

# CSE Working Paper #10

## Recrafting Indian Industry: A Note

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# *Recrafting Indian industry*

*A note<sup>1</sup>*

*Aseem Shrivastava*

*“We proceed as if not agriculture and handicraft, but reading and writing were the beginning of civilization.”*

- Albert Schweitzer<sup>2</sup>

After independence in 1947, India embarked on an ambitious path of industrialisation, following the standard modern developmental prescription drawn from the experience of the so-called developed countries. Since the inauguration of the reform era in 1991, this model of development, duly globalised, has been reinforced by the decisions made by metropolitan policy elites both within and beyond India.

Under this policy paradigm, the expectation (following the experience of industrialised countries both East and West) is that, over time, the processes of development prompt large numbers of people (if not the overwhelming majority) to leave primary sectors like agriculture in rural areas and move towards the secondary and tertiary sectors in the cities. This assumes not only that productivity in agriculture rises fast enough to release labour for industry and services, but that the secondary and tertiary sectors will grow rapidly enough to absorb the labour thus released.

However, the Indian experience since 1991 has been anomalous and has belied all such expectations. While it is true that a large, growing number of farmers wish to leave agriculture, their reason for wanting to do so has less to do with

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1 The author wishes to thank Ribhav Talwar for research for this article.

2 Quoted in Ananda Coomaraswamy, *The Essential Ananda Coomaraswamy*, World Wisdom Press, Bloomington, 2004, p. 60.

the rising productivity of labour than with the distress resulting from state policies towards agriculture designed to please powerful global corporate players and the WTO. This has proved quite adverse to the interests of farmers, the economics of whose livelihoods has been put in considerable jeopardy, as the continuing farmer suicides over two decades indicate.

### *Employment in globalized India: The quantitative challenge*

While many wish to quit farming and traditional livelihoods, they have nowhere to go. Despite consistently high rates of economic growth during the last few decades of the reform era, the rapidly modernising Indian economy has failed to generate jobs (especially at the semi-skilled level) at anywhere close to the rate required by the rapid expansion of the work-force and the labour released from agriculture. According to the most recent data available from the government, only about 6% of the Indian work force - about 30 million workers (under 12 million in the private sector) - is classified by the official *Economic Survey* as being employed as formal workers in the organised sector of the economy.<sup>3</sup> This means that some 470 million workers are either employed directly in the so-called 'unorganised' or 'informal' economy, or are employed as informal, contract labour in the formal organised sector. The expected absorption of labour released from agriculture and traditional livelihoods has not taken place in the formal economy. This, together with the accretions to the work force in urban areas, accounts for the high and rising levels of unemployment in the country. As per a recent UNDP study, of the additional 300 million workers who joined the work force between 1991 (when reforms began) and 2013, only 140 million were able to find jobs.<sup>4</sup>

The overwhelming reason for this failure is structural: the rapid automation of production around the globe, leading to redundancy of labour on a large scale. Moreover, the best performers in Indian industry - automobile, auto parts, engineering goods, petroleum refining, drugs and pharmaceuticals, IT and IT enabled services - are capital-intensive, and thus unable to generate too many

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3 Government of India, *Economic Survey*, 2016-17, <http://indiabudget.nic.in/es2016-17/estatvol2.pdf>, p. A61.

4 "India to see severe shortage of jobs in the next 35 years", *LivemInt*, April 28, 2016, available at <http://www.livemint.com/Politics/Tpqlr4H1ILsusuBRJlizHI/India-to-see-severe-shortage-of-jobs-in-the-next-35-years.html>

new jobs even in a growing economy. In the case of IT and IT-enabled services, automation has recently been taking a particularly severe toll of the employed workforce.<sup>5</sup>

Light industry and labour-intensive sectors such as clothing, footwear, and food-processing have not been growing fast enough to compensate for the sluggish generation of jobs in the high-growth, capital-intensive sectors. The quoted UNDP study projects that India's working age population is expected to peak around a huge 1 billion people by 2050. Under present trends of job generation - whereby less than half the annual additions to the work force of 12-14 million find some sort of job, usually informally - the country's famed demographic dividend may be turning into a curse long foreseeable. Given that unemployment among the youth (and among educated young women) is significantly greater than the overall rate of unemployment, this will have profound social and political consequences. Among other things, the country's development model itself is likely to come under severe public scrutiny.<sup>6</sup>

Is there a way to meet this mountainous challenge, especially if we are willing to experiment beyond the framework of the reigning development paradigm? One such necessary experiment involves paying long overdue policy attention to the vast, but languishing, craft economy, still second only to agriculture in the provision of livelihoods for the the majority of Indians. Historically, the role of hand loom textiles as an area of employment has been particularly significant.

### *Thinking about crafts*

The way we think about crafts - especially, but not only, in India - is itself a large part of the problem. As per the default cognition of the industrial era, we

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5 "A dream in decline", *Frontline*, June 23, 2017, available at <http://www.frontline.in/cover-story/a-dream-in-decline/article9721030.ece>

6 There is some dispute about the number of people joining the work force every year. Some observers (including some participants in this conference itself) believe that the annual accretion is much less than 12-14 million per annum. If this is true, one reason for it probably lies in the significant decline in the participation rate, especially among women. Many have given up looking for a job because of the poor prospects they face despite a numerically growing economy. So, official data on rates of unemployment do not give an accurate picture of the ground reality because of the large number of 'discouraged' workers.

are taught to look upon them in a *fait accompli* manner as a thing of the past, museum-worthy for their aesthetic value, but surely not a way to think about this vast country's economic future, that too in a globalised world of breakneck competition. Superficial data on productivity and costs, moreover, may confirm this view. The focus in such assessments is on production and not on livelihoods and employment, innovation and retooling, adapting traditional design and production processes for the globalised marketplace.

The first thing that strikes any researcher of the craft economy in India is the conspicuous absence of reliable data. For a sector that is quantitatively second only to agriculture in terms of the provision of livelihood and employment such a cognitive lapse cannot be incidental or conscionable. It indicates the skewed priorities and the flawed vision of the government - for we do not gather data on variables not deemed to be of interest. The availability of data on crafts is virtually inversely proportional to the enormity of their significance for the people of the country.

Estimates of numbers of craftspeople vary widely, depending on the markers for identifying people working as craftsmen. There is also the question of whether or not to include workers allied to craftsmen, who work up the supply chain (dyers and workers in spinning units in the case of hand loom, for instance). The Third (so far, latest) Handloom Census of 2009-10 records 4.3 million weavers and workers in the hand loom sector alone.<sup>7</sup> Unofficial estimates go as high 20 million.<sup>8</sup> (For a contrast, one may remember that under 4 million people are employed in the IT sector). The overall number of working people employed in crafts of one form or another surely exceed 30 million. (Some unofficial estimates go as high as 200 million!)<sup>9</sup> So, a population of anywhere from 20 to 150 million (possibly much more) may be dependant on the country's unsupported craft economy.

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7 *Handloom Census of India 2009-10*, NCAER, New Delhi, 2010, p. xxii, available at <http://handlooms.nic.in/Writereaddata/Handloom%20report.pdf>. In August 2016, the government has ordered the next hand loom census: <https://timesofindia.indiatimes.com/india/Smriti-Irani-announces-census-helpline-for-weavers/articleshow/53585986.cms>

8 Laila Tyabji, "More power to skilled hands", *The Hindu*, May 5, 2015, available at <http://www.thehindu.com/opinion/op-ed/the-handloom-reservation-act-more-power-to-skilled-hands/article7170956.ece>

9 Ashoke Chatterjee, "Can our future be handmade?", Fifth Kamaladevi Chattopadhyay Memorial Lecture, October 29, 2014, Centre for Cultural Resources and Training, New Delhi.

After a scandalously ignorant official statement some years back, dismissing crafts as a “sunset industry”, came in for sharp criticism from agencies like the Craft Council of India, the government has tried to make small amends.<sup>10</sup> Thus, the Sixth Economic Census of 2013-14 made a start towards gathering statistics on the craft economy. However, it appears to have under-counted drastically the number of people who derive a livelihood from crafts in the country.<sup>11</sup> None of this chronic neglect prevents some 30 government ministries from impinging on the life and work of artisans! Nor does it prevent the policy elites from having a schizophrenic attitude towards crafts: when it comes to boasting of the country’s ‘great cultural heritage’, the government is quite proud to show off the hundreds of crafts still being practised by communities around the country, even as these selfsame crafts and the craftspeople who practise them struggle for economic and physical survival.

### *Key challenges before craft revival*

Very conservatively estimated, there are over 500 arts and crafts listed on the craft maps of the Ministry of Statistics and Programme Implementation of the Government of India.<sup>12</sup> These crafts range from Rajasthan’s blue pottery and Maharashtra’s musical instruments to the bamboo and cane bridges of Arunachal Pradesh and from the pashmina shawls of Kashmir to boat-making and ship-building in Kerala. There is a staggering variety of skills embedded in them, embodying the *lokvidya* of generations of civilisational learning and heritage. This is the wealth of India’s cultural patrimony which governments like to boast of. However, in the practice of economic policy they are remarkably indifferent, if not altogether hostile, to it.

For many of these crafts the market is local or national. For others it is international as well. If these crafts are to support significant numbers of livelihood in the future, as they must, the prerequisites for their commercial viability and success need to cohere in a synergistic manner.

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10 [http://ccrtindia.gov.in/downloads/other/lecture\\_5\\_pro\\_ashoke\\_chatterjee.pdf](http://ccrtindia.gov.in/downloads/other/lecture_5_pro_ashoke_chatterjee.pdf)

11 *Sixth Economic Census 2013-14*, Government of India, New Delhi, 2014, available at [http://www.mospi.gov.in/sites/default/files/economic-census/sixth\\_economic\\_census/all\\_india/10\\_ChapterV\\_6ecRep\\_0.pdf](http://www.mospi.gov.in/sites/default/files/economic-census/sixth_economic_census/all_india/10_ChapterV_6ecRep_0.pdf)

12 <http://www.mospi.gov.in/list-handicrafts-craft-maps-states-uts>

Raw materials have to be available for production. This is not to be taken for granted any more. Hand loom weavers, for instance, have regularly complained about the shortage of hank yarn. In the case of most of the crafts under discussion, the raw materials are natural, or semi-natural, not synthetic. They are drawn from a natural resource base very often harvested from ecosystems under threat. As will be argued later, craft revival can only happen if ecological regeneration is a parallel goal of government policy. Crafts cannot thrive in a country which continues to ravage and devastate its ecologies in the name of growth and development.

Secondly, credit for craft production is always in short supply. In recent years women have often organised themselves into self-help groups (SHGs) and micro-credit cooperatives to tide over such problems.<sup>13</sup> However, banks will have to show greater interest in craft production, instead of the partisan attitude in favour of the so-called 'modern' sector. One way to do this might be to mandate credit for craft production as part of RBI's norms for 'priority sector lending'.

Thirdly, crafts constitute 'cultural production' and thus rely on a base of skills which are handed down from one generation to the next, either through intra-family practices or through apprenticeships under a master. However, in today's competitive environment, it is typically necessary to adapt these skills to designs which suit customer tastes in distant, remote locations. With a little help from governments, this can be achieved through the structuring of marketing opportunities wherein craftspeople - now as crafts entrepreneurs, eliminating the need for middlemen traders - get to interact closely with their buyers through the medium of exhibitions in networked cities.<sup>14</sup> Commercially successful USPs can and have been generated through design innovations which incorporate, for instance, eco-friendly techniques and recycled materials to serve customers with high-quality products in areas as diverse as hand-made paper, leather goods and textiles. There are enormous gains to be made from coordination between design, production and marketing practices, with an alert eye for possibilities of innovation. A little assistance from the government in the guaranteed provision of infrastructure (especially power) and the retooling

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13 The example of women of *Dastkar* in Rajasthan has been held up: <http://www.india-seminar.com/2003/523/523%20the%20problem.htm>

14 Jaya Jaitly, "Crafts as Industry", *Seminar*, available at <http://www.india-seminar.com/2005/553/553%20jaya%20jaitly.htm>

of traditional handicrafts - from upgradation of cutting and sewing machines to lathes - would go a long distance in helping strengthen the craft economy to face the stiff winds of the global market. No industrial culture - whether in East Asia or in the Western world - has become successful without paying close attention to the organic links between the skills involved in hand crafted goods and those needed in various forms of modern engineering.

Fourth, the greatest challenge is the *development* of dynamic craft entrepreneurship. In the past, craftspeople have made their livelihood in relatively sheltered, local or regional markets, often furnishing the needs of just a handful of villages. These circumstances have undergone a sea-change in the globalised world of the 21st century. As just argued, to dovetail local skills and creativity into the expectations of the global market is no mean task. It requires coordination between many actors. Clearly, given the powers they assume, government agencies are ideally placed to do this. Most importantly, craft entrepreneurship has to be nurtured and nourished through appropriate policies. India has a huge lead on the rest of the world when it comes to the imagination, skill and creativity needed for success in the global market for hand crafted products. But to turn potential into reality will require a big push from the state. The Indian share of the more than half-trillion-dollar world handicrafts market is a remarkably meagre 2%.<sup>15</sup> China's share of the world handicraft market is a hefty 25%.<sup>16</sup>

Fifth, the government attitude towards handicrafts needs to be far more positive and pro-active. With greater help from state policies, smaller, South-East Asian economies like Thailand or Vietnam have been much more successful at the promotion of handicrafts than India, which appears to be missing consistently the massive global demand for such things. Key lessons are being lost here. As astute observers have pointed out, just when Indian policy-makers were referring to hand crafted goods as belonging to a "sunset industry" is precisely

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15 "Handicrafts exports rise 8.3% to \$ 2.67 bn overall textile & garment sector trend", *Financial Express*, Jan. 20, 2017, <http://www.financialexpress.com/market/commodities/handicrafts-exports-rise-8-3-to-2-67-bn-overall-textile-garment-sector-trend/514842/>

16 "Brief Summary on Competitive study on Handicrafts Sector in China", Export Promotion Council for Handicrafts, available at <http://www.epch.in/ChinaStudy/Summary.pdf>; Also see UNCTAD report, available at <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=498>



when European countries were busy paying ever greater attention to them as belonging to the economic future.<sup>17</sup>

In general, government policies have been indifferent or even hostile towards hand crafted goods. The hand loom reservation act, to take an obvious instance, has come under growing pressure from the influential power loom lobby in recent years: it wants it repealed, taking away the limited protection that hand looms get from government policy. This is happening despite the fact that there is evidence that the market for hand looms has been growing significantly in recent years, especially among the young in the cities.<sup>18</sup> And there is little doubt that India is still the world leader in the imagination, skill, and creativity needed to turn out exquisite, unique fabrics. Official apathy and hostility are thus unconscionable.<sup>19</sup>

Last, not least, one of the key challenges to the revival and growth of the craft economy is urbanisation. Traditionally, crafts have been practised predominantly (though surely not only) in the countryside, even when their patronage has come from the cities. Craft work has been rooted in the earth. Kapila Vatsyayan has written: "The moment of disassociating life functions from art/craft was the moment of also accepting the disassociation of senses, body, mind, intellect and spirit from one another."<sup>20</sup> With the rapid urbanisation of our time (and this urbanisation works even in situ, in villages, because of the urbanisation of the mind in the global era), more and more of the practice of crafts now happens in cities. Can such a massive change in the physical context of craft production, quite far from the ecosystems which typically supply the raw materials, be sustained over time? Can the integrity of craft ecology be nurtured in such a radically transformed context? This is an open question. However, what

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17 Ashoke Chatterjee, op. cit.

18 Laila Tyabji, "More power to skilled hands", *The Hindu*, May 5, 2005, available at <http://www.thehindu.com/opinion/op-ed/the-handloom-reservation-act-more-power-to-skilled-hands/article7170956.ece>.

19 Perhaps there is an unspeakably perverse logic which explains the nonchalant official attitude towards rapidly rising unemployment. All political parties rely precisely on the youthful ranks of the urban unemployed to recruit their grassroots cadre. It is they who provide the boots on the ground - in terms of doing the dirty (often violent) work which all parties need to have done in order to maintain their hold over their constituencies. The recent introduction of a blanket GST across all sectors of the Indian economy, of course including hand crafted goods, has only made matters worse for the craft economy.

20 Ashoke Chatterjee op. cit. p. 22.

is clear is that nurturing craft entrepreneurship with the assistance of government policies will surely help retain the integrity of urban craft ecology. In a world as changed as today's, the complete localisation of markets is not possible any more, at least not in the near future.

### *Obvious arguments for the prioritisation of crafts*

There are some distinct merits to the re-prioritisation of the craft economy. As mentioned earlier, crafts are the second-largest employer in the country, after agriculture. The regeneration of crafts is absolutely essential to meet the huge employment challenge that looms large over the country's future. Secondly, the provision of livelihoods through crafts can only happen through social cooperation, in other words, by strengthening communities, an end in itself. Thirdly, crafts are one of the primary carriers of civilisational heritage, which is virtually impossible to honour and develop in their absence (as the quote from Albert Schweitzer at the start of this essay indicates). Fourthly, as the experience of so many industrialised countries both East and West shows, there are important complementarities between the arts and skills embodied in crafts and those necessary for innovation in modern industry. Neglect of the craft economy may be one of the key reasons for the sluggishness of innovation in 'modern' industry. Finally, the revival of crafts, given their primary reliance on organic and natural raw materials, offers a unique, indispensable opportunity to evolve pathways of sustainable development through ecological regeneration. In a time of climate change precipitated and accelerated by the continued use of fossil fuels by globalised mainstream industry, this is hardly an insignificant argument for the promotion of crafts. The carbon footprint of crafts is very low. The carbon-intensity of a craft-based livelihood would be an order of magnitude less than an 'equivalent' job generated in mainstream industry.

### *The regeneration of Mother Earth*

Given their intimate dependence on the bounties of nature and the materials it provides, the practice of traditional crafts cannot be revived unless ecological regeneration is integrated with craft revival and rural life. Pupul Jayakar, in her classic work *The Earth Mother* wrote two decades ago: "The rural arts of India

are the arts of the settled villages and countryside, of people with lives tuned to the rhythm of nature and its laws of cyclical change, an art with a central concern with the earth and with harvesting...Rural arts are also the arts of people living in forests and mountains, the ancient inheritors of this land, who claim to be the firstborn of the earth...."<sup>21</sup>

The industrial age will soon be behind humanity - if it is to stand any chance at species survival into the next century. Thus, we necessarily stand at the threshold of an ecological age, an era which is likely to change our destiny in dramatically destructive ways unless we awaken to the mortal dangers and new kinds of creative opportunities that lurk on the horizon.

In this context, it is worth remembering that it is industry which needs to be re-crafted, instead of allowing crafts to get industrialised. The innovative revival of handicrafts is an imperative for economic, ecological and cultural survival.

### *An immodest proposal based on India's special advantage*

The traditional craft economy of India is in mortal danger today. As in the case of languishing agriculture, it will take just a few decades of continued official irresponsibility to permanently derail the cultural ecology which has so far sustained the transition and transmission of arts and skills from one generation to the next. "Within a generation, the gifts of millennia can vanish, their only traces left to museums."<sup>22</sup>

The crisis of crafts is a crisis of Indian civilisation. Moreover, it is a crisis that should be obvious especially to a government which claims to be defending the ancient values of this civilisation. However, in its enthusiasm for the alien imperial idea of 'development', it is in fact quite blind to the reality.

We quite simply lack the cultural confidence to see value and opportunity where it lies so close to home. As the saying goes in Hindi, दूर के ढोल सुहाने ! (the grass is greener elsewhere). Could crafts be regarded henceforth as *industries*, entitled to the same attention, rights and privileges from policy-makers? As experienced observers since Gandhi and Tagore have pointed out, crafts are

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<sup>21</sup> Quoted in Ashoke Chatterjee, op. cit.

<sup>22</sup> Ashoke Chatterjee, "Can our future be handmade?", Fifth Kamaladevi Chattopadhyay Memorial Lecture, October 29, 2014, Centre for Cultural Resources and Training, New Delhi.

in fact a form of industry which does away with the machine's usual domination of the worker, rendering him or her an appendage of itself. The creative artisan's tools, by contrast, reverses this relationship, restoring agency and creative autonomy to him or her.

Crafts do not thrive in a vacuum. They need communities to sustain them. And unlike so much of the world, especially in the West, most of India still lives in communities. Whether metropolitan classes and intellectuals like it or not, the *biradiri* continues to be the dominant mode of social identification among our people. Some of this of course goes with caste discrimination and hostilities. They need to be addressed in other ways, not by undermining communities and with that, any possibility of craft revival.

The defence of the practice of crafts as a collective right is today an imperative. Like the defence of languages (which necessarily require more than an individual to practice) a concern being highlighted by the humanist linguist Ganesh Devy, the defence of crafts cannot be carried out in full under a framework of liberal democracy as India has learned it from the Western world.<sup>23</sup> The reason is that liberal democracy is rooted in a political culture of individual, not collective, rights. If there is merit in this argument, perhaps jurists need to be approached to inquire as to how collective rights can be enacted in the law of the land.

The time has long been ripe for the restoration of respect and dignity to what is a touchstone of Indian civilisation. Moreover, as argued above, the logic for it rests as much on imperatives of ecology and livelihood, as on culture.

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23 Ganesh Devy, "When human beings go past language", *Livemint*, August 18, 2017, available at <https://www.livemint.com/Leisure/PeElxxPks82JcSTxs3Wvkl/When-human-beings-go-past-language.html>