of their livelihoods for generations.

Primarily district Barmer is a desert where average rainfall in a year is 277 mm (District Administration of Barmer, 2013). Hence, 80 per cent *Kharif* crops like *Bajra*, moong, Gaur etc. are cultivated, which are by no means sufficient for a family to survive all the year. Other livelihoods activities include daily wage labourer, animal husbandry and selling of forest produce.

Rajasthan is the important state in the country as far as handicraft sector is concerned. Considering the drought situation which exists almost every year, it is one sector which can provide huge employment and alternate income to rural mass. The exports of handicrafts from Rajasthan in 2003-2004 stood at Rs. 1800 crores as against 1200 crores in the previous year, with a growth rate of 33 per cent. The export of zari and zari goods, which was 57.19 crore in 1994-95, increased to 210.54 crore by 2003-04. Every district has its distinctive handicrafts and over 7 lac craft persons are employed in this activity.

Value chain:

Value chain analyses are commonly used to understand socio-economic and power relationships in the production chain from the initial starting material to a final (generally high value) product. These analyses help in terms of understanding economic processes but also have been used in the context of socio-economic and socio-ecological research.

Definition of value chains:

A value chain, also referred in the framework of the cultural and creative industries (CCIs) as a 'creative chain', has been described as "a sequence of activities during which value is added to a new product or service as it makes its way from invention to final distribution" (Botkin and Matthews, 1992).

The creative chain consists of an initial creative idea, which is usually combined with other inputsto produce a culture good orservice, through a series of interlinked stages between their production and use. A culture product must be created, produced, possibly manufactured or reproduced and then distributed before it reaches, or is used by, a consumer. This chain of activity includes a number of distinct steps, usually occurring in business establishments.

Objective of the study:

– Identify the existing and possible potentials for livelihoods in the district.

– Mapping and analysis of the value chain for livelihood options

– Suggest economically viable models for livelihood enhancement.

RESOURCES AND METHODS

The methodology for the livelihoods planning exercise is described below as a 7- Step process. Each step will

Table A: Tools used for data collection

Transact analysis	To ascertain the configuration of the hamlets and the distribution of the natural and the man-made resources with respect to the different communities in the village.
Village mapping	Distribution of the resources like irrigated and non-irrigated land, livestock, population, drinking water resources, water resources for irrigation, forest and number of households. Education, the general topography and settlement pattern of the village. Manmade structures like schools, *Anganwadi*, etc.
Focused group discussions	To identify different social and economic groups in the village and to enumerate the characteristics and features of the groups. To ascertain the activities and enterprises that could be undertaken in the areas. To ascertain the vocation and livelihoods to understand the status of women in the village and to gain an understanding of the gender related issues. Approx. 100 Focused group discussions will be held in 20 prospective villages with special focus on scheduled tribes, schedules castes, women and minorities.
Limited house hold survey	Structured household schedule focused on the social, economic, political, institutional, dimensions of rural life and livelihoods in the selected villages. The research staff will interview both male and female members of the household. A household sample survey will be conducted in local language, using pre-tested survey instruments. Thus, overall 500 Households in all will be surveyed for livelihood mapping.
Livelihood analysis	To identify the livelihood options available with the villages round the year.
Interviews and consultations with officials	The field team will conduct interviews with representatives from the key stakeholder groups, including representatives from local government, PRI representatives, local community groups.

apply tailored tools and also will have specific outcomes, as elucidated below:

Secondary research:

– Identfigy present socio-economic status and present livelihoods

– Scoping analysis of livelihood activities and identify cluster

– Developing strategy.

Surveyed household profile:

252 number of households surveyed, in the district after finalistrizing the activities. These activities were finalized after making transect walks, few FGDs and consulting officer. These were identified as handicrafts.

Social-economic profile:

This section of the report illustrates the socio-economic profile of the sample households in Barmer district. Understanding household profiles is vital as many profile indicators like caste, BPL or APL category, types of assets owned by the household etc. reflects a household's socio-economic status.

Illustrates the percentage of respondents from different castes. Highest number of people (43%) belongs to other backward caste (OBC), which is followed by schedule caste (26%) and schedule tribes (16%). General category people constitute just 5 per cent of the sampled households. Rest 10 per cent of the respondents preferred not to share their social status.

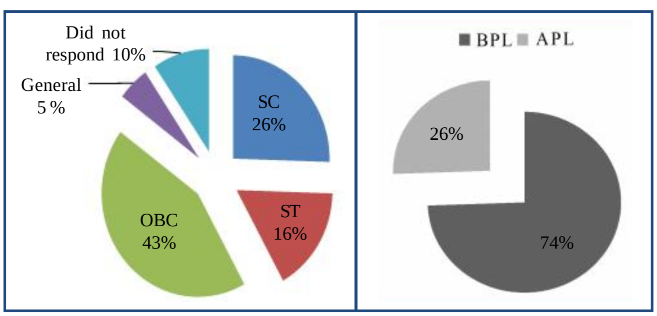

Fig. 1: Category of below poverty line

Pie chart shows the percentage of respondents from the survey that falls in category of below poverty line (BPL) and above poverty line. 74 per cent of respondents fall in BPL category and rest 26 per cent are from APL category. Land ownership is another important indicator of the socio-economic condition of households. The condition depends upon the type of land owned: cultivable or wasteland and irrigated or non- irrigated. Majority of the households own cultivable un irrigated land is majorly a semi desert area.

Rain-fed agriculture providing employment and income for one or two seasons, families can gain some income from women's work on handicrafts for 6-8 months in the year. More importantly, it is women who control the income from handicrafts. Traditionally restrained to their respective households and communities, now handicraft products of remote rural Rajasthani communities are increasingly carving place in the international markets.

Handicraft sector in Barmer district is a caste based kinships networks where 70 per cent of the manufacturers belong to Maheswari community while 20 per cent to the Jain community, both are trading communities according to the traditional caste hierarchy. Only 10 percent of the manufacturers belong to the non-traditional communities.

Handicraft value chain:

India is one of the important suppliers of handicrafts to the world market. The handicraft sector includes wooden art wares, art metalware, hand printed textile and scarves, embroidered goods, soft stone and marble craft, papier mache crafts, terracotta, zari, leather goods. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas.

Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to 68.86 lakh (Mitigating Poverty in Western Rajasthan, 2010) (including those in carpet trade), which include a

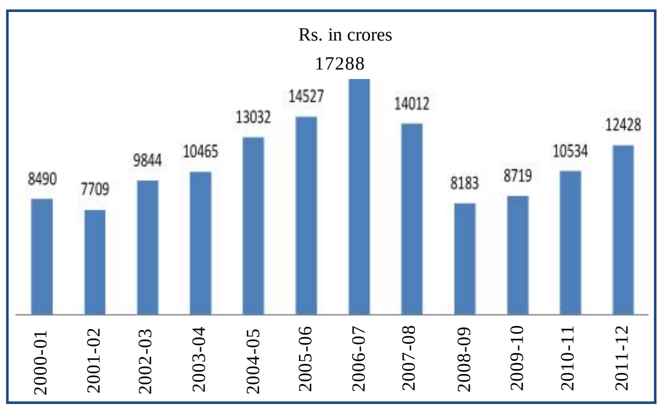

Fig. 2: Year wise revenue earned by exporting handicraft items

large number of women and people belonging to the weaker sections of the society. Fig. 2 (National Medicinal Plant Board, 2013) gives year wise revenue earned by exporting handicraft items from India.

Rajasthan is the important state in the country as far as handicraft sector is concerned. Considering the drought situation which exists almost every year, it is one sector which can provide huge employment and alternate income to rural mass. The exports of handicrafts from Rajasthan in 2003-2004 stood at Rs. 1800 crores as against 1200 crores in the previous year, with a growth rate of 33 per cent. The export of zari and zari goods, which was 57.19 crore in 1994-95, increased to 210.54 crore by 2003-04. Every district has its distinctive handicrafts and over 7 lac craft persons are employed in this activity.

Looking to the maximum potential, three subsectors - leather, wool and minor-mineral have been taken up for focused development under the State Industrial Policy 1998, which has now been expanded to include handloom, khadi and village industry also. Jodhpur has become a leading export zone for handicrafts in the state.

Hand printed textiles including block and screen printing, batik, kalamkari (hand printing by pen) and bandhani (tie and die) are used in products ranging from bed-covers to sheets, dress material to upholstery and tapestry. The famous embroidered articles of silk and cotton often embellished with mirrors, shells, beads and metallic pieces are also found in India. Embroidery is done too on leather, felt and velvet etc. This segment of the industry accounts for almost half a million strong employment in addition to a large number of designers, block makers, weavers and packers involved in the trade. (Fig. 3) shows percentage artisans who acquired the art knowledge from various sources. 7 per cent respondents said to receive training from professional organisations, while 65 per cent of them are traditionally doing it generation after generation.

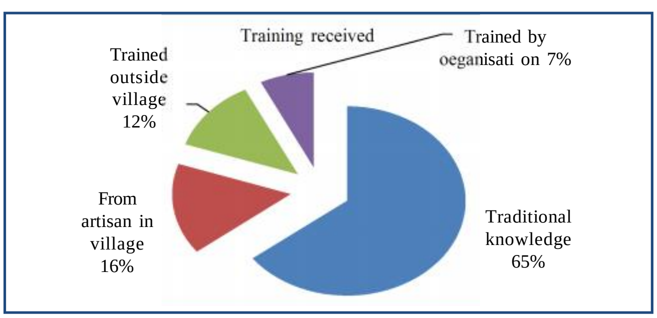

Fig. 3: Pie chart skilled acquired by artisans

Stakeholders in handicraft value chain:

Rural artisans, local middle man and traders, retail outlets, exporters, production centers, training institutes and NGOs and government agencies are main stakeholders in the handicraft value chain. Private players or production centers perform orders placed by the exporters. A number of agencies are active in the state for promotion of handicraft sector. Indian Institute of crafts and design (IICD) set up by Rajasthan state government creates a new cadre of highly skilled and motivated design-techno managers who contribute towards sustaining modernisation and accelerating the growth of craft centers in the State. Their role becomes more important as they help artisan to improve designs. On the other hand organisations like NABARD are commited to supports financing, development and promotion of RNFS in the stat. RUDA set up by the state government supports leather, wool and minor-mineral sub-sector, RAJSICO (Rajasthan Small scale Industries Corporation) promotes handicrafts and has provided a single show window for the crafts of Rajasthan along with tourism related facilities. FORHEX (Federation of Rajasthan Handicraft Exporters, Jaipur) works for handicraft export promotion.

Present value chain:

Handicraft sector is a labour-intensive sector with annual turnover of around Rs. 150 million. It provides work to around 60,000 women in western Rajasthan. It is both a cultural signifier and now increasingly a livelihood provider. Traditionally it was confined to the respective households and communities but now embroidered products of remote rural Rajasthan are increasingly being sold in international markets. The sector is controlled by around 180-200 manufacturing units concentrated around the Barmer district, which accounts for some 70-75 percent of the production. These manufacturing units are misnomer in fact, as the entire production of the sector is decentralized and work is carried out individual households in remote hamlets and villages.

Artisans are very well connected to the middleman. Middleman is a person from village who transfers job work from trader to the villagers. He works for the traders, who receive orders from various sources. As shown in Fig. 4 the flow of the value chain. Local traders

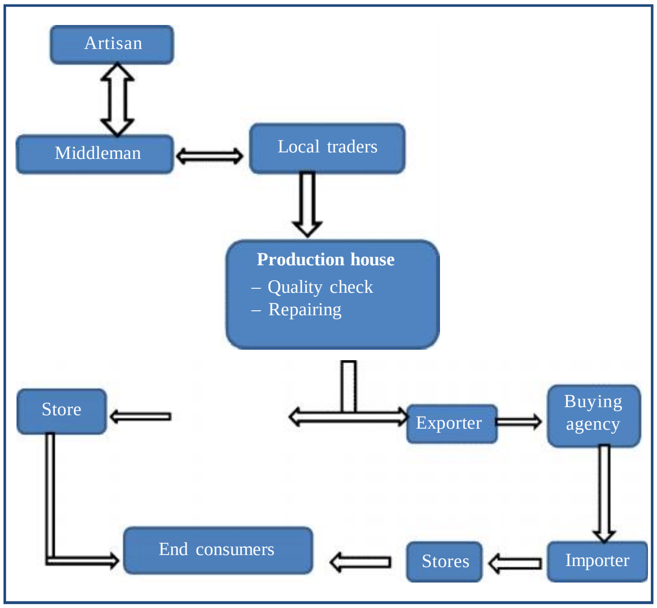

Fig. 4: Diagrammatic representation of present handicraft value chain

transfer this to the production house. Production house takes care of the quality and quantity (as per the order received).

The production base is dominated by Meghwal women for good quality work. They are followed in quality by *Suthar*, *Charan*, *Jat* and *Purohit* women. Women in most of the cases get the raw fabric and material in their households and are responsible for: Getting and accounting for the raw material, negotiating the price, colour matching, embroidering the product, Meeting the design/ quality and time specification and delivery of the embroidered product.

Artisans bring garments (cloth and other raw material) from the local traders and invest in consumables such as threads of different kinds, frames etc. The investment in consumable comes to Rs. 20-30 per piece. As shown in Table 1, high percentage of people procure different raw material from local traders at block level. Further artisans who have frequent access to district market or who need some specific material (like specific colour threads etc.) procure from district markets. Further few artisans who are connected to NGOs get raw material from them and others section indicates procuring raw material from friends.

Further in the value chain production house do quality check. Production house could be a NGO or a private business house or exporters. Production house have access to retail stores and exporters through whom they sell the products to end customers

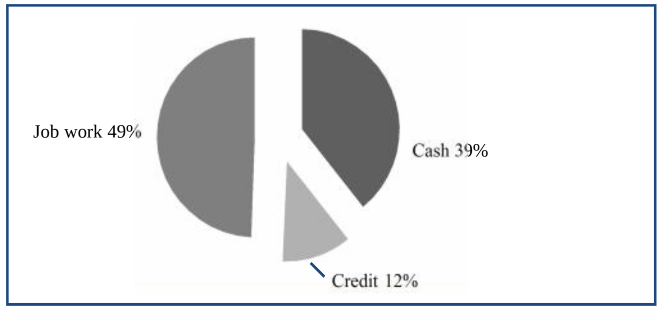

Fig. 5: Raw material procurement methods

Pie chart shows the percentage of respondents and their methods to buy raw material. Majority of the artisans, almost 50 per cent gets the raw material from job work. This is the arrangement where all the required raw material is provided by person who gives the order. This method is also used to maintain quality in terms of the standard raw material used (cloth, threads etc.). 39 per cent people prefer to directly buy the material in cash and rest 12 per cent reported that they buy raw material on credit from local trader at block level.

In Barmer handicraft is practiced in many forms. Apart from wood craft Kasidakari and Bandhaj work is also famous. Pie chart, shows percentage of respondents making various craft products. In kasidakari wok major products made are Gudari followed by cusion covers and curtains.

In Bandhej work designs are made on *Saree* or *Thaans*. Many households have also taken up tailoring and stitching. Almost 20 per cent respondents are engaged in this activity and make dresses and other products.

Table 1: High percentage of people procure different raw material from local traders at block level

Raw material type	Trader (district level)	Trader (block level)	Govt.	NGOs	Others
Thread	33%	16%	1%	4%	0%
Needle	8%	5%	0%	1%	0%
Cloth	1%	6%	3%	8%	1%
Glass	5%	3%	0%	0%	3%

Table 2: Constraints and opportunities

Table, gives the over view of constraints and opportunities

Stages	Constraints	Opportunity
Production	Lack of technical knowledge of new designs production	Availability of huge number ofraw skill artisans
	Low production	Traditional knowledge present
	Unorganized sector	Artisans who have given up craft ready to join if work is available
	Investment need of the artisan	Barmer region is famous for its craft hence already have name in market
Aggregation	Aggregated at local trader level through middleman	Local traders at block level already procure and aggregate to deliver big orders
	Scale at production level is still less and time consuming	
Quality check	Done by the person who provide job work	Artisans can be trained at household level
Marketing	Low margin for the artisan due to long chain	Huge demand in the market at national and international level
	Low market information at artisan level	Big traders at district level already present
		Use of e-commerce in direct marketing

The production system in the sector could be best described as pre-negotiated piece rate system. Gray cloth, design, thread and mirror are delivered to the women at her doorstep via multiple mechanisms. The women, as well as the middlemen, are paid on the basis of number of pieces produced. Only 10-15 per cent of the sector production comes through the direct interaction between the women and the manufacturers. Intermediaries are involved in the remaining 85 per cent of the production. The sector has been thriving on its low price advantage and is characterized by intense competition, low margin, declining quality and growing production base.

Due to limited production base and scattered nature of the production, monitoring and co-ordinating the production are two of the major bottlenecks of the sector. These in turn result into lower quality and lack of timely delivery. Traditional products and motifs sell the most, but it has not hampered manufactures from testing new ideas and innovations. Most of the new product development is instinctual and experiential and very rarely any professional inputs in design and product development is sought.

Gaps in value chain:

Gaps identified for the handicraft value chain are:

– Changing patron-client network: With the development of the modern market economy, the old patron-client business network is fast declining. The artisans are dependent on middle men and trader entrepreneurs to sell their products.

– Lack of knowledge of new designs, which are more accepted in the market. In other words lack of knowledge of market driven products and designs.

– Inconsistent quality:

– Lack of collective approach: Production at individual level leads to low production and hence, limited to capacity to handle limited orders.

– Lack of adequate infrastructure and communication facilities

– Untimely delivery schedule

– Unawareness of international standards by many players in the market

– Lack of market knowledge of NGOs facilitating the artisans.

Changing occupation:

Reports suggest that majority of the artisans in Barmer are shifting their occupations as they receive low wages in the sector. This is forcing many artisans to shift to other professions rather than just sticking to their hereditary occupation.

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