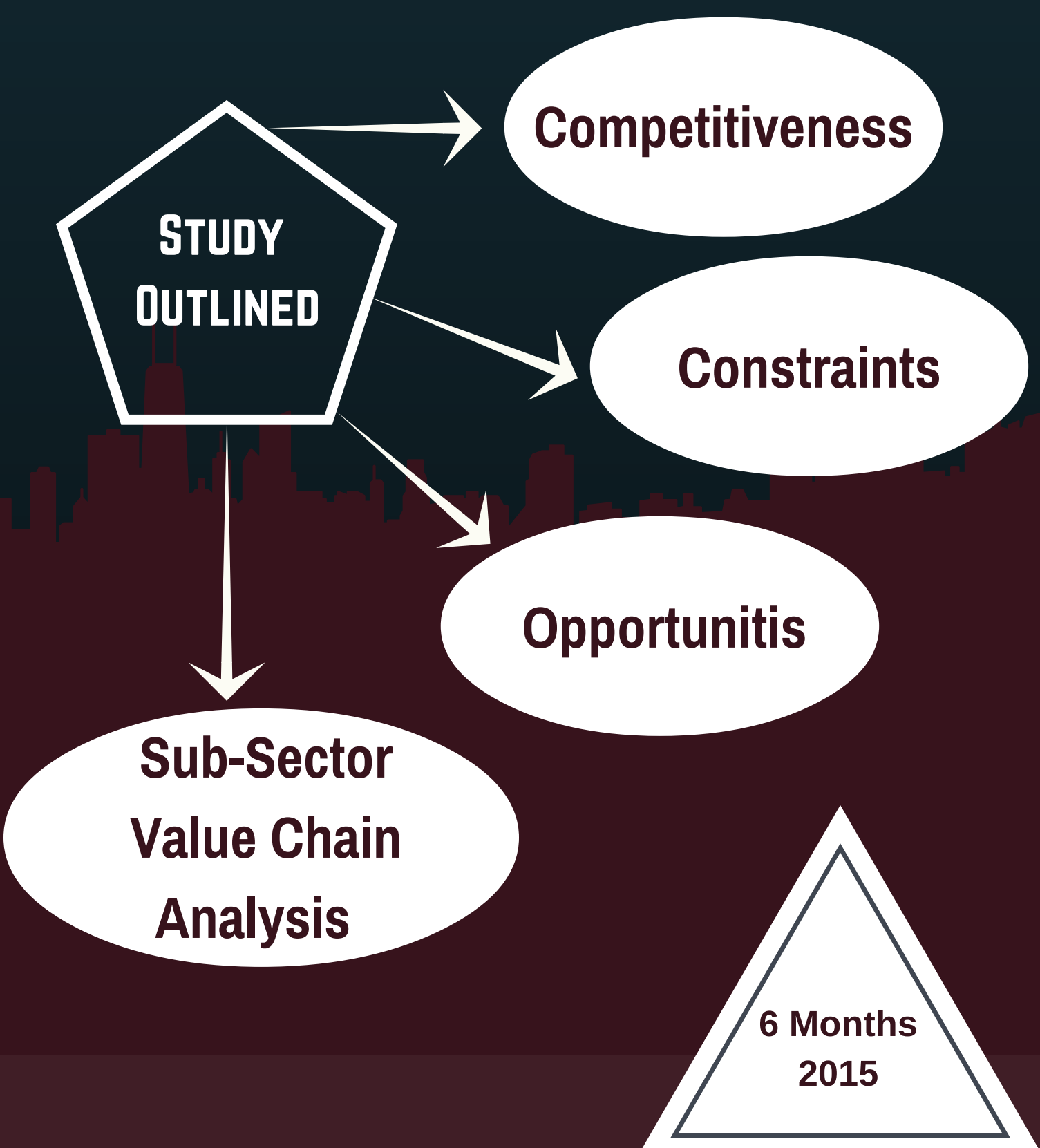




WORLD BANK: STUDY OF THE CONSTRAINTS AND OPPORTUNITIES IN HANDICRAFT AND HANDLOOM SECTOR

DESCRIPTION OF THE STUDY

THE STUDY WAS CONDUCTED IN THE STATE OF ODISHA , WITH A SPECIFIC FOCUS ON KEY CLUSTERS IN HANDLOOM AND HANDICRAFT ACROSS SIX CRAFT LINES. THE KEY OBJECTIVE OF THE STUDY WAS TO BETTER UNDERSTAND THE HANDLOOM AND HANDICRAFT CLUSTER AND TO OBTAIN AN INSIGHT INTO THE KEY ISSUES FACED BY THE ARTISAN/ WEAVER , CLUSTER AND OTHER STAKEHOLDERS.



TECHNICAL KNOWLEDGE APPLIED

- *A primary survey* was conducted via one - on-one interaction with the local stakeholders , thus gaining an understandable picture regarding the current constraints and issues.
- *A secondary survey* was conducted in order to understand and attain basic insight regarding the profile and information of the crafts and the artisanal cluster in Odisha, India.
- *A craft wise action plan* was designed for implementation purpose . The study thus identified all the major pressure points withing the cluster.

PARAMETERS UNDERTAKEN

○ CRAFT GROWTH

Year on year trends of Craft Units ; Investment and Employment were undertaken . In the year 2000 - 01 to 2002 - 03, there was high rate of investment . However, the growth in craft units was rather negligible and the rate of employment showed a negative growth .

In the year, 2003 - 04 to 2005 - 06, there was a drop in all three components .

Highest return was seen in the year 2008 to 2011 as compared to the rate of investment . There was a sharp increase in the number of craft units and the rate of employment . However , in the years 2012 - 2013 there was a sharp decline in all three components .

○ VALUE GENERATED

The value generated is highly inequitable in nature.

Large part of the value is generated outside the realm of the cluster (namely; by the retailers and the wholesalers in the domestic market)

On an average, the traders get more than 5 - 6 times more as compared to the weavers.

This inequitable distribution is rather magnified as the trader often controls the supply of the raw material .

○ HIGHER TURNOVER

Odisha Handloom cluster could aspire to achieve a turnover of Rs 500 Crore by the year 2010 through concentrated efforts in branding products and market diversification .

○ MAIN AREAS FOR IMPROVEMENT

Main areas for improvement highlighted are as follows ;
Product Diversification ; Market Development ; Access to Credit Improvement ; Creation of Social Capital and Acces to Knowledge and Information.