

*CHAPTER – II**REVIEW OF LITERATURE*

The Indian gems and jewellery have passed through different phases, and have been influenced by different religious and cultural streams. The rich tradition craft is still relevant in the Indian household, and in many communities the use of craft is for artistic pursuits and as a source of occupation.

Review of literature is the most simple and fruitful basis of formulating the research problems precisely. For this purpose the research has to review the works already done by the others. Relevant bibliographical reviews of studies are most useful to the researcher for formulating the problems precisely. Knowledge can also be acquired through studying some standard books, magazines and journals on the subject. It helps in understanding the problem well and creates awareness of technical terminology to be used in the study. Keeping in view the objective of study, the following literatures have been reviewed for its consideration. Literature related with the gems and jewellery industry can be broadly grouped in the following manner:

- (i) Literature relevant with the marketing aspects of gems and jewellery products.
- (ii) Attempts related with the role of gems and jewellery industry in the country's economy.
- (iii) Literature related with the problems and prospects of the gems and jewellery sector.

Chandra, Rai Govind¹ (1979) in his study made an attempt to disentangle the Greek and Indian forms of jewellery and studied the various forms which developed out of the contact of these two great people of ancient heritages who had both received and absorbed Achemenid impulses. The love of the Indian for ornament is proverbial and therefore this was the most fertile field where ideas of these two people -the Greeks and Indians- could mingle and take a new form. In his study, apart from examining the jewellery

subjectively, an effort has been made to correlate the actual pieces found during the various explorations and excavations with those seen on the Gandhara sculptures.

Verma, Manohar Lall² (1983) studied that a majority of the exporters in Indian diamond industry are facing various problems. The import of raw materials is the biggest problem for diamond manufacturers. He analysed that low quality and high prices of raw materials are the main problems of this industry that have been faced by the exporters. Lack of training institutes, little use of modern techniques and many others problems are in this industry. On the other hand, Verma stated that diamonds are the single largest export commodity earning foreign exchange. In his study he reported that in period of five years from 1979 to 1983, diamond imported by the USA from India rose from 33 per cent to 48 per cent and diamonds imported by Japan from India increased from 36 per cent to 50 per cent.

Purushothaman, Nair C. N.³ (1992) highlighted the export potential and problems of diamond industry. He told that the diamond industry is considered to be a member of the traditional industry group. Diamond industry in India is making larger contribution to our export earnings year after year. In terms of value the export earnings from diamonds were Rs. 44.8 crores in 1970-71 and Rs. 618.40 crores in 1980-81. He told that India is neither a source nor a market for diamonds, but only an intermediate processor, which imports rough stuff to be almost entirely exported after processing. He discussed various problems faced by the diamond industry in special reference to Kerala such as supply of poor quality stones, poor bank facilities, labour problem and arbitrary pricing etc. In the end he offered some suitable policy implications to get rid of various problems that have been faced by the diamond industry.

Kapadia, Karin⁴ (1995) discussed the system of debt bondage in the gem-cutting industry of south India. Evidence is examined from intensive fieldwork in villages in Tamilnadu; one large village in particular, which has been a major centre in the synthetic gem-cutting industry for seventy years.

Here bonded labour is part of a dynamic and capitalist small scale industry that is rapidly expanding into global markets.

Untracht, Oppi⁵ (1997) explained that far more than merely a display of wealth and taste, jewellery is an integral element in the lives of the people of India. Untracht in his study observed major Indian jewellery forms and techniques, exploring Indian gems and jewellery as both an ongoing aesthetic spanning 5,000 years and a highly significant form of cultural expression.

Sevdermish, Menahem, Alan R. Miciak and Levinson⁶ (1998) studied in their paper the rise of the modern diamond cutting industry in India and its impact on the global diamond trade. They examined that the modern diamond industry in India grew at a remarkable rate, which is 82 fold by polished weight and 249 fold by polished value. Today India accounts for about seventy per cent by weight and thirty five per cent by value of diamonds polished annually worldwide. India has had a profound effect on this trade because of the enormous quantities of small and low-cost diamonds manufactured there.

Shukla, M. S.⁷ (2000) highlighted the profile of gems and jewellery in the Indian historical perspective. He told that pearls and precious stones were known as specialty of India at a very remote epoch. India was indeed the first and for a long time the only source of diamonds and pearls known to the European nations. Further, he dabbled in sources and geographical distribution of gems, physical and chemical properties their of and there working, occult and religious association and treatment of jewels for jewellery. In India there were eight regions or division of the country in which the diamond is said to occur. The areas supposed to produce diamonds are Klinga, Kosala, Himalaya, Matanga, Pundraka, Saurashtra, Vairagara, and Sopara. Indian jewellery by the early historic period is remarkable for its sophisticated aesthetics and an elegant unified style. It represents master pieces of design and craftsmanship in gems and precious metals. He told that it is a bid, a venture to trace the career of gems from their matrix to jewellery forms and to retrieve them from dim recesses of time, distant interiors and

dark corridors of centuries. The book also broached the nature and extent of their viability in relation to social environment, ethos and values of civilization entities.

Purani, Keyoor⁸ (2000) developed Gujarat model of entrepreneurial innovation on the basis of innovative behaviour at the grass root level. He told in his study that Indian gems and jewellery industry is country's second highest foreign exchange earner after textiles. He presented the SWOT analysis of the industry. Purani observed that diamond has lion's share in Indian gems and jewellery exports. He stated that India is considered to be one of the world's largest centers for cut and polished diamonds.

Satya, Sundaram, I.⁹ (2001) analyzed the vast export potential of Indian gems and jewellery industry. He stated that in the exports of gems and jewellery products India has made credit-worthy progress over the years if we go by the volume of foreign exchange earned every year. However, India need to upgrade the quality of jewellery in keeping with the requirements of the European countries. In his study, Sunderam stated that exporters of Indian gems and jewellery products have started participating in the international fairs from where they now get the requisite feedback. The industry is looking at newer markets such as Europe and Australia to reduce the over dependence on the US market.

Ramamrutham, Usha B. K., Meera Sushil Kumar¹⁰ (2001) explained that the jewellery of India is a vital expression of the country's aesthetic and cultural history. They presented factual information with many fascinating tales recorded in historical chronicles. The jewellery of India represents one of the greatest traditions of human craftsmanship in the world. It has been worn by women as adornment and by men as a proclamation of the power and as a symbol of rank and religious loyalty.

Garga, Pawan Kumar¹¹ (2002) studied the various aspects of export promotion activities besides highlighting the hidden potential of India's major products and how India can increase its share in the world exports. The

concepts of thrust products have been selected for detailed analysis, viz., handicrafts and jewellery, readymade garments and electronic goods etc. He told that India's upcoming jewellery industry has two loosely defined sectors: the Exports Processing Zones (EPZs) comprising 100 per cent export-oriented units and the Domestic Tariff Area (DTA) which caters not only to domestic needs but to international markets as well. The product group of gems and jewellery makes significant contribution to India's overall export earnings. Indian gems and jewellery products are exported to a large number of world markets. The USA, Hong Kong, Belgium and Japan are the major export destinations. Other important destinations for India's gems and jewellery exports are Israel, the UAE, the UK, Singapore and Switzerland.

Bhandari, Vandana¹² (2004) found in his study that costumes, textiles and jewellery of India unravels the beautiful and sophisticated language of traditional Indian costumes. In this detailed study of the complex role played by clothing and ornamentation in Indian society. It focuses on the state of Rajasthan, one of India's most celebrated and historically rich regions. She explored that how Indian costumes and jewellery reflects the wearer's marital status, occupation, seasonal changes and religious commitment, serving as an essential symbol of their identity. Bhandari demonstrated in his study the cultural, social, historic and technical aspects of textiles, costumes and jewellery.

Mukherjee, Arpita and Nitisha Patel¹³ (2005) stated that the Indian gems and jewellery sector offers huge potential for growth and exports and government provides various incentives for promoting exports. They reported that India is the largest consumer of the gold. Indian gems and jewellery sector is leading foreign exchange earner and employment provider.

GJEPC¹⁴ (2005) in his annual report estimated the growth and market status of Indian gems and jewellery products. The report stated that in the present scenario, the USA remained the single largest importer accounting for 28.45 per cent of the total gems and jewellery followed by the UAE, Hong Kong, Belgium, Singapore and Israel. The report pointed out that

exports of cut and polished diamonds remained on top position in total gems and jewellery exports followed by gold jewellery, synthetic stones and coloured gems stones.

Kala, Alok¹⁵ (2005) discussed the various segments of gems and jewellery sector of India and explained the vast area of industry. Product-wise, Year-wise and port-wise data of gems and jewellery have been presented during the period 1995-96 to 2004-05. Latest tools and technology for gems and jewellery sector have been discussed and various types of information regarding gems and jewellery trade have been presented in this year book. It is an essential for traders of gems and jewellery products.

Mathur, Asha Rani¹⁶ (2007) identified the fabled wealth of India. For centuries, her gold and gems brought to her land both merchants and invaders. She told about the tradition, ranges, varieties, best known techniques and manifestations and an overview of contemporary jewellery. Mathur's study is a glimpse of Indian jewellery in its totality.

GJEPC¹⁷ (2007) covers the data of duration since 1997-98 till 2006-07 on various products of gems and jewellery with additional information on merchandise trade of India from Director General of Commercial Intelligence and Statistics (DGCI&S) and world export data from United Nations Statistics Division (UNSD). The book also highlights list of Harmonized System (HS) codes of chapter 71 pertaining to gems and jewellery along with the classification of HS codes specially pertaining to the GJEPC.

Mukherjee, Ishita¹⁸ (2008) dealt with an emerging global industry the gems and jewellery industry, which is on the way to a huge information. This industry is extremely global in nature. She told that gems and jewellery industry can be classified into various sub-sectors such as gemstones, jewellery and pearls. Over the years, the global gems and jewellery markets have been impacted by various developments like falling trade barriers, increasing competition, changing customer preferences and developments in technology in various areas. As one of the most traditional industries, it has

witnessed sweeping changes since the beginning of this millennium. Supply sources have become fragmented, resulting in shooting up of raw materials prices. Regulators are cautious and consumer activism is on the rise. These pressures have driven changes that are more intense and lasting than any witnessed in the previous fifty years.

After exploring the position of Indian gems and jewellery industry, she observed that India has various advantages to emerge as a gems and jewellery hub. It has the largest and best artisan force for designing and crafting the jewellery in the world. There is a considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalization. Realizing enormous potential of the industry, the Ministry of Commerce, Government of India declared gems and jewellery a thrust sector for export promotion. In this context, the first section of study explained the emerging trends and evolving dynamics of the global gems and jewellery industry as well as identified the future trends. The second traced the significance of India within global gems and jewellery industry, and covered the current scenario of the sector in India.

GJEPC¹⁹ (2008) highlighted that the current global economic meltdown has hit the Indian gems and jewellery industry. Update on the diamond industry and reduction in the value addition norms for gems and jewellery industry has also been discussed. Export and import data of gems and jewellery products have also been displayed in this newsletter.

Mital, Amita²⁰ (2008) analyzed matters related to competition, demand and supply conditions of India's gems and jewellery products. Government initiatives and regulation to promote exports of gems and jewellery products are also discussed. In his study, Mital pointed out that demand of gems and jewellery depends on various factors such as economic growth, employment levels, income levels, tax rates and credit availability and competition is based primarily on the quality, design, availability and pricing of products. She told that, foreign direct investment up to 100 per cent was permitted in the gems and jewellery industry under the industrial policy.

Pan, Albert²¹ (2008) presented a full view of Chinese gems and jewellery market and suitable suggestions for sales jewellery products in China. Albert discussed and analysed China market competition, market size, sale channel, consumer characteristic, import and export process, market trend and potential forecast etc. The Author has provided reliable data analysis based on plenty of groups and figures to describe the current market situation and step by step introducing procedures.

GJEPC²² (2009) discussed the major highlights of the Foreign Trade Policy (FTP) 2004-09 for gems and jewellery sector. It studied the contribution of various gems and jewellery products in India's exports of last ten years. It also discussed the objectives, functions and facilities provided by Gem and Jewellery Export Promotion Council (GJEPC) to boost the trade of gems and jewellery products.

Siegel, Dina²³ (2009) highlighted the presence of Indian dealers, community and Indian market in Antwerp. In his study, Siegel stated that most of the families involved in the diamond sector in Antwerp came from the region of Gujarat, a region with a longstanding tradition of migration all over the world.

Kala, Alok²⁴ (2009) discussed the product-wise export performance for the financial year 2008-09 of Indian gems and jewellery sector. He told that Indian gems and jewellery has witnessed decline due to the slowdown in the USA. However, the total gems and jewellery industry has shown a growth. The growth in the sector was primarily driven by gold jewellery which is registered an increase in the year under review. On the other hand, he found in his study that cut and polished diamonds and coloured gemstones have showed decreasing export trends. But the growing demand of gold has reflected strong consumer faith in gold.

Simoni, Christian and Samuel Rabino²⁵ (2010) examined current patterns of international marketing activities of Italian gold firms with a special emphasis on the USA market and juxtaposed them with those adopted

by Indian gold firms. They evaluated small companies based in two regions (Arezzo and Hyderabad, India). They told that competitive behaviour of Italian Small and Medium Enterprises (SMEs) is primarily reactive, whereas Indian companies strategically focus on the expending Indian immigrant community.

Kuriyan, Vinod²⁶ (2010) reported that the Indian diamond industry stands clearly above most of the competition. He told that the single easiest way to check on how the Indian diamond industry is doing today is to look at all the online diamond trading systems such as index online, etc. He also reported that the industry should push harder to ensure that its products get to more markets around the world if it wants to sustain value growth.

Bijlani, Shanoo and Regan Luis²⁷ (2010) reported that gems and jewellery industry has the potential to grow at an estimate of \$ 45 billion to \$100 billion by 2015. They stated that the jewellery industry featured two major sub-segments gold and diamonds with the former constituting 80 per cent of the jewellery market. Gems and Jewellery Products (GJPs) are expected to grow at compounded annual growth rate of 15 per cent. However, the Indian gems and jewellery market is unregulated and pricing is mostly based on the value of gold and labour charges. Most purchases in jewellery are investment oriented and so, they get commoditized. The integration of jewellery, luxury and fashion should be the next step for the ever-growing gems and jewellery sector.

Exim Bank²⁸ (2010) identified the various challenges and strategies for Indian gems and jewellery sector. Bank in his study explained that there has been a loss of market for gems and jewellery exports due to recession and global economic slowdown. The bank has presented market analysis to understand the competitive position of India vis-à-vis other competitor countries, and also has identified the export destinations which have not been fully tapped by India for its exports of gems and jewellery under select product categories.

Ekanayake, Shynmalie and Dhamika Abeysinghe²⁹ (2010) observed that the gems and jewellery industry in Sri Lanka has been capable enough to develop a competitive product base but has been positioned to experience a reduction in market value. This reduction has resulted in the disintegration of the industry value system, forcing the firms to work in isolation. They stated that the industry value system is handled by private sector entrepreneurship without state interference.

Kala, Alok³⁰ (2010) reported that gems and jewellery industry has registered a 16 per cent increase in the total gems and jewellery exports in 2009-10. The industry contributes 13 per cent to India's total merchandise exports. The figure stated that India's diamond share in world market witnessed an increase from 60 to 70 per cent in value terms. The USA remained India's largest consumer of jewellery. He stated that Indian diamond industry has now come out of recession.

NOTES AND REFERENCES

1. Chandra, Rai Govind (1979), "Indo-Pak Jewellery", Abhinav Publications, New Delhi.
2. Varma, Manohar Lall (1983), "Export Problems and Prospects of Indian Diamond Industry", An Unpublished Thesis of Punjab University, Chandigarh.
3. Purushothaman, Nair C. N. (1992), "Export Promotion in India", Discovery Publishing House, New Delhi.
4. Kapadia, Karin (1995), "The Profitability of Bonded Labour: The Gem Cutting Industry in Rural South India" Published in Journal of Peasant Studies, Vol. 22, Issue 3, April, pp. 446-483, Online at <http://www.doi.org>
5. Untracht, Oppi (1997), "Traditional Jewellery of India", Harry N. Abrams Publications, The University of Michigan.
6. Sevdermish, Menahem, Alan R. Miciak and Levinson (1998), "The Rise to Prominence of the Modern Diamond Cutting Industry in India", Published in Journal Gems and Gemology, Gemological Institute of America, Vol. 34, No. 1, pp. 4-13.
7. Shukla, M. S. (2000), "Panorama of Gems and Jewellery in Indian Historical Setting", Kala Prakashan, Varanasi.
8. Purani, Keyoor (2000), "Gujarat Model of Entrepreneurial Innovation: A Study of Surat Diamond Industry", Working Paper No. wp/eu-ind/120, Seak Centre, University of Brighton, UK, Online at www.it.brighton.ac.uk/research/euindia.
9. Satya Sundaram, I. (2001), "Gems and Jewellery Industry-Vast Export Potential", Published in Facts for You, September, pp. 13-14.
10. Ramamrutham, Usha B. K., Meera Sushil Kumar (2001), "Indian Jewellery: Dance of the Peacock", India Book House, New Delhi.

11. Garga, Pawan Kumar (2002), "Export of India's Major Products-Problems and Prospects", New Century Publications, New Delhi, pp. 88-115.
12. Bhandari, Vandana (2004), "Costume, Textiles and Jewellery of India", Mercury Books Publications, Toronto.
13. Mukherjee, Arpita and Nitisha Patel (2005), "FDI in Retail Sector, India", Academic Foundation Publications, New Delhi.
14. Gem and Jewellery Export Promotion Council (2005), "Annual Publication", Ministry of Commerce and Industry, Government of India, New Delhi.
15. Kala, Alok (2005), "Gem and Jewellery Year Book", International Journal House, Jaipur.
16. Mathur, Asha Rani (2007), "A Jewelled Splendour: The Tradition of Indian Jewellery", Rupa Publications, New Delhi.
17. Government of India (2007), "India's Foreign Trade and Gem and Jewellery: A Statistical Overview", Gem and Jewellery Export Promotion Council, Ministry of Commerce and Industry, Government of India, New Delhi.
18. Mukherjee, Ishita (2008), "Gem and Jewellery Industry: Global and Indian Scenario", The Icfai University Press, Hyderabad.
19. GJEPC (2008), "Ideal Cut the Newsletter of the Gem and Jewellery Export Promotion Council", Vol. No.19, 20 and 21, May-October. Online at <http://www.gjepc.org/idealcut/pdf>.
20. Mital, Amita (2008), "Cases in Strategic Management", Tata McGraw-Hill Publishing Company Limited, New Delhi.
21. Pan, Albert (2008), "China Gem and Jewellery Market Overview", Zeefer Consulting, New Delhi.

22. Government of India (2009), "The Sparkle of Success: The Indian Gem and Jewellery Industry", Gem and Jewellery Export Promotion Council, Ministry of Commerce and Industry, Government of India, New Delhi.
23. Siegel, Dina (2009), "The Mazzel Ritual: Culture, Customs and Crime in the Diamond Trade", Springer Science+Business Media, New York.
24. Kala, Alok (2009), "Journal of Gem and Jewellery Industry", International Journal House, Jaipur, Vol. 47, No. 4, April, pp. 32-34.
25. Simoni, Christian and Samuel Rabino (2010), "Italian and Indian Gold and Jewellery SMEs, Marketing Practices in the USA: A Comparative Case Study" Published in Journal of Small Business and Enterprise Development, Vol. 17, Issue 3, pp. 403-417. Online at <http://www.emeraldinsight.com>.
26. Kuriyan, Vinod (2010), "Indian Diamond Industry Stands Above the Others", Published in Solitaire International, Meneck Davar Publication, Mumbai, March, pp. 28-38. Online at <http://www.solitaireinternational.com>
27. Bijlani, Shanoo and Regan Luis (2010), "Study Thinks Indian Industry could Reach \$ 100 Bn by 2015", Published in Solitaire International, Meneck Davar Publication, Mumbai, February, pp. 34-40 Available from <http://www.solitaireinternational.com>
28. Export Import Bank (2010), "Indian Gems and jewellery: A Sector Study", Occasional Paper no. 138, Quest Publications, Mumbai. Online from www.eximbankindia.com/op138pdf.
29. Ekanayake, Shynmalie and Dhamika Abeysinghe (2010), "Entrepreneurial Strategic Innovation Model for Attaining Premium Value for the Sri Lankan Gem and Jewellery Industry", Published in Asian Academy of Management Journal, Vol. 15, No. 2, July, pp. 217- 237.

30. Kala, Alok (2010) “Indian Diamond Industry Out of Recession”, Published in Diamond World, International Journal House, Jaipur, Vol. 37, No. 3, March, pp. 68, 82. Available from *<http://www.diamondworld.net/contentview.aspx>*
-