Organizational Structure of Indian Rural Handicraft Industry

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Abstract

As per the Indian Census 2011, 68.84% of Indian Population is based in rural areas. However for these over 80 crore people the primary options for livelihood are agriculture and handicrafts. Given this scenario, it is very important to promote rural handicraft industry in order to promote Indian economy in whole. The rural handicraft industry is grouped under the unorganized sector however today the organized sector of Indian industry is ready to absorb the products from these rural handicraft and handloom industries. Through the setup of various organizations to mobilize rural communities to produce their traditional handicrafts according to the requirements of market, this industry has gained an economic boost. However there are still various challenges associated with this sector- most important being the low incomes and highly intensive nature of work. While there are various studies on rural handicrafts we found that there is a need to break the industry into smaller units and find out the organizational handicap of the industry. In this study we have attempted to analyze the strengths and weaknesses of the rural handicraft industry as a whole. We have classified the industry in terms of type of organization as Governmental initiatives (e.g. Dilli Haat), Non-Governmental initiatives (e.g. Dastakaar) and Private Ventures (e.g. Fab India) and have brought out the relative pros and cons of the organizational models by conducting ground level studies through interaction with artisans and the management of the organizations mobilizing them. While all three types of organizations have a role to play in promoting rural handicrafts, our studies show that developing conditions conducive to set-up of private ventures in rural handicraft will ensure that the traditional handicrafts are able to compete in the global market.