CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

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5.1 Introduction

This chapter covers the findings, conclusions and recommendations of analysis of results of Entrepreneur’s questionnaire and Artisan’s questionnaire. The review of literature enabled the identification of constraints to the development and implementation of handicraft Industry in Uttar Pradesh. These were incorporated into a survey questionnaire aimed at determining the relative importance of the identified constraints of handicraft industry.

The following findings are categories on the basis of the tabular analysis from chapter 4 by considering the heads i.e., related to impact of different factors of handicraft business, status of handicraft business, impact of recession on workers, and government support towards handicraft business and capacity building for handicraft business.

Handicraft Industry faces problems relating to project implementation, production, marketing, finance, administration etc. The identified problems in Uttar Pradesh may be summarized as: –

5.2 The Key Findings are:-

- Due to recession in the international market, the demand of handicraft products is fluctuated which affects the profitability of the manufactures and finally affects the artisan’s who are associated with handicraft business.

- In recession it is not possible for exporters to launch their brand in the domestic or international market.

- In recession, lack of continuity of order from international market or domestic market.

- Due to uncertainty of business, the handicraft manufactures could not follow a proper procedure of human resource management and development especially in Uttar Pradesh.

- Due to low wages of artisans they might shift in other schemes of Govt. like NRAGA in which they might earn better than working with handicraft manufacturing units which cause scarcity of skilled labour. Govt. must made
effort to provide proper wage policy in order to keep the Indian handicraft industry alive.

- In recession, the earning of artisans is too much low so it is difficult to bear education and health expenses.

- Due to recession in the international market, the demand of handicraft products is fluctuated which affects the profitability of the manufactures and finally affects the artisan’s who are associated with handicraft business.

- Due to the involvement of authorized as well as unauthorized buying houses or middleman, a large portion of handicraft manufacture’s profit margin goes in the pocket of these middlemen.

- Since the handicraft manufactures are confined to few cities of Uttar Pradesh, there is no competitive spirit among these manufactures which effects their growth, technological development and profit maximization level.

- Due to slow production of handmade product, the cost is comparatively high in comparison of machine made product.

- The researcher observed that mostly, the handicraft workers are aged and are in the age group of 50 to 60 years. Reason behind is that these workers do not encourage their new generation to be associated with handicraft business due to unsatisfied earning from handicraft work.

- The market of handicraft product is limited and confined to rural sector. Mostly the designs are outdated and due to heavy hand work the prices are relatively high.

- Due to lack of education and knowledge among handicraft manufactures they are not aware about the latest trends of the international market.

- Due to lack of proper marketing and publicity of their products in the international market, the survival of handicraft business during recession is in difficult.
In recession, the manufacturers and exporters not able to meet lead time due to delays in delivery of raw materials from the suppliers, non availability of financial support from the banks or government and non availability of skilled workers.

Lack of research and development activities to provide innovative handicraft products in the international market.

There is no proper support from the state or central government regarding training and development of artisans so that they can make their identity in the international market.

Lack of adoptability of new technology, Computer Aided Design (CAD) in manufacturing process.

Lack of use of superior quality raw material due to low price orders.

Lack of quality control.

In recession it is difficult to opt traditional and obsolete technology for production is used which is labor intensive, time taking and has very low productivity.

They are not target oriented regarding turnover and profit level due to fluctuation in international market caused by recession.

Lack of compliance with raw material specifications on behalf of the suppliers.

Design development centre are not providing proper support to the handicraft manufacturing units.

The Export Promotion Council of handicraft, India (EPCH), Federation of Indian Exporter Organization (FIEO) etc must take effort to promote Indian handicraft product in international during recession.

Lack of Infra structure facility from the government for the growth and development of handicraft sectors.
Lack of collective market orientation programme for handicraft industry.

Inability to respond to the changing requirements of the market.

The handicraft industry depends mostly upon the traditional buyers.

No formally registered strong association capable of leading the cluster enterprises.

Enterprises are fully dependent upon traders in handicraft market.

Due to decentralized and unorganized handicraft sector the managerial efficiency is low.

Most of the labour involve in handicraft sector are unskilled and primarily depend on agriculture, so they don’t know the importance of quality in handicraft and do not give much attention on quality improvement.

The natural resources on which artisans depend are becoming scarce through environmental degradation.

Traditional knowledge systems that depend on long years of apprenticeship and tacit learning have been critically neglected.

Exploitation of artisans as a resource for piracy of design and skills (IPR) by the formal and export sectors.

5.3 Suggestions and Recommendations

The recession is a very sensitive problem for every industry which can only be faced by having proper strategies. Both the industry and the Government should fight strategically to combat with recession. The handicraft industries are facing major problems in various stems of domestic levels as well as international level. The government is not focusing on the market of handicraft products to have a better position in the international market. The government may provide the financial, educational and medical facilities to artisans. The government also arranges workshops and seminars for the artisans to learn how to survive during recession and retain in the same profession. The following measures can be adopted to tackle the recession:
To facilitate the infrastructure of handicraft industry, proper assistance in the promotion and marketing of handicraft Indian products in international market is necessary, and proper financial assistance to Indian exporters for the quantitative and qualitative improvement of Uttar Pradesh handicraft industry is required.

It is recommended that the promotional activities like trade shows, exhibitions and Handicraft Products Expo should be arranged at district as well as at state capital level to attract foreign and domestic customers towards Indian handicraft products.

It is recommended that the state Government should arrange events in which they educate the Indian handicraft manufacturers to avail the subsidies and facilities provided by Central as well as state Government.

It is also recommended that further tax benefits should be provided by Government during recession.

It is recommended that Government should interfere in increasing the wage structure of the artisans so that they can survive during recession.

It is recommended that the systematic marketing network should be implemented in handicraft manufacturing regions like Moradabad, Bhadohi and Saharanpur. The artisans should also be organized themselves under the co-operative umbrella for marketing their own products.

It is recommended that all types of manufacturing units should be registered by Government body, and it is also recommended that the artisans should have their own identity in handicraft market. The designs invented by the artisans should be registered and get patented.

It is recommended that there should be a planned development to improve the handicraft industry by avoiding middlemen.

It is recommended that the welfare organizations should take more initiative to make the artisans aware about the various welfare schemes and to provide help
in taking the advantage of these schemes for their individual growth and development.

- It is recommended that the research and development activities should be increased in the manufacturing units with the help of design and development institutions like National center for Design and Product Development (NCDPD), in order to improve the quality of the handicraft products.

- It is recommended that the rural workers should be trained to make use of latest tools and equipments in the manufacturing of all handicraft items made of wood, brass and carpets in order to increase the productivity.

- It is recommended that the various handicrafts related organization, like Development Commissioner, Ministry of Textiles (Handicrafts), Craft Council of India, Export Promotion Council of Handicraft (EPCH), Carpet Export Promotion Council (CEPC), Handloom Export Promotion Council, should help the local units to produce various value added items for domestic market and also help to penetrate the international market.

- It is recommended that the State Government may exempt handicrafts from sales tax, as it is already done in States like Bihar, Madhya Pradesh and Kerala. The absence of sales tax on handicrafts will result in reduction of Handicrafts prices and thereby increase the sales.

- It is recommended that the rural marketing and Service Extension Centers and Uttar Pradesh handicrafts Development Corporation should undertake market research and consumer research periodically to enable artisans to produce those articles which are needed by buyers.

- It is recommended that the government should provide capital to modernize the craft.

- It is recommended that the small handicraft firms and units should make more attention from the general public, which may in turn encourage firms to have a higher level of social sustainability.
5.4 Direction of future research

- Only three products have been targeted, which may not reflect the entire status of handicraft revenue of Uttar Pradesh in India. Further work may be carried out on the other product of Handicraft industry. It may help to understand the status of handicraft industry as a whole.

- The work was confined to a limited geographical area of Uttar Pradesh in India; the future research may cover a wider geographical area of the country and cover other industrial clusters.

- The sample size of the study was 750 artisans and 150 manufacturing units (public and private) which may increase so that a better understanding of the problem is possible.