India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. Numerous artisans are engaged in crafts work on part-time basis. The industry provides employment to over six million artisans (including those in carpet trade), which include a large number of women and people belonging to the weaker sections of the society.

In addition to the high potential for employment, the sector is economically important from the point of low capital investment, high ratio of value addition, and high potential for export and foreign exchange earnings for the country. The export earnings from Indian handicrafts industry for the period 1998-99 amounted to US$ 1.2 billion.

India, a country with 26 states and 18 languages and more than 1500 dialects offers an enormous range of handicrafts from each of the states. Major centre in Uttar Pradesh are Moradabad also known as the "Peetalnagari" (City of Brass), Saharanpur for its wooden articles, Firozabad for Glass. The North Western state of Rajasthan has to offer the famous Jaipuri quilts, Bagru and Sanganer printed textiles and wooden and wrought iron furniture from Jodhpur. The coastal state of Gujarat comes with embroidered articles from Kutch. Narsapur in Andhra Pradesh is famous for its Lace and Lace goods. But this is only a small part of the total product range. India offers much more.

INTRODUCTION OF COTTAGE INDUSTRY

Village and cottage industries have a popular role in the Indian economy. But now a day they are suffering a lot due to scarcity of physical capital, unemployment and underemployment, regional imbalances and disparities, inequalities in the distribution of income and wealth, un utilization or under utilization of rural resources. The government has accorded utmost importance for the growth of these industries through five year plans and industrial policies because of their high employment intensity.

MEANING OF COTTAGE INDUSTRY


Handicrafts can be defined as products which are produced either completely by hand or with the help of tools. Mechanical tools may be used as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Handicrafts are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian,
aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant.

**TOP FIVE INDIAN COTTAGE INDUSTRIES ARE**

1) Cotton weaving,
2) Silk weaving,
3) Carpet making,
4) Leather industry and
5) Metal handicrafts.

- **Cotton weaving** is a very important cottage industry in India. This skill dates back to ancient times as cotton clothing is widely worn around the country. Indian cotton weaving is known for traditional designs and patterns done by skillful weavers with their looms. The cotton industry in India is concentrated in Maharashtra, Tamil Nadu, and Gujarat.

- **Silk weaving** is another famous cottage industry in India. India is one of the major producers and consumers of silk as it is worn on special occasions such as weddings and festivals. Mulberry, Muga, Tassore are the types of silk produced in India. Around 70% of the silk weaving industry in India is concentrated in Karnataka.

- **Carpet making** was introduced in India during the Mogul era. Even though the Kashmiri carpets are world famous for their fine quality, India also is known for its durries and coir mats. The carpet making industry in India is in Kashmir, Rajasthan, Punjab, Uttar Pradesh Andhra Pradesh and Punjab. The Government of India has set up the Carpet Export Promotion Council for promoting hand-knotted rugs and all other types and styles of floor coverings from around the country.

- India is a supplier of high quality **leather** to the global market. The Indian tanning industry can produce around 10% of the global demand. This industry employs around 2.5 million people and is considered one of the major export earners for India. The major leather producing regions in India are Tamil Nadu, West Bengal and Uttar Pradesh. Metal has always been used in India to make figurines, utensils, jewelry. Metal handicrafts have a distinctly Indian touch and are widely appreciated around the world. They have been a significant contributor to the Indian economy.

**CHALLENGES FACED BY HANDICRAFT INDUSTRY**

A frame of many handicraft exporters were surveyed and interviewed in order to assess and find out the major problems associated with the handicraft industry. The following problems were discussed in detail with the respondents:

- licensing problems
- low/no demand
- high cost of raw materials
- lack of access to raw materials
- obsolete tools & equipments
- lack of access to export credit
- high cost of credit
- scarcity of skilled labor
- labor regulations
- high excise
- poor infrastructure
- policy uncertainty
OPPORTUNITIES AVAILABLE IN INDIAN HANDICRAFT SECTOR

Reports suggest that every Indian state comes with their own style of handicrafts that displays distinctiveness. There are ample growth opportunities present in the Indian handicraft sector such as:

- Strong international presence/ interest.
- Huge trained and skilled manpower base.
- Rising export market for quality products across Europe, Latin America and US.
- Social interventions and structures.
- Traditional knowledge base.
- Rising flow of tourists in India.
- Less capital Intensive
- Extensive Promotion & Support by Government
- Reservation for Exclusive Manufacture by Small scale sector
- Funding – Finance & subsidies
- Machinery Procurement
- Raw Material Procurement
- Technical & Managerial skills

OBJECTIVE OF THE STUDY

To know the present status of cottage industry in India

- To ascertain, challenges the cottage industries are facing today due to globalization.
- To collect what opportunities are available to cottage industry to empower in global through Govt. & Non-Govt. assistance

GOVERNMENT INTERVANTION TO STEP UP GROWTH

Despite the adaption of the liberalization of policies, the handicrafts sector witnesses intervention from government to strengthen productivity. In the Indian constitution, handicraft has been defined as state subject and it is stated that the responsibility of development and promotion of crafts lies with state governments. The central government via developmental schemes plays the role of supplementing their efforts. To strengthen holistic growth of the sector, quite a few generic schemes have been implemented.

a) **Marketing Support and Service Scheme**: Aims to create awareness about the Indian craft products among the people via marketing events, providing services in the form of entrepreneurship and providing financial assistance to state handicrafts corporations for setting up new shops.

b) **Baba Saheb Ambedkar Hastshilp Vikas Yojana**: Government hopes to develop the handicrafts sector via the participation of craftsperson. It is implemented through social, marketing and financial interventions.

c) **Design and Technology Upgradation Scheme**: It hopes to supply modern tools, upgrade the skills of artisans, revival of rare crafts by offering training along with outsourcing.
d) Export Promotion Scheme: It works for the promotion of export of handicrafts with special emphasis on hand-knotted carpets and floor covering. The main components of this scheme are product development, marketing and also welfare measures.

e) Research and Development Scheme: It aims to get feedback on economic, social, aesthetic and promotional aspects of various craft goods.

f) Training and Extension Scheme: It works in the direction of capacity building.

g) Bima Yojana for Handicrafts Artisans: The Yojana provides life insurance protection to the artisans, either male or female who are in the age group of 18-60 years. It is being implemented in association with the Life Insurance Corporation of India ltd (LIC).

h) Special Handicrafts Training Projects: Under this programme, steps are taken to upgrade the skills of existing and also new craft persons, enhance employment opportunities in the handicrafts sector.

Apart from the above mentioned schemes, Centre has been taking special steps for strengthening the crafts by popularising the products.

Recently, the Export Promotion Council for Handicrafts (EPCH) inked an agreement with Kazakhstan-based Almaty Chamber of Commerce and Industry to raise the Indian handicrafts exports in the Commonwealth of Independent States (CIS) region.

Handicraft clusters in India

India houses about 7200 clusters in the traditional handloom, handicrafts and modern small and medium enterprise (SME) industry sectors. Reports suggest that out of these clusters, 2500 estimated are unmapped rural industry clusters.

According to the Policy and Status Paper on Cluster Development in India, Foundation for MSME Clusters, the induction of new and modern technology is the need of the hour for the development of the sector.

Moreover, most of the Indian clusters, mainly in the handicrafts sector, are small and do not have more than hundred workers. The handicraft exports may reach $3.2 billion in the current fiscal. During 2011-12, the exports touched USD 2.75 billion.

As the global slowdown has impacted the demand for handicrafts in global markets, the textile ministry has decided to exert pressure on the policy makers and also corporate India for the fast adoption of steps to enhance the productivity of handicrafts sector. As 40% of the handicraft sector is consumed domestically and 60% is exported, Indian government is hopeful of 18% growth rate in the 12th Five Year Plan.

CONCLUSION

The future course of action for Indian handicraft sector depends various reasons such as economic crisis, labour crunch, and lack of government policies. The handicrafts sector wants Centre to comprise the sector under the Mahatma Gandhi National Rural Employment Guarantee Scheme (NREGS). As India has seen 10% jump in handicraft exports to touch 497 million in August this year, market insiders are of the opinion that exports will pick up pace in India.

Finally this research shows the clear picture of the status, Importance, and challenges of rural cottage and Handicraft industries, and what are the opportunities available to the entrepreneurs of cottage industries, by the central government, state government and District Industry commission, co-operative society, etc…