

Impact of unrest on Handicraft Industry of Jammu & Kashmir

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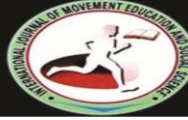
ABSTRACT:

Jammu and Kashmir State is having of rich and diverse tradition, beauty, nature, festivals, colors, fragrances, languages and religions, therefore Kashmiri traditional handicrafts promises everything like beauty, dignity, form and style. The majestic appeal of Kashmiri arts and crafts lies in its exclusivity and mystical tone, which leaves people mesmerized. Handicrafts activities occupy a vital position in the economic structure of J&K State. The handicrafts activities are best suited to the state as these activities are more labour intensive and less capital intensive in nature, therefore having scope for employment generation opportunities at large scale. But the main motive of this research paper is to study the impact of unrest on handicraft industry, besides unrest this sector is suffered by other several problems like exploitation of intermediaries, this sector does not show any remarkable growth like other sectors in the last decade. The growth rate of production, export and employment is declined to a large extent due to political instability. So the government should address the problems and should take the corrective measures in order to boost this sector. This paper will also deal with the SWOT analysis about J&K handicraft industry. This research paper is based on the secondary data sources. Data is mainly collected from J&K economic survey, newspapers, digest of statistics, etc.

Keywords: Handicraft, Kashmir, Production, Unemployment, Unrest

I. INTRODUCTION:

The state of J&K is famous throughout the world for its scenic beauty, bracing climate, diverse tradition, nature, festivals, languages, religions and craftsmanship skills. The handicraft activities carried out in Kashmir valley are famous throughout the world because of their quality, art, and design. This sector has a high potential to uplift the J&K economy and to generate the gainful employment within the state because of the number of reasons that handicraft sector is labour intensive sector which needs less amount of capital, is pollution free industry and completely absence of major Industries in the state. It was during the rule of Sultan Zain-ul-Abidin, popularly known as Budshah or the great King who ruled Kashmir from 1420-1470 AD that handicrafts were introduced in Kashmir. The King Zain-ul-Abidin hired skilled artisan from Central Asia to train local inhabitants in a number of handicrafts which were till then altogether unknown to the people of the state. Since then craft legacies continued and got encouragement and sponsored from different rulers, princes, visitors to the



valley, thus skills passing on from generation to generation. Jammu & Kashmir has comparative advantage in producing high quality and world famous fabrics of Pashmina and Kani shawls, silken, woolen and cotton fabrics and crafts like Papier-Mache, wood work, Tila work, Sozni, Crewel, etc. These products are famous over the world because of their unique quality. The handicraft sector however suffered from a number of problems one of the main obstacle is that political instability & month long unrests, more over the other problem faced by the this sector are like unorganized structure, constraints of lack of skilled education, low capital, poor Government support and poor exposure to new technologies, absence of market intelligence, poor infrastructure and institutional framework.

Everybody is aware about the decadal long Kashmir conflict between India & Pakistan. This conflict is termed as one of the complicated situation because both the nuclear countries fought war three times over Kashmir. The economic cost of the conflict is not confined to a particular sector but disturbs every sector of J&K, whether it is social sector, political sector, or economic sector. But the sector which is badly affected that is economic sector that is why private sector of the state is lacking behind as compare to its sister states like Himachal Pradesh, Punjab, and Haryana. Kashmir conflict has affected the important sources of livelihood such as Agriculture, tourism, handicraft, traders as well. Since last decade there is vicious circle of unrest in the valley, in which people lost their lives, livelihood sectors were badly suffered, viz tourism, agriculture, and handicraft. Many studies have been conducted on the handicrafts sector of Jammu and Kashmir since before, but the researchers pays least interest towards handicraft growth during unrest time. Sharma (2010) in her study revealed the structure of industries in J&K state. She suggests that the state leans heavily towards the small-scale sector and to a little extent on medium industries. Heavy industry is completely absent in the state. However, the small-scale industry has shown a continuous growth from 1973-74 till 2006-07. The author mentions the time period till further says that among 2007, because after that Kashmir was badly suffered through continuous unrests. Mohiuddin (2015) suggests that handicraft is important contributor of J&K economy, that handicraft products are not only demanded domestically but also international market, because of their good quality and great design. He says in order to make our handicraft sector on the good track people should pass this art generation to generation and should take proper care of this sector. Yasmin & Ahmad (2012) they suggested in their study that handicrafts of J&K, namely, shawls, Namdha, wooden art-ware, Papier Mache, crewel embroidery etc. are well known, yet the export from this sector has been of an average of around Rs. 20 crore per annum. In absence of large-scale industries in the State, handicrafts remained a key economic activity from times immemorial. Due to the instable political conditions and turmoil in the state, the performance of this sector was deteriorated.

II. OBJECTIVES OF THE STUDY:

- 1) To analyse the impact of unrest on production & export of handicraft industry of J&K.
- 2) To study the SWOT analysis of handicraft industry of J&K.



III. RESEARCH METHODOLOGY:

This study is descriptive and analytical in nature and is based on mainly secondary data source. Data collection for this study is done through official website of J&K handicraft department, journals, newspapers and so on. To achieve the first objective of the study to analysis the production and export of handicraft industry of J&K, and to calculate its annual growth rate from 2006-2007, and particularly during unrest in the Kashmir. The following formula (1) is used. In addition to calculate the year wise percentage of total production the formula (2) is used.

$$\text{G.R. of } X = \{(X_t - X_{t-1}) / X_{t-1}\} * 100 \quad \dots\dots\dots (1)$$

$$\text{Year wise percentage of total prod}(X) = (X_t / XT) * 100 \quad \dots\dots\dots (2)$$

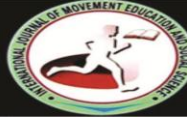
Here, G.R. refers to Growth Rate, X_t is the current year value and X_{t-1} is the value of previous year, in addition to find its percentage then whole value is multiplied by 100. X_t in eq. (2) refers value of the current year and XT refers total value of the all the years.

IV. EMPIRICAL ANALYSIS:

Production: The handicraft sector has made a great contribution towards Production, Employment and Export of handicraft products. Lack of large-scale industries in the state has encouraged people to focus more on small-scale industries like handicrafts, handloom, horticulture etc., which in turn lead to satisfactory performance of this sector. The production of handicraft industry has been quite encouraging as shown below in IV.1 from the table IV.2 year wise percentage of total production denotes the annual Percentage of the Production and the Percentage change in production shows the growth in production which may be increase or decrease.

Table IV.1: Production of handicrafts goods in J&K (Rs. In crores).

Year	Carpet	Woolen shawls	Paper Machie	Other items	Total	Year wise %age of TP.	%age change in TP (growth rate)
2006-07	450.5	320.00	35.00	144.50	950	4.98	----
2007-08	761.27	420.58	37.92	394.82	1614.59	8.47	69.95
2008-09	457.6	303.45	35.49	303.46	1100	5.77	-31.87
2009-10	638.17	201.03	10.15	151.15	1000	5.24	-9.09



2010-11	735.1	343.10	38.32	533.78	1650.3	8.66	65.03
2011-12	624.7	702.20	102.70	385.73	1815.33	9.53	10.00
2012-13	643	656.30	145.00	398.91	1843.21	9.67	1.53
2013-14	684.05	631.20	141.24	559.33	2015.82	10.58	9.36
2014-15	717.75	674.25	152.25	630.75	2175.00	11.41	7.89
2015-16	709.45	698.05	139.52	687.13	2234.15	11.72	2.71
2016-17	821.50	874.50	164.30	789.70	2650.00	13.91	18.61
Total	7243.09	5824.66	1001.89	4979.26	19048.40	100	

Source:- Economic survey J&K, 2016-17

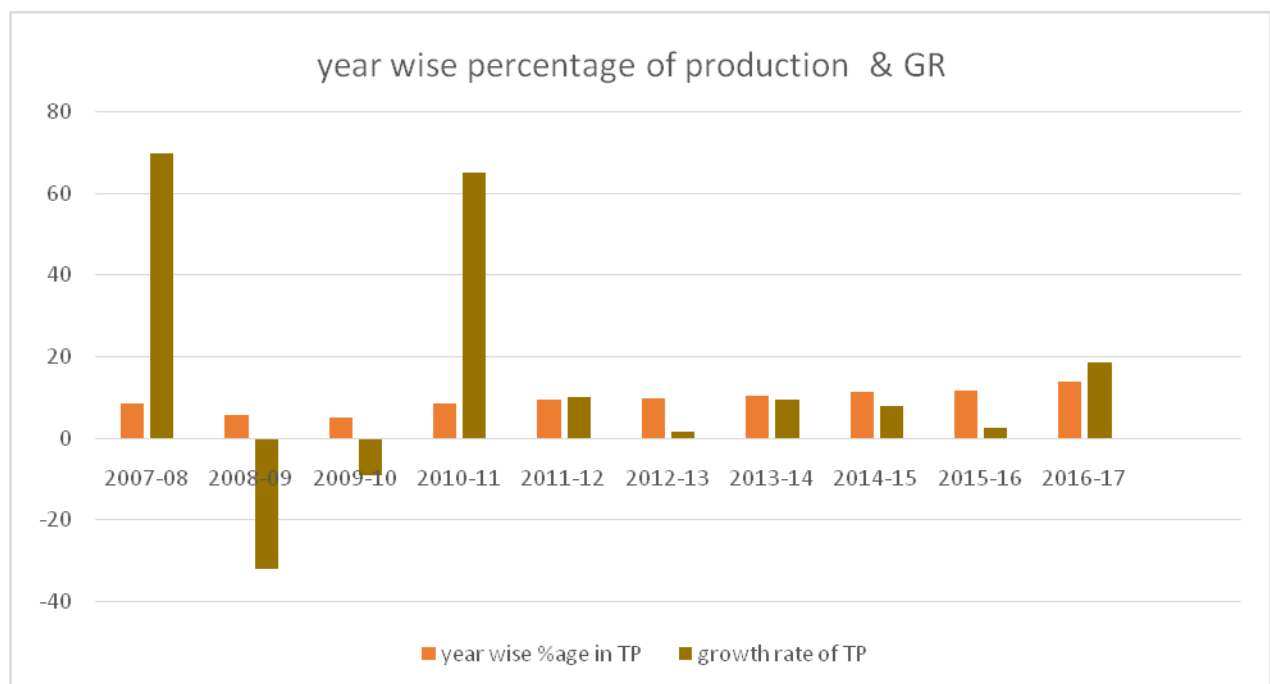


Fig. IV.1: Year wise percentage of production and Growth rate.

The above fig. IV.1 indicates that the year wise percentage of total production as well as the growth rate. As is evident from figure IV.1 above, the handicraft sector has shown a significant rising trend throughout the years. In 2007-2008 there is a tremendous growth in handicraft production if we compare with the year 2006-2007 with the growth rate of 69.95%, with the gradual increase in production which is Rs. 1614.59 crores. In 2008-2009 a



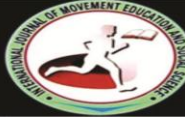
sudden fall in production is being noticed. In 2008-2009 the production is Rs. 1100 crores (-31.87) and in 2009-2010 it has again decreased and reached up to Rs. 1000 crores (-9.09). This sudden fall in these two years is because of turmoil in Kashmir in these two years, political instability, lower incentives etc. In 2008-09 there was Amarnath land row in the Kashmir valley after that there were hartals, strikes, and curfew were imposed by the administration in the Kashmir valley for three-four months, no business activity has been taken place during this summer season, tourism sector, handicraft sector are mostly affected thus created huge loss to this sector. But in-order to recover the losses and because of huge demand in the market a significant rise was marked in productivity which is recorded as Rs. 1650.3 in 2010-2011 with the growth rate of 65.03%. Although there was also unrest in this year but people had learnt a lesson with the past experience. After that Kashmir had witnessed with the continuous unrest during summer session by one way or other way that is why handicraft sector does not make a remarkable growth. After the year 2010-11 till 2015-2016 the growth rate of handicraft production was below 10%. But year 2016-17 shows 18.61% of growth instead one of the worst year in Kashmir history in terms of unrest, because all economic activities were shut down for six months. There may a reason of 18.61% growth rate in handicraft production that is there were 3163 handicraft societies registered as on 31.03.2017 with a membership of 31630 out of which 1402 are active societies. As compared with the last report on 31.03.2014, there were 3005 handicrafts societies registered with a membership of 15084.

Export: The products of the handicrafts sector have attracted the minds of the customers worldwide due to the quality and unique design of the Goods produced by the handicraft sector. Export of the handicraft products has the direct impact on the prosperity on the Indian economy in general and on the economy of the Kashmir in particular.

The data given below in Table IV.2 exhibits the export of the handicraft products like carpets, woolen shawls and paper Machie in the year 2007-2008 with a tremendous export, In 2007-2008 the export is recorded as Rs 1200.50 crores with a growth rate in export 52.92%. In 2008-09 the handicraft sector was badly affected and the export growth rate with respect to the previous year is -41.42 % with 705.50 crores. Also in 2009-10 the export is negative i.e., -6.27 % because of the same excuse of unrest in Kashmir. But during the years 2010-11 and 2011-12 there was comparatively good handicraft export with the growth percentage of 51% and 63% respectively. After very low growth in handicraft export in a couple of years then again handicraft export again declined with a negative growth rate during 2014-15 and 2015-16. So it is clear that handicraft sector is one the worst hit sector due to regular unrest in the valley in terms of production as well as export.

Table IV.2 Export of handicraft goods in J&K. (Rs. In crores).

Year	Carpet	Woolen shawls	Paper machie	Other items	Total	%age change in exp.
2006-07	351.50	275.00	31.50	127.00	785.00	-----



2007-08	649.02	310.29	33.65	207.51	1200.50	52.92
2008-09	326.00	226.50	41.00	112.00	705.50	-41.30
2009-10	407.73	137.13	30.27	86.14	661.27	-6.27
2010-11	412.25	302.00	66.50	223.15	1004.10	51.84
2011-12	567.13	607.03	98.24	370.97	1643.30	63.66
2012-13	455.86	620.02	104.10	358.29	1538.30	6.39
2013-14	551.90	579.72	39.96	524.07	1695.60	10.23
2014-15	492.18	368.20	71.70	354.96	1287.04	-24.09
2015-16	293.29	376.79	24085	364.48	1059.41	-17.68
2016-17	369.81	304.05	50.36	426.90	1151.12	8.65

Source:- J&K Economic survey 2016-2017

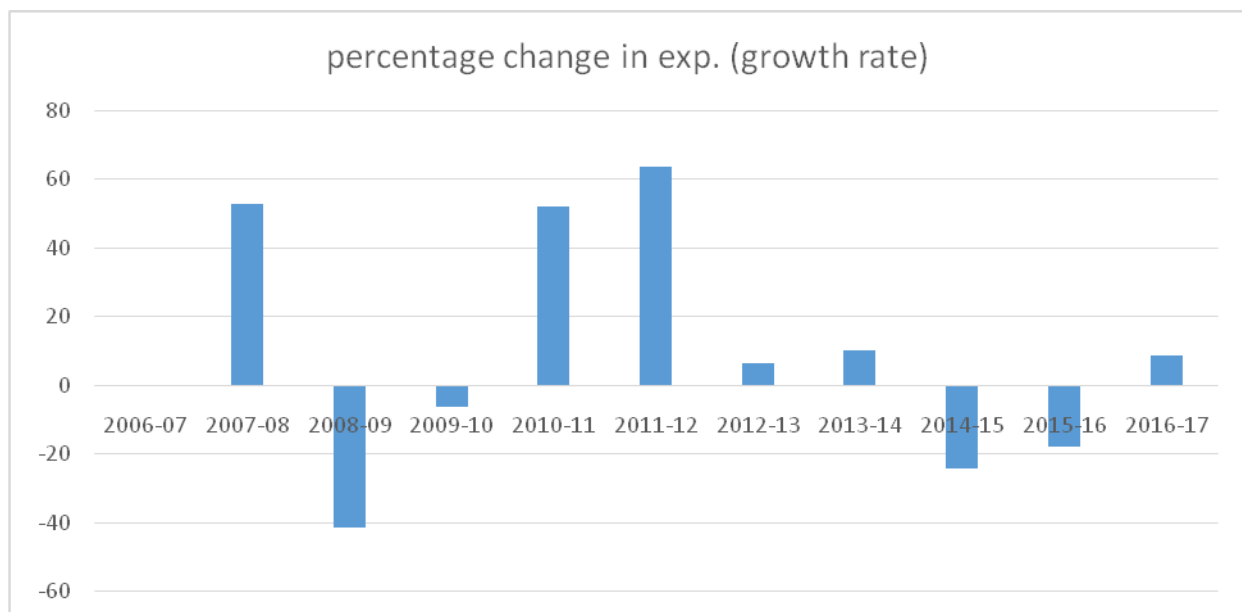


Fig. IV.2: year wise percentage change in export.

V.SWOT ANALYSIS:

J&K handicraft industry is well known for its rich cultural and economic value. Here is an attempt to understand the commercial aspects of J&K handicrafts with SWOT (Strength, Weakness, Opportunities, and Threats) Analysis. It is need of hour that Government take proper steps to save this sector by providing benefits to the

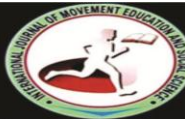


handicraft societies by one way or other way. It is important for the government to overcome to weakness of this sector and try to best to eradicate all these threats faced by this industry.

The below mentioned table no V.1 Shows the strengths, weakness, opportunities and threats of the handicraft industry of Jammu and Kashmir.

Table: V.1 SWOT Analysis of the Handicraft Industry of J&K

Strengths	Weakness
Huge Market potential	Underdeveloped infrastructure
Flexible Production & design	Lack of global exposure
Cheap labour	Lack of customer feedback system
Suitable to climatic condition	Less interest among youths
Huge employment opportunity	Confined mostly to rural areas
Foreign revenue generation	Obsolete tools used
Eco-friendly	Low wage system in handicrafts
Needs less investment	Unorganized sector
Export oriented	Political instability in the state
Employment generation	Extreme weather
Great quality	Lack of promotion of products.
Opportunities	Threats
Huge demand in both domestic as well as in international market	Counterfeiting
Develops tourism industry of J&K	Stiff competition ahead
E-commerce to channelize handicraft products of J&K.	Deficit balance between supply and demand of J&K handicrafts
Design sensibility	Introducing low skilled labour
Huge employment generation	Uncontrolled unrest



Handicraft industry of the J&K state faced a lot of problems besides the continuous unrests right from its beginning, as everybody knows that J&K state is lacking behind from its sister states viz Himachal Pradesh, Punjab, Haryana in terms of overall development. Despite the larger portion of the population is associated with this sector either directly or indirectly, the government is not paying a full attention towards this sector. It's important to mention here not only the government sector but also the natural calamities are also responsible for underdevelopment of this sector. Jammu & Kashmir in general and Kashmir valley in particular faces the electricity shortage throughout the year due to bad weather conditions or political instability, which directly or indirectly affects the development of the above said sector. Moreover industrial exposure among the entrepreneurs is lacking because the government is not providing enough support or attention towards the said entrepreneurs who fails to upgrade the handicraft sector.

Table V.2: Problems faced by the Handicraft Entrepreneurs

S. No	Problems	Total Score	Average score	Garrett's rank
1.	Power shortage	15628	52.02	III
2.	Raw material	15765	52.55	II
3.	Infrastructure	16280	54.26	I
4.	Financial	14962	49.87	V
5.	Marketing	14234	47.44	VI
6.	Climate	13958	46.52	VII
7.	Labour	15222	50.74	IV
8.	Other	13647	45.49	VIII

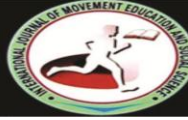
Source: Field survey conducted by Effat Yasmin & F.A. Bhat in their research paper.

As per the rank given in the above, table no V.2 One can easily find the major problems are those of infrastructure, raw material supply and power shortage. Infrastructure lack of raw material and power shortage are the main problems faced by the handicraft entrepreneurs.

VI FINDING AND CONCLUSION:

The main findings of the study are as under:

- While analyzing the yearly growth rate of production and exports in the handicraft sector with 2007 as a base year it has been observed that the handicraft industry has shown a tremendous overall growth rate in production as well as in export.



- During the year 2008-2009 and 2009-2010 the overall growth rate in production shows -31.87% & -9.09 respectively. Same was the case with handicraft exports it shows -41.30% and -06.27% respectively. Because of the continuous unrest in the valley. During these two years not only handicraft sector suffers but all the economic and social sectors were adversely affected.
- After 2010-11 the growth rate in handicraft industry does not increase over 10% except 2016-17, in 2016-17 handicraft production increases over 18% which is not considered as the remarkable growth in this sector. During the same period of time from 2010-11 to 2015-2016 the export was in negative.
- The handicraft industry does not show any remarkable growth after 2008-09 till 2016-2017 because of political unrest as compare to the other states.
- SWOT analysis clearly shows the weakness and threats faced by this sector, so the government need to address these issues first in order to save this sector.

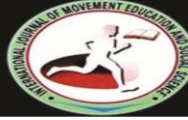
CONCLUSION:

After agriculture and tourism, handicrafts is the third largest Industry in J&K. J&K is not only home to the vast cultural and ethnic diversity but also the myriad arts and crafts that have been carefully nurtured for the centuries. The handicrafts sector of Kashmir is unique in its richness and beauty. About Kashmir Shawls it is said "Of all Indian textiles none excels in beauty, colour, texture and design as the famous Kashmir Shawl". Handicrafts activities occupy an important position in the economic structure of J&K State. The handicrafts activities are best suited to the state as these activities are more labour intensive and less capital intensive in nature, therefore having scope for employment generation opportunities at large scale.

In addition, there is no private investment in the state. In economic terms it helps in generation of aggregate employment and raising per capita income of state and hence contributes to State Gross Domestic Product (SGDP) in particular and National Income in general. This sector has shown a tremendous growth rate in production, export, and employment generation, but also it is important to mention this sector has shown negative in export and negligible growth rate in production during the years 2008, 2009, 2010, 2014, 2015 because the of state of J&K and in particular the Kashmir Valley has suffered severe economic setbacks due to political unrest in the region. Till 2007 there has been an increasing trend in production as well as in export of handicraft products but thereafter it has declined due to turmoil and unrest during the peak seasons that is, summer 2008, 2009, 2014, 2010 in Kashmir. Every sector of economy has been affected, like handicrafts sector, the horticulture sector, medium and small-scale industrial units, the tourism sector etc.

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