

# A Study on Economic Status and Constraints of Handicraft Artisans in Chhattisgarh

Neelima Singh Thakur<sup>a</sup>, Dr. Sunil Kumar Kumeti<sup>b</sup>

*a Research Scholar, School of Studies in Economics, Pt. Ravishankar Shukla University, 492010, Raipur India*

*b Assistant Professor, School of Studies in Economics, Pt. Ravishankar Shukla University, 492010, Raipur, India*

**Abstract-** The handicrafts are an important source of income for rural areas. Handicrafts hold enormous potential as they are essential to both the millions of artisans who already exist in the country and the growing number of newcomers entering the craft sector. The handicraft sector faces many challenges to cope with the current economic environment due to the advancement and development of technology. The present study examines the key marketing and financial constraints faced by handicraft artisans in Bastar and Kondagaon districts of Chhattisgarh. With the decline in demand and sales of handicraft products, artisans' incomes are also falling, forcing them to take up additional income-generating work by artisans. This study also attempts to identify the other sources of income as artisans in Bastar and Kondagaon districts of Chhattisgarh state. The study is based on primary data collected from 120 handicraft artisans of Bastar and Kondagaon districts of Chhattisgarh state.

**Keywords:** Handicraft, Artisans, Marketing Constraints, Financial Constraints, Source of Income.

## INTRODUCTION

The handicrafts market will witness remarkable growth with an expected CAGR of 8.87 during 2022-2027. This growth is expected to increase the market size by \$407.15 billion. Several factors, including the need for reduced capital investment, increased travel and tourism, and greater government support and funding, play a key role in the future of the craft. In this comprehensive analysis, we examine the key marketing constraints faced by artisans in Bastar and Kondagaon districts of Chhattisgarh. Before the British era, the trade of artisans was flourishing, the sales of their products were also high and their socio-economic situation was also very good. Handicrafts were their only source of income, and the artisans generally devoted their entire working time to producing handicrafts. However, during the British era and the Industrial Revolution around the world, crafts lost their

identity and importance, resulting in a decline in demand for their handicraft products, resulting in low sales and therefore low production and income. Therefore, during this time, the artisans start looking for a new source of income in order to survive. The present study also tries to find out the source of income other than of handicraft artisans of Bastar and Kondagaon district of Chhattisgarh state. An important factor of the handicraft market is the minimum capital investment required to start a handicraft business. The handicrafts market faces a significant challenge in the form of a lack of managerial capabilities among manufacturers. Many handicraft producers often lack essential managerial skills, including workplace management, market research, inventory control, and sales promotion. This deficiency poses a barrier to the promotion of artisan handicrafts. Access to business development service providers (BDSPs) is limited for handicraft manufacturers, as they frequently operate on tight budgets and in isolation from urban businesses. This lack of access to managerial resources, coupled with a shortage of understanding regarding the needs of foreign exporters, constrains market growth during the forecast period.

### 1.1 Review of Literatures

Kumar, Dilip and PV, Rajeev (2014) Marketing Challenges of Handicraft Retailers in Changing Environment: - The article is divided into five parts, with the first part discussing the importance of craftsmanship and marketing in the changing environment of the retail industry and covering various aspects of retail stores. Upadhyay, Manali and Jain, U.C. (2018) Managerial Challenges of Handicraft Industry: An Indian Perspective: - The article throws light on the problem and different issues related to handicraft industries and marketing challenges in India. crafts have huge potential as it is important to maintain the existing pool of million artisans across the country. The craft sector plays an

important role in the country's economy. It provides employment to a large proportion of artisans in rural and rural areas. semi-urban areas and generates significant foreign exchange for the country while preserving its cultural heritage. However, the widespread development of the craft sector raises several questions. Oluwayemisi Adebola Abisuga-Oyekunle & Ian Ronald Fillis (2016) The role of handicraft micro-enterprises as a catalyst for youth employment: - This research study on the reasons for such poor outcomes, their developmental aspects and various consequences is proposed with reference to the contribution of handicrafts in eradicating poverty and maintaining sustainable livelihoods for the youth. This article presents key findings from a literature review and semi-structured interviews with local makers, supporters and buyers of handicrafts in the Western Cape. The methodology used in this study is an exploratory approach using a qualitative data collection method. Finally, the study presents a comprehensive strategy aimed at improving South Africa's craft sector to better meet the needs of its micro-enterprises and create better living conditions for people.

2. OBJECTIVES OF THE STUDY

1. To study the economic status and overall source of income of handicraft artisans of Bastar and Kondagaon districts of Chhattisgarh state.
2. To study the financial constraints and marketing constraints experienced by handicraft artisans of Bastar and Kondagaon districts of Chhattisgarh state.

3. DATA SETS AND METHODOLOGY

The article is based on primary data collected from artisans residing in Bastar and Kondagaon districts Chhattisgarh. The sample size of the study is 120 handicraft artisans. Bastar and Kondagaon districts have been chosen for the study because of the high number of handicraft artisans among all the districts of Chhattisgarh. Bastar and Kondagaon are also famous worldwide for its handicraft's tribal art and culture. Stratified random sampling method has been used for the study where artisans from six different craft categories are surveyed. Questionnaires and schedules are used to collect data. Percentage analysis has been performed for findings, interpretation and results.

4. DATA ANALYSIS AND FINDINGS

1. Overall source of Income of Handicraft Artisans of Bastar and Kondagaon district.

Table No. 1. Overall source of Income

S. No.	Overall Source of Income	Frequency	Percentage
1	Only Handicraft	Nil	0 %
2	Handicraft, Agriculture	27	22.5 %
3	Handicraft, Wage Labourer	17	14.16 %
4	Handicraft, Agriculture, Services	13	10.83 %
5	Handicraft, Agriculture, Wage Labourer	63	52.5 %

Source – Based on individual survey

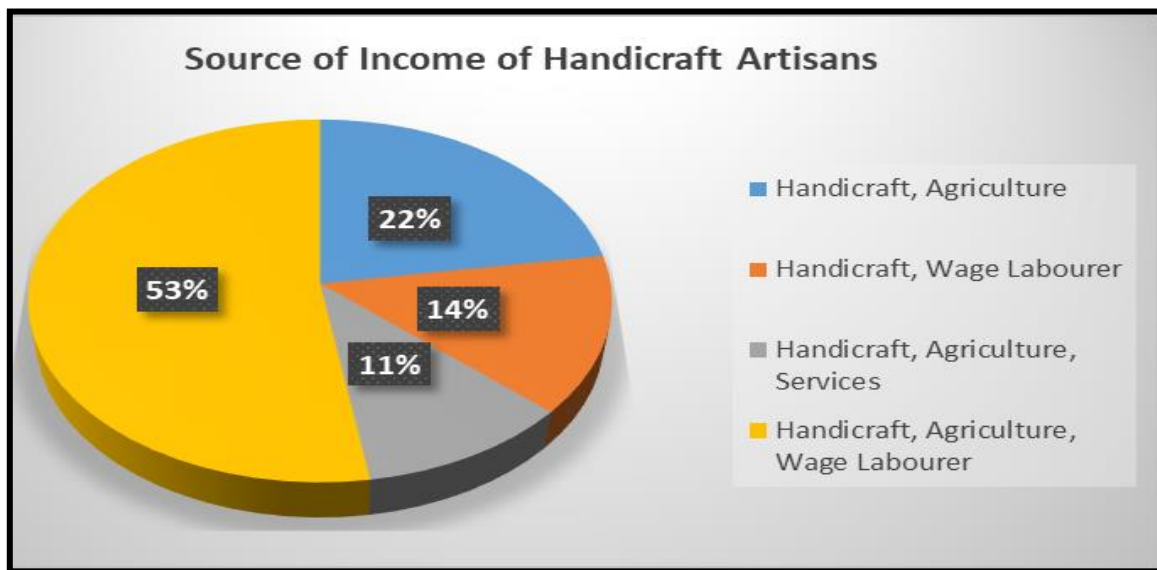


Figure 1

Table No. 1 depicts Overall source of Income of Handicraft Artisans of Bastar and Kondagaon district. 52.5 % of the artisan’s respondent that handicraft, agriculture and working as a wage laborer are the source of their income, 22.5%

respondent said that along with handicraft they are also involve in agriculture for income and financial stability. None of the respondent said that they are only dependent on handicraft for source income.

2. Major Constraint Experienced by Handicraft Artisans of Bastar and Kondagaon district.

2.1 Financial Constraint

Table No. 2. Financial Constraint

S. No	Financial Constraint	Frequency	Percentage
1	Own capital	15	12.5 %
2	Borrowed	18	15 %
3	Both Own capital and borrowing	87	72.5 %

Source – Based on individual survey

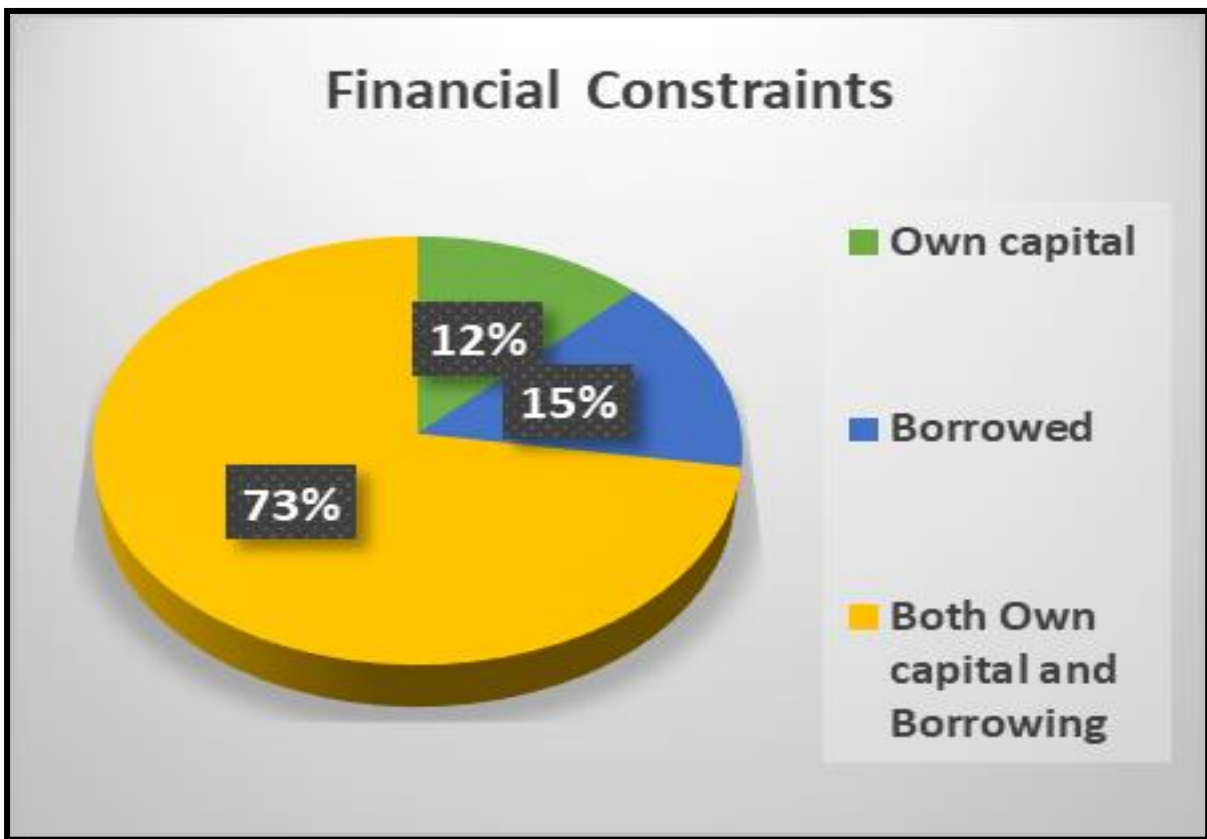


Figure 2

Table No. 2 depicts Financial Constraint faced by Handicraft Artisans of Bastar and Kondagaon district. 72.5 % of the artisan’s respondent that both their own capital and borrowing are the financial

constraint they have to face because of existing poverty and unable to avail loans due to many reasons.

2.1.1 Constraint in Availing Loans from Financial Institutions

Table No. 3. Constraint in Availing Loans

S. No.	Constraint in availing loans from financial institutions	Frequency	Percentage
1	Security	12	10 %
2	Excessive formality	97	80.33 %
3	Unaware	114	95 %
4	Delay	86	71.66 %

Source – Based on individual survey

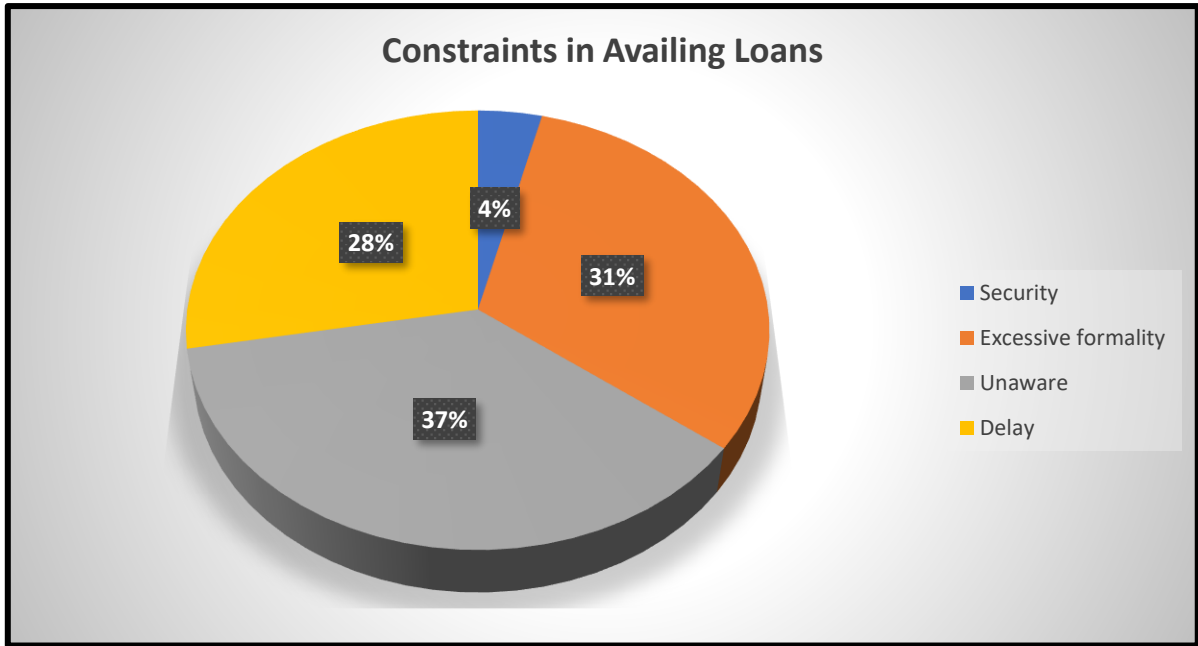


Figure 3

Table No. 3 depicts Constraint in Availing Loans from Financial Institutions. 95% of the artisan’s respondent that they are unaware about the type, process, and formalities for getting loan for their handicraft business. 80.33% of the artisan’s

respondent that Excessive formality is the major constraint for availing loans. 71.66% respondent said that delay in the process and getting loan are the constraint they faced.

## 2.2 Marketing Constraint

### 2.2.1 Channel of Distribution Adopted

Table No. 4. Channel of Distribution

S. No	Channel of distribution Adopted	Frequency	Percentage
1	Wholesales	6	5 %
2	Retails	22	18.33 %
3	Direct to consumers	92	76.66 %

Source – Based on individual survey

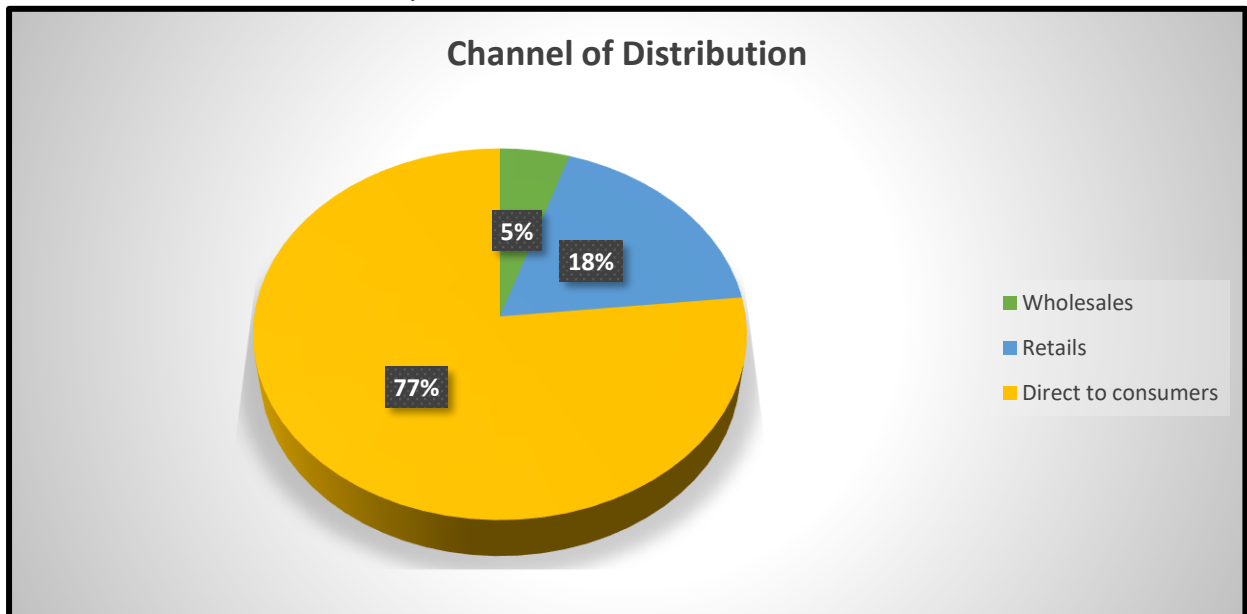


Figure 4

Table No. 4 depicts Channel of Distribution Adopted by Handicraft Artisans of Bastar and Kondagaon district. 76.66 % of the artisan’s respondent that they sale their product directly to

consumers. 18.33% respondent said that they sale their product to retail shopkeepers. Only 5 % respondents said that they sale their product to wholesalers.

2.2.2 Promotion Tools Used

Table No. 5. Promotion Tools Used

S. No.	Promotion Tools Used	Frequency	Percentage
1	News Papers/Magazines	1	0.833 %
2	Television/ Radio	0	0 %
3	Banner/poster/pamphlet	23	19.16 %
4	Exhibition during important days	67	55.83 %
5	No promotional tools used	29	24.16 %

Source – Based on individual survey

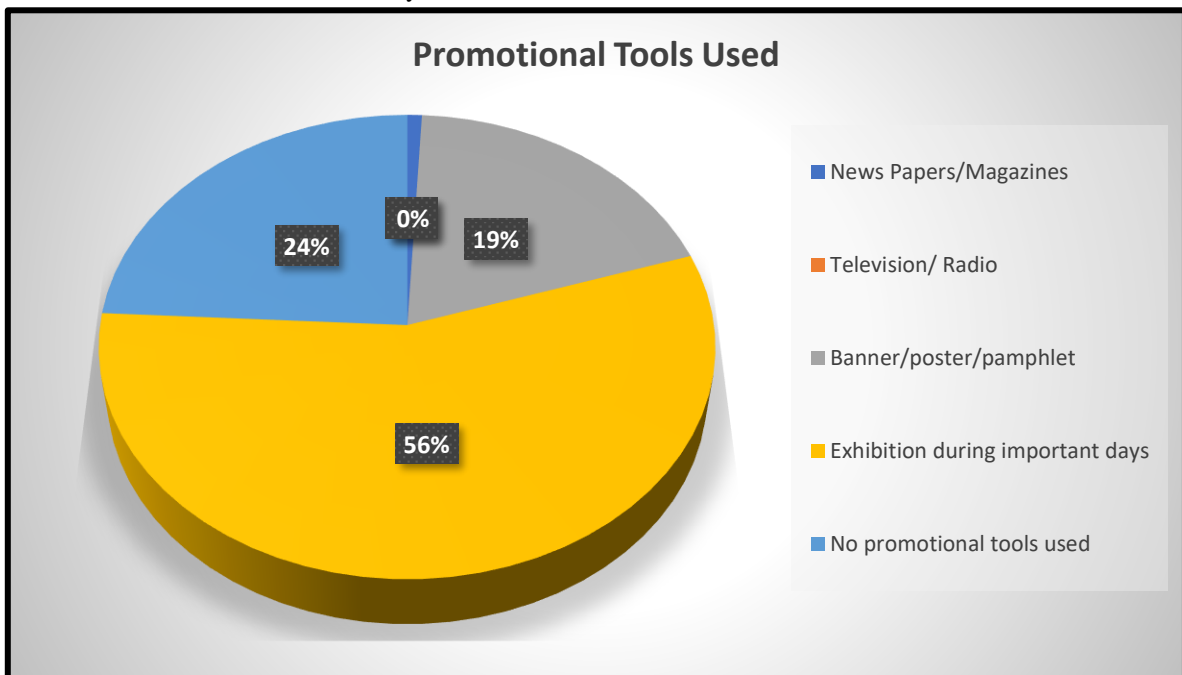


Figure 5

Table No. 5 depicts Promotion Tools Used by the artisans 55.83 % of the artisan’s respondent that they generally do promotions on Exhibition during important days, and 24.16% respondent that they use no promotional tools.

2.3 Transport and Communication Constraint

2.3.1 Mode of Transportation

Table No. 6. Mode of Transportation

S. No	Mode of transportation	Frequency	Percentage
1	Own	3	2.5 %
2	Hired	11	9.16 %
3	Public Transport	106	88.33 %

Source – Based on individual survey

Table No. 6 depicts 88.33% of the artisnas use Public transport and only 2.5 % use their own vehicle.

2.3.2 Cost of Transportation

Table No. 7. Cost of Transportation

S. No	Cost of Transportation	Frequency	Percentage
1	High	113	94.16 %
2	Average	7	5.83 %
3	Low	0	0 %

Source – Based on individual survey

Table No. 7 depicts 94.16 % of the respondent said Cost of Transportation is very high.

3. Identifying the Customers by Handicraft Artisans of Bastar and Kondagaon district.

Table No. 8 Identifying the Customers

S. No.	Identifying the Customer	Frequency	Percentage
1	Through friends and/or family	61	50.83
2	Through business contacts	3	2.5
3	Through associations	16	13.33
4	Through conferences and trade fairs	39	32.5
5	Through advertisements	1	0.83

Source – Based on individual survey

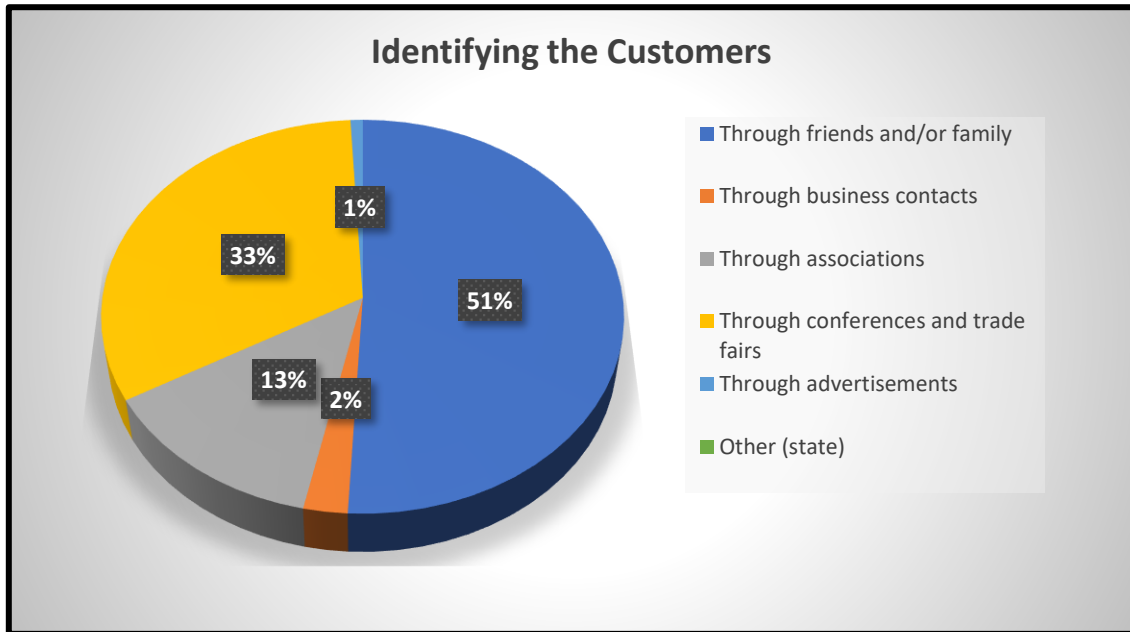


Figure 6

Table No. 8. depicts that 50.83 % of the artisans identify their customer through friends and/or family, 32.5% through conferences and trade fairs, 13.33 % through associations, 2.5% through business contacts and 0.83 % through advertisements.

CONCLUSIONS

By analyzing the data of the handicraft artisans, it can be concluded that handicraft artisans have other source of income as well. Majority of the respondent have more than 10 years of experienced in the handicraft industry and they are skilled in making handicraft products, but due to decline in demand of their product and fall in selling they are unable to generate income as much as needed alone from this handicraft sector. Hence for their financial need and stability the handicraft artisans have to engage in agriculture, wage labor work and services. The handicraft artisans have to face many financial and marketing constraints. Like constraint in availing loans due to unawareness, excessive formality, delay

in process. The artisans do not used any specific promotion tools for better promotion of their product. Majority of the artisans depends on exhibition during important days only. Majority of the artisans use public transport and that too cost them very high. Handicraft artisans mainly identify their customers through family or friends. The artisans rarely do any advertisements.

SUGGESTIONS

The study suggests handicraft industry of the Bastar and Kondagaon district need to be focused for better opportunity for growth and development. As these two districts of Chhattisgarh state are known worldwide for its uniqueness in handicraft products. Some handicraft products have also been given a “GI tag” by the Indian government. However, artisans continue to face numerous financial and business constraints that limit the growth of demand for their products and reduce artisans' production and income The artisans should be aware about the policy government is running for them at the ground

level. The excessive formality of loans should be reduced to allow artisans to take loans. Artisans should also be trained in marketing methods to increase the availability of their product.

#### REFERENCE

- [1] Kumari Gaitri, Srivastava Abhaya Ranjan (2016). Role of e-tailing in boosting the Indian handicraft industry. *International Journal of Marketing & Financial Management*, Volume 4, Issue 4, ISSN: 2348 –3954, 27-36.
- [2] Bhat Jahangir Ahmad and Yadav Pushpender (2016). The Sector of Handicrafts and its Share in Indian Economy. *Arabian Journal of Business and management*. ISSN: 2223-5833.
- [3] Patel Rajiv and shah Amisha (2016). E-commerce and rural handicraft artisans' article. *An international refereed journal for change and development, voice of research*. ISSN 22777733, Volume 5, Issue 3, 24-29. <https://www.researchgate.net/publication/325285588> .
- [4] Shah Mohd Rafiq (2016). An Assessment of Handicraft Sector of J&K with Reference to Central Kashmir. *Arabian Journal of Business and Management Review*, an open access journal. ISSN: 2223-5833, Volume 6, Issue 5, 1000258.
- [5] [www.arcjournals.org](http://www.arcjournals.org)
- [6] Taylor & Francis Meeting the challenges of the handicraft industry in Africa: Evidence from Nairobi John Harris *Development in Practice* Vol. 24, No. 1 (February 2014), pp. 105-117 (13 pages) Ltd. <https://www.jstor.org/stable/24565377>
- [7] Patel, Rajiv and Shah, Amisha (2017): Problems and Challenges faced by handicraft artisans [https://www.researchgate.net/publication/325286115\\_Problems\\_and\\_Challenges\\_faced\\_by\\_handicraft\\_artisans](https://www.researchgate.net/publication/325286115_Problems_and_Challenges_faced_by_handicraft_artisans)
- [8] Kumar, Dilip and PV, Rajeev (2014) Marketing Challenges of Handicraft Retailers in Changing Environment. VL - 4 JO - *International Journal of Business, Economics and Management*