India is no exception to the processes of liberalization, privatization and modernization with consequent growth of informalism. The Informal Sector provides opportunities of employment to 330 million workers (93% of the total workforce) in India who are outside the ambit of the organized sector. A significant proportion of the members of this economy are part of a process of rural-urban migration and invariably live in shanty towns characterized by shortage of potable water, poor facilities for sanitation, inadequate drainage and unhygienic living conditions. Given their environmentally degraded habitat, members of the informal economy and their families are prone to recurrent episodes of illness. This marginalized living scenario is generally combined with low literacy levels and poor technical attainments producing a scenario of 'cumulative deprivations.'

Further, the job cycle of informal workers is also characterized by low wages/incomes and frequent interruptions. The overall picture which emerges has strong undertones of "vulnerability." According to Hansenne, "what all informal sector activities have in common is their vulnerability. This is due to the fact that they have to rely as best they can on self-supporting and informal institutional arrangements which operate separately and independently of the institutions of the modern economy." The palatable conditions of Indian informal workers make them an easy target for exploitation by those who employ them. However, if we look in terms of their contribution, about 63% of the value added to the overall GDP of the country can be attributed to the unorganized sector (when urban and rural areas are taken together). 35% of the value addition to the GDP is by the Informal Sector in urban areas. Moreover, the fact that 65% of the total employment in urban areas is characterised by the informal economy. This clearly indicates the importance of this sector to any economy. But at the same time it is equally pertinent to highlight the poor quality of jobs that exist in the informal sector in terms of low wages/earnings, long hours of work, unsafe and unhealthy working conditions, uncertain job tenure and inadequate social security. Although such a vast majority is employed in this sector, yet their lives are insecure, vulnerable and full of struggles. Unfortunately, this informal sector fails to ensure an adequate livelihood to its workers denying them social and legal justice. Inequality, extraction and exploitation are the common grievances faced by the workers engaged in this sector. Such contradictions are a cause of concern thereby generating a debate to make efforts to revamp this sector. A labour friendly atmosphere needs to be created which would liberate the workers from the existing problems of uncertainty and vulnerability. This
requires a close scrutiny of the working of the informal sector in order to explore the possibility of its expansion enabling the accommodation of more workforces by ensuring the labourers with utmost protection and decent working conditions.

Handicrafts constitute a vital sector of Orissa's economy since they require only modest investment in tools, equipment and raw materials while they provide employment to a sizeable segment of the state's labour force. Their production is almost entirely located in the informal sector dispersed over thousands of micro-units in various towns as well as their rural hinterland. A notable feature of Orissa's handicrafts sector is their contribution to Indian exports. Given the high incidence of handicraft units related to the selected crafts in the Golden Triangle Region of Orissa - Bhubaneswar, Cuttack, Puri and Konark - according to the Handicrafts Census conducted by the Directorate of Handicrafts Orissa; the appliqué craft is selected for the sectoral study.

Appliqué has its genesis in the 12th century when it originated as a temple craft. It gained momentum in the 16th century under the influence of Muslims when these ritualistic artifacts were converted into items of status markers possessed by elites. The zenith of its growth was reached in the last quarter of 20th century as a result of the expansion of the transport and communication systems and emergence of Puri as a tourist spot. This craft has also undergone three phases of development - temple craft, royal craft for court decorations and finally popular craft used by the general public, more so in the form of decorative, ethnic items. The crafts reflect the craft heritage of the state through their aesthetic beauty and ethnic value. Simultaneously, they provide livelihood to a large number of artisans who have been in this profession for many generations together as well as those who have entered this sector in the recent past.

Applique craft is also a popular craft with a high employment potential and a flourishing market. While the craft items have established themselves in the global market today, the plight of the artisans who are intensely involved in the preparation of these crafts is found to be quite miserable. Thus, in the present study, efforts have been made to have a deeper insight into the functioning of this craft sector detecting the maladies associated with it and evolving solutions to overcome such problems thereby strengthening it as a leading informal sector, which can assure protection to its workforce.

Objectives of the Study

The broad objectives of the present study are as follows:

- Analysis of the micro-enterprises engaged in appliqué works
- Study of the profiles, problems and prospects of the workers and the entrepreneurs
- Strategies for sustainable development of craft sector

Target Groups

The target groups of the present study are:

- Artisans engaged in appliqué work;
- Artisan entrepreneurs;
- Trader entrepreneurs involved in the production-cum-sale of the said handicraft.

Methodology

The salient aspects of the methodology for the sectoral study are listed below:

1. A sample questionnaire survey based on stratified random sampling was adopted after a
preliminary survey combined with pilot testing. The universe of handicraft workers was determined on the basis of the Census of the State (2001) and the Survey Report of Orissa Handicrafts prepared by the Crafts Council in the early 1990s. The craft concentration areas covered by the study included Pipili, Banamalipur, Bhubaneswar and Puri. A similar procedure was adopted for conducting a sample questionnaire survey for micro-entrepreneurs: artisan entrepreneurs and trader entrepreneurs.

2. Interviews with opinion leaders;
3. Focus group discussions with members of the artisan community;
4. Study of secondary data in reports, books and technical articles; &
5. Observations derived from the Participant Observation Method;

Major Findings

The present study undertakes the following three broad areas with respect to
1. the workers,
2. the entrepreneurs (artisans and traders) engaged and
3. the micro enterprises involved in the appliqué craft

The Socio-Economic Background of Workers

The generic characteristics of the artisans in the appliqué craft sector become reflective through an analysis of the age structure, gender distribution, religious affiliations, caste composition, heritage, marital status, level of education of the sample artisans.

Gender

Interestingly, the sample analysis of the workers in appliqué craft projects that the female workers predominate the craft, as 70%.

Age

Craft workers mostly belong to the age group of 18 to 35 years. Maximum number of female workers (57.14%) is found in the age group 18 to 35 years. Thereafter their number shows a downward trend. No female worker is found in the above 50 years age group. Among the male workers, the maximum numbers are found in the 18 to 35 years age group (42.85%). In the 35 years to 50 years there are 38.1% males and then there is a drastic decline in the above 50 years age group (19.05%). Thus, it is observed that the craft sector prefers and accommodates younger personnel who are taken to be stable and vibrant human resources of production.

Marriage

In the appliqué units, there are 64.29% married workers. Sex-wise distribution reveals that the married male workers (80.95%) have an ascendency over the female married workers (57.14%). Also the mean age at marriage among the female workers in this craft is 19 years while it is 23 years for the men. Religion-wise distribution brings forth the fact that more Muslim workers are married in comparison to the Hindu workers and the mean age of marriage is further descending. Harsh economic conditions coupled with caste or religious norms lead to early marriage among these craft workers and the Governmental stipulation on age at marriage has hardly any deterring effect on them.

Education

Illiteracy and a low level of education is a common feature among the craft workers. But the rate of illiteracy is among the appliqué artisans is 8.57% and from the literate artisans, 47.14% workers are primary pass, 33.14% are matriculates. The incidence of illiteracy is higher among the female workers in comparison to male.
counterparts. Among the appliqué workers 50% of the illiterates are married, 16.67% of them are widowed and 33.33% come in the category of divorced workers. In addition, it is observed that among the illiterates and the primary pass, 74.36% are Muslims. Thus, it can be concluded, that religion and gender have found to be playing a mediating role on the level of education of the workers.

Religion and Caste

Appliqué craft sector accommodates workers from both the Muslim (52.86%) and Hindu (47.14%) communities. Among the Hindus, the OBCs - Darjees predominate the appliqué craft (75.67%).

Inheritance

Crafts in Orissa reflect the cultural heritage of the state. This was substantiated when almost 58.57% of workers in the appliqué units claimed to have learned this craft on a hereditary basis. The rich heritage of the crafts is preserved by specific religious and caste groups who learn this art form their family members and ancestors (75.68% of the Muslim and 39.39% of the Hindu workers).

Skill

The skill acquisition system takes place predominantly through the family in the appliqué (58.57%) craft sector. The role of a master craftsman and the cooperatives in training the artisans is minimal in the appliqué sector being 20% and 21.43% respectively. In these units, skilled status is exclusively accorded to the males and unskilled status to the females. In the semi-skilled status, the females (85.71%) have a numerical ascendancy over the males (14.29%). A correlation between education and the level of skills is observable. Among the skilled appliqué workers, 50% are primary pass and 21.43% are middle pass. Only 28.57% are illiterates. Among the semi-skilled workers, only 4.08% are illiterates. However, the presence of 71.43% matriculates in the unskilled category clearly indicates that the growing problem of unemployment has forced the educated youth to accept unskilled positions in the craft sector. In the craft profession, skilled positions are found to be monopolized by specific religious and caste groups. Of the total skilled workers, 78.57% are Muslims vis-à-vis 21.43% Hindu workers. 13.64% OBCs are monopolizing the skilled positions, giving no chance to the other castes to locate them in this position. Thus, the study concluded that when a craft is professed by a religious or caste group for generations together, higher skills are retained by that particular religion or caste. Age has a positive correlation with skill achievement, in the innovative and manual crafts like appliqué.

Migration History

The craft workers claim Orissa to be their State of Domicile and almost 98% of them are the natives of the craft concentration areas. The remaining 2% of the workers are located in Bhubaneswar and Puri. They migrated out from the craft concentration areas to get better opportunities of employment.

Family Size and Composition

The average family size among the appliqué workers is 5.37. 12.12% Hindu appliqué workers and 40.54% Muslim workers have large families with a membership of more than 8. The females have a numerical supremacy (53.72%) over the males (46.28%) in the appliqué workers households. Every third member in the appliqué households is a child. The share of the working population is 46.28% and almost more than half of the population is dependents. Thus, the study concluded that the average family size is larger in case of the Muslims, SC and OBC households.
as these were traditionally in need of manpower to operate the craft process.

Income

Low income and poverty are the perennial features of the craft workers' households which are responsible for the low level of motivation among the workers. The average per capita income of the appliqué workers amounts to Rs. 900/- per month from their crafts. The average household income of the appliqué workers comes to be around Rs. 1900/- inclusive of all sources. Although this does place the workers above the poverty line as stipulated by the Government, yet it does not free them from the shackles of absolute poverty. Due to the presence of large-sized families, the dependency load is more than 40%, thereby resulting in the persistent problem of unemployment.

Economic Possessions

House: House becomes the most precious possession of the craft workers. The ratio of workers having kutcha, semi-pucca and pucca houses in the appliqué sector is approximately around 6:3:1. The houses are usually two roomed in case of kutcha houses, 3-4 roomed in case of semi-pucca and pucca houses along with narrow corridors, damp courtyards and verandas. The tube wells are present in every fourth pucca household. The women of the remaining households collect the water from the village ponds / common well or tube well. Electricity is available in 20% of appliqué households. On the other hand, in 70% of the appliqué households, illegal electric connections have been taken for which no levies are being paid.

Land: Land holdings of the craft workers are found to be very limited, projecting their marginalized conditions. In case of the appliqué workers, only 10% of the workers are landowners. The average land holding size among the appliqué households is 1.5 acres.

Asset Ownership: Almost all the craft workers' households posses television sets, radios, wristwatches and bicycles. Only 25% of the household are having mopeds, bikes and refrigerators.

Loans and Credit Purchases: Lack of ability to produce collateral securities and non-availability of institutional finances on easy terms discourages the craft workers to incur any loan. Non-institutional finances are intentionally avoided to get rid of heavy interest burden. The number of workers incurring loans was found to be meager with the amount of loan being minimal. The maximum loans incurred have been Rs. 10,000/-. Survival based economy, uncertainty of job and heavy family dependency load discourage the craft workers from opting for credit purchases.

Expenditures Pattern of Craft Worker's Households:

The major expenditure of the craft workers' households is on food which accounts for almost 75% of the total household income. The expenditure on productive economic assets, emergencies and social needs are limited in nature, accounting for 5 to 10% of the total household income. Savings constitute only 5% of the total household income. Moreover, 41.42% appliqué households go without any form of savings. The absence of the concept of savings and the low amount of savings symbolize the poor living standards of the craft workers who lack any insurance against the unforeseen circumstances.

Health Status

Ailments plague about 40% of the appliqué workers. The common ailments include cough, cold, fever, dysentery, diarrhea, body ache, filaria
and leg cramps. The tedious work of the appliqué craftsmen result in frequent eyesight problems. Private medical services are rarely availed by the appliqué workers. They prefer using the Government medical facilities (36.67%). Unfortunately, majority of them go without any medical care (43%) therefore neglecting their health. Low-income, lacks of time, absence of adequate amount of savings are the reasons preventing the craft workers to cater to their health needs.

**Possession of Voter/ Ration Cards:**

60% of the appliqué workers are issued with voter's identity cards which guarantee their nativity. All the craft workers are issued with ration cards enabling them to purchase some basic items of consumption at subsidized rates. Sometimes the workers even sell items like sugar, wheat and kerosene to some grocery shop keepers or lend the cards to affluent people against some monetary benefits illegally.

**NATURE OF WORK**

**Categorization of Workers**

There are three kinds of workers in the appliqué craft sector based on the nature of recruitment, viz., family workers, hired workers at the units and home-based workers. The average number of home-based workers per unit is the maximum (66.24%). The average number of hired workers at the units is 22.34% while that of the family workers per unit is the lowest (3.2%). The hired workers are further categorized into regular managerial/marketing workers, regular craft workers, casual daily wageworkers and piece rated workers. Handicraft workers are also graded on the basis of level of skills into skilled, semi-skilled and unskilled categories with a ratio of 2:7:1.

**Hierarchy of Workers**

The craft enterprises have a hierarchical structure in accordance with the skill gradation system; so as the tasks. The unskilled workers, at the bottom, assigned the works of giving finishing touches to the craft items’ folding and rolling. Marginally above them are the semi-skilled workers who are responsible for the hand stitching of the mudias, kanguras, motifs, chain fittings etc. Above them are the skilled workers whose functions are considered to be quite significant and indispensable for the enterprises; which includes the designing, base cutting, base stitching, and motif cutting tasks. At the apex are the entrepreneurs or managers who sometimes combine the managerial, organizational, supervisory functions along with the designing, preparing and selling the craft items. In a few enterprises, they are assisted by some intermediaries who facilitate the marketing of the craft products within and outside the state. Finally, the role of the wholesalers, retailers and suppliers cannot be lost sight of in the craft enterprises as they initiate the process of production by supplying the raw materials. Though they remain outside the units, yet they are an integral part of the craft sector.

**Craft Profession and Dynamics of Labour**

The reasons for induction into the craft profession are varied, be it a motive to uphold family tradition or to fulfill a passion for creativity or to earn livelihood with no other possible alternatives available. In the appliqué sector majority of the workers (six out of every ten workers) took up this craft to uphold the family tradition. The remaining workers in the appliqué (40%) trades have opted for this profession due to lack of alternative opportunities of employment. The craft workers are found to have switched over from school to the profession without any intermediate occupation. About 90% of the workers in the appliqué craft workers admit the craft to be their maiden profession.
Age at entry into the craft sector varies depending upon the complexity and intricacy of the craft. Half of the appliqué workers undergo an unpaid informal initiation into the craft at their homes right from the age of 10 while the remaining are introduced to the craft at the units after the age of 14. About 10% coir workers join the units around the age of 10 while the rest join after the age of 14.

The initial functional position accorded in the craft units vary from craft to craft, and also based on age and ability of the workers. 80% of workers join as unskilled and 20% as semi-skilled in the appliqué units.

Skill Upgradation is not an easiest way in the appliqué sector, 80% of the workers are stuck at the semi-skilled grade with the remaining 20% taking 3-5 years to reach the skilled position. Of course, gender, religion, caste has an impact on their promotion.

Inter-unit mobility is rare in this craft sector as only one tenth of the workers opt for it. Lack of job opportunities, feelings of insecurity and above all no prospects of a higher income and better working conditions prevent the craft workers to leave their original units.

WORKING CONDITIONS

Working Days

There are no fixed working days ensured for the workers in the craft sector and variations exist on the basis of nature of recruitment and level of skills. In an appliqué unit, all the regular managerial and marketing workers, family workers and regular craft workers get work for more than 25 days. 50% casual daily wage workers, 46.15% piece-rated workers at units and 4.35% home-based piece-rated workers work between 21-25 days. The majority of the home-based workers (73.91%) get work only for a period of 15 days whereas 15.38% piece-rated workers at units work for 15 days. Analyzing from the skill angle, one finds that 50% skilled workers work for more than 25 days while the remaining work for 21-25 days. 6.12% semi-skilled workers work 21 to 25 days while 59.18% of them and 100% unskilled workers work for a period of 15 days. In general, 10% workers in the appliqué units, work for more than 25 days in a month.

Working Hours

Craft units normally operate between 9 a.m. and 5 p.m. with a one-hour lunch break. The regular & the daily wage workers work for about 7 hours while 90% of the piece-rated workers forego their lunch break. About 78.26% of the home based workers work up to 3 hours a day to deliver the supplies on time.

Overtime Work

Overtime work is allotted to 7.14% of the skilled appliqué workers in the tourist rush seasons (October - February), on the eve of exhibition sales and when a huge order is placed before the unit. However, overtime work does not yield a substantive income in the craft sector. Payment for it is not made according to the stipulations of the Labour Department, but is done so on the basis of the extra pieces prepared. The rates are pretty low ranging from Rs.25/- to Rs.40/- per piece.

Leave

Forms of leave are limited in the craft sector and they exclusively apply to the regular, managerial, craft workers and family workers. The other categories go without any payment. The appliqué craft units remain closed on the last Tuesday of each month at Pipili and the Second Saturday of each month at Bhubaneswar and Banamalipuri. Provisions of medical and maternity leave are totally absent in this craft sector.
Working Environment

The workspace is absolutely neglected in the craft sector failing to ensure the basic amenities to the workers. In addition, the cyclonic devastation has led to a further deterioration of the worksites in the craft units. 74.28% workers in the appliqué sector work in congested thatched sheds while 46% thrive without any provisions for electricity. The home based workers work under miserable conditions while the 10% managerial staff along with the regular craft workers work in well ventilated, electrified rooms with the availability of drinking water. The piece-rated workers at the units and home based workers sit on the ground and work.

Income

Income variation is a common phenomenon in the craft sector emerging out of skill gradation system and gender discrimination. A male casual daily wageworker 3.20 times more wages than a female casual, daily wageworker whose average monthly wages happens to be Rs. 672/-. While a female home based piece-rated worker is entitled to an average wage of Rs.525/- per month, a male appliqué worker of the same category gets 3.69 times higher wages. The income discrepancy marked on the basis of skill is given below. Females, in general, get very low wages in the appliqué sector, which amounts to Rs.17.83 - Rs.38 per day. However, the average wages for the males ranges between Rs.54/- to Rs.85/- per day.

Wage Hike

Wage hike is not a common phenomenon in the craft sector. Discriminations and whims and fancies of the entrepreneurs condition the wage hike. The unorganized craft sector and the non-implementation of wage legislation provide a free hand to the entrepreneurs to use the cheap labour of the workers and to exploit them. This becomes a constant source of complaint among the appliqué workers who see no prospects of wage hike for even a period of 3 to 4 years. The availability of cheap labour in the appliqué sector restricts the bargaining power of the workers and their voice for a wage-hike.

Fringe Benefits

Fringe benefits are provided in terms of a pair of dress to the Hindu regular workers on the eve of the Dusshera and to the Muslim regular workers on the occasion of Id only in case of the profit making appliqué units. Festival advances ranging from Rs.100 to Rs.350 (which is recovered in due course by the entrepreneurs) are ensured to the workers and this too is limited to the regular workers who constitute 10% of the total workforce. The casual, daily wage, home-based workers enjoy no work benefits.

Relationship among the Workers

Relationship among the workers takes a very bad shape when there is a surplus of labour and the bargaining power of the workers is curbed by their fellow workers who make a lower bid to substitute their predecessors. This phenomenon is marked in this craft where every second female worker expresses her apprehension of losing her job due to the infiltration of new workers from distant places like Begunia, Nayagarh, Daspalla and Bolagarh every week with the constant effort of convincing the entrepreneur to deliver the jobs with minimum wages.

Retention of Wages

Retention of wages is a common phenomenon in the appliqué units where losing workers with the transfer of designs is always apprehended by the entrepreneurs. Deferred payments in the appliqué units ultimately culminate in the retention of 5-7% of the wages in case of
¾ of the workers while it escalates to about 10% for the remaining ¼ of the workers. The uncertainty of jobs without any legal protection prevents the workers to challenge this unhealthy practice.

Legislative Protection

The artisans in the craft sector fail to get any legal coverage and administrative back up to protect their interests. The general perception amongst the Labour Inspectorate staff in Orissa is that the production of handicrafts falls in the cottage industry sector and, therefore, Acts such as Factories Act and Shops and Commercial Establishments Act are not enforceable but the factual position is that in case piece rated workers and home based workers are taken into account, many of the workshops where handicrafts are manufactured would have workers exceeding 20 without power and exceeding 10 with power. As such, the State Government will have to take a view. It would be pertinent to point out that in many of the handicraft workshops, the manufacturing and selling process operate side-by-side within the same premises. Some of the comparatively larger units also have their own small show rooms. Other major acts like the Industrial Dispute Act of 1947, the Trade Union Act of 1926, the Standing Orders Act of 1946, the Minimum Wages Act (1936), the Orissa Industrial Establishment (National and Festival) Holidays Act (1969), the Equal Remuneration Act (1976) which can be made applicable to this sector, have not yet been implemented thereby providing an upper hand to the entrepreneurs to exploit, extract and discriminate their workers according to their whims.

Trade Union

The study results confirm that there are no strong trade unions operating among the workers in the craft sector. The prevention of the workers to unionize themselves, the lack of strong leadership among the workers and finally, the absence of courage among the workers stop them from forming and sustaining a union. But the appliqué workers express their feelings for the need of an association to manifest their collective identity and to place their collective demands before the entrepreneurs. To them, a strong associational framework can make a direct negotiation with the entrepreneurs to give them a handsome wages, resist retention of wages, harassment and exploitation. The union can also provide functional literacy and skill up gradation programmes for the unskilled, semi-skilled workers and advanced training camps for the skilled ones. The workers too expect their union to negotiate directly with the Government and private organizations allowing them to attend fairs, exhibitions and training camps outside the state.

Social Security and Attitudinal Orientation

High degree of indispensability of a craft worker to the entrepreneur and his consanguinity bond to the unit owner make the social protection higher and attitudinal orientation better towards him in the craft sector. In the appliqué sector, 57.14% of the skilled male workers evaluate the attitude of the entrepreneur towards them as commendable or satisfactory while 28.58% skilled workers evaluate it to be unsatisfactory. Furthermore, 14.28% of the skilled workers go to the extent of labeling the attitude as deplorable. The conviction of the entrepreneurs that the women lack the appropriate skills and they do not have the propensity to leave the units irrespective of harassment fail to make them sympathetic towards the female workers. Only one fifth of the workers who are regular skilled males admit their entrepreneurs to be approachable while one tenth among them gets some actual help.
However, social security and protection is best ensured to the workers due to kinship factors play the key role in generating an employer-employee relationship. Regular wages, monetary help at the time of emergencies, leave with pay, appreciation for fine work followed by hike in wages, sharing of profit with the workers and regular outside state visits which are denied to the workers which make them feel quite secure in this craft profession.

Aspirations of the Craft Workers

All the craft workers are overwhelmed with their craft preparation process but highly unsatisfied with their earnings. Almost all the workers visualize no alternative to their craft profession and about 90% of them do not want to leave their native places to which they are deeply attached. Advanced training camps for skill up gradation, improved worksite conditions and Governmental interventions are desired by 80 % of the workers which in turn would enable them to increase their productivity and income in the craft sector. Getting Social and Economic Justice is their immediate demand. A high number as 90% of the workers do not want the craft to be a source of livelihood for their next generation by transmitting it to their next generations.

Child Labour

Family needs and necessities compel children to join the craft units as child labourers. All the child labourers are school dropouts but 20% of them still preserve a strong fascination for education. In the appliqué sector, mothers and elder sisters socialized the younger girls at home about the craft techniques and in turn these girls supplement the labour power without any form of payment. 80% child labourers in the appliqué workers' homes enjoyed their participation in the craft preparation process. But they never appeared in the units until completion of 14 years of age. All of them supplement the family income by contributing their entire wages and keeping nothing for themselves.

Micro-Enterprises Engaged in Applique Trade

The micro enterprises engaged in the appliqué trade organize the artisans to prepare the craft items. They become relatively visible when they have their units and showrooms on the roadsides or in the city centers. But they remain invisible and fail to capture the attention of the craft lovers when they have a remote rural set-up. The appliqué crafts have their local concentrations on the way from Bhubaneswar, the capital town of Orissa, to the holy town of Puri. By so, they have been able to draw attention of the local, national and international tourists. Their craft products have allured the customers, but their operational problems and their prospects have seldom been analyzed, to understand their success or failure where a large number of workers engaged, the economic prosperity, viability and continuity of the aesthetic and ethnic traditions of the state.

Essentially there are two types of entrepreneurs in the craft sector - artisan and trader. The artisan entrepreneurs, constituting only 10% of the total sample entrepreneurs, prepare the craft items by employing people to deliver certain orders made by some outside traders who supply them capital and raw materials and make the payments according to a pre-fixed rate. On the other hand, 90% of the entrepreneurs are trader-entrepreneurs who organize their own resources and take up the marketing responsibility of their products as well.

In the appliqué sector, the increase in the demand for the products has witnessed the conversion of many family units into micro enterprises. Such conversions were initiated in the
1970s when 40% of the units had been established. By the 1980s, the remaining 60% of the units emerged as micro enterprises. In the mid 1980s, about 80% of the units registered themselves with the DIC. Around 10% of the sample appliqué units are located in rural areas, 60% of them are in the semi-urban and 30% of them are in the urban centers. Majority of the appliqué units (88%) are operational in the household premises of the entrepreneurs. The infrastructural buildings of these appliqué enterprises are basically semi-pucca (60%). About 32% units are in pucca establishments with only 8% units still being operated in kutcha buildings.

THE ENTREPRENEURS IN APPLIQUE CRAFTS

Gender composition

The unit owners are predominantly males. The numerical ascendancy of the male owners over the female owners in the appliqué trade is very well manifested (84% male entrepreneurs and 16% females).

Age Structure

Some of the entrepreneurs are found to be less than 30 years of age. No women entrepreneur is found in the less than 30 and above 50 years age groups.

Religion, Caste and Inheritance

Inheritance of the units in the craft sector is a common phenomenon in case of certain religious and caste groups which have been professing these crafts as a means of livelihood for generations to come. In the appliqué trade, every second entrepreneur is found to have inherited the unit. There is a slight variation in the number of unit owners in terms of religion. Hindu unit owners (48%) are less than their Muslim counterparts (52%). Furthermore, among the Hindus, it is the OBCs (66.67%) who have the lion's share. Poverty and illiteracy are found to be the major reasons, which prevent the development of entrepreneurial aptitude among the Scheduled Caste and Tribe people. Thus, it is observed that the entrepreneurs appear as the second or third generation unit owners rather pioneering entrepreneurs.

Level of Education

Majority of the entrepreneurs in the craft sector are found to be managing their units with a low level of education. Very few are equipped with a higher level of education. 28.57% male appliqué entrepreneurs have a maximum level of education up to the undergraduate level while 25% and 50% female appliqué unit owners have a postgraduate and a graduate level of education, respectively. This trend emerges when the city based educated girls launch their craft units to gain economic self-sufficiency. The study found that level of education becomes low due to the poverty-ridden conditions of the families, early marriage among the women and the absorption of young boys into the already established businesses.

Training

Formal training, which is an urgent requirement for the success of an entrepreneur, is visibly absent among the entrepreneurs. Interpersonal training instead of Institutional training equips them with only craft related knowledge whereas they lack the business related knowledge like marketing, advertising, demand survey etc. In the appliqué trade, family members play a significant role in imparting training to their successors as 84.62% entrepreneurs are trained by the family members about the craft techniques. 15.38% of the appliqué entrepreneurs who are females have undertaken training at the Mahila Vikash Samabaya Nigam, other cooperatives and
by NGO initiatives, which explains to them the technicalities, involved in managing the units.

**ORGANIZATIONAL PROFILE OF THE ENTREPRENEURS**

**Craft Products**

The appliqué craft items have both utilitarian and decorative uses. The items are wall hangings, bags, centre-pieces, tea-pot covers, dining table covers, bed-spreads, letter holders, folder files, garden umbrellas, lamp shades dresses, alatas etc.

**Material Inputs**

The material inputs vary on the basis of the specific items they produce. Their quality and quantum vary on the basis of the size of the units and their targeted annual turn over rates. The basic raw materials used in the appliqué units include different varieties of cloth which can be cotton, synthetic, velvet, water proof, poplin, organdi etc. and their width varies from 36" to 52". The price ranges from Rs.12/- to Rs.170/- depending upon the quality. The investments made on the purchase of cloth by the units vary from Rs.50,000 to Rs.1.5 lakhs annually depending upon the product range and the quantity of production. The accessories required in the appliqué units include laces, threads, aluminum frames, card boards, bamboo-sticks, round iron frames, mirrors, mudias etc. for which the units usually invest from Rs.30,000 to Rs.1.5 lakhs per annum. The units usually procure their raw materials from suppliers who are outside the craft concentration areas. This in turn entails a physical and a financial strain on them.

**Craft Process**

The craft processes are always complicated, long, drawn-out and multi-staged in character. The various stages involved in the appliqué craft include the designing, cutting of the base cloth, putting the inner support, stitching of the motifs onto the base, preparing the triangular figures called kanguras, stitching flowers along with mirror fittings, machine stitching of the pieces, stitching them by hand on to the base, fixing of the card boards, chain-stitching and mounting on aluminum bases. The six types of stitches made use of in the appliqué craft are Bakhia, Taropa, Gandhi, Chain, Button-hole, Ruching.

**Machines, Tools and Accessories**

The machines used in the appliqué enterprises include sewing machines of "Merit" and "Usha" brands, scissors, tapes, stools, pencils, chalks, needles etc. only 30% of the sewing machines use are electric motore driven and the rest are operated manually.

**Key Role Players in the Craft Units**

The craft units witness a hierarchy of workers located on a gradational system based on their levels of skills, gender and work allotment pattern. These gradational variations entitle them to different wages. The different types of workers are the Regular Managerial / Marketing workers, Family workers, Regular Craft Workers, Casual Daily Wage Workers, Piece-rated Workers at Units, Home based Piece-rated Workers. While the regular managerial/marketing workers are exclusively males, the piece-rated workers at the units are only females. Female workers do not get the skilled status. They are basically recruited as semi-skilled and unskilled workers. The various tasks allotted to them include semi-skilled functions such as hand stitching of motifs on the bases, chain fittings, frame fittings, making kanguras, machine stitching of small base pieces and mirror fittings, and the unskilled jobs such as preparing flowers, pullis and chinas, cutting the extra cloth/threads & folding the finished products. It is the males who do the crucial tasks like designing, cutting the base and motifs, machine stitching, marketing etc. and therefore
monopolies the skilled status. The appliqué units are operated mostly by home-based workers (average number is 66.24 per enterprise) and 56.16 of them are females. The regular managerial/marketing workers are confined to the larger units with their average number being 1.2. In the units, piece-rated workers predominate (average number of 9.1). Even if female workers are found to be more in number in the appliqué units, they are discriminated against in terms of wages vis-à-vis the male workers who earn three times more wages than them.

**Capital Investment Pattern**

In an appliqué unit, out of the average fixed capital invested 38.11% is spent on land, 43.59% on buildings, and 8.52% is on tools and appliances and 9.78% on furniture and fixtures. The average working capital invested in an appliqué unit is valued around Rs.2,00,000/- per annum out of which 16.96% is the value of the raw materials, 14.79% is the value of the semi-finished goods, 10.66% is the value of the finished products and the rest 57.59% remains as cash deposits.

The finances are arranged through borrowing only in case of 68% of the units while in case of 32% of the units, it is combined with self-financing and financing through the traders and middlemen. Public sector banks play an important role in financing the appliqué entrepreneurs by providing loans to 80% of the enterprises. The cooperatives and the regional rural banks finance limited number of entrepreneurs (12% and 8% respectively). 52% of the units are found to have incurred loans up to Rs.1 lakh, while 20% of the units have taken loans between Rs.1 lakh to Rs.3 lakh and 28% units have taken Rs.3 lakh to Rs.5 lakh loans. However, the units are facing major problems in making the loan repayments at an interest rate of 13.5% per annum. What they require are softer loans enabling them to expand and modernize their present units.

The input-output analysis of the appliqué enterprises convey that the major part of the expenditure is done on the purchase of raw materials (44.37%) followed by wages (30.97%), shop maintenance (12.32%). Loan repayment amounts to 7.89% of the total expenditure. The average cost of production per annum of an appliqué unit is around Rs.2,00,000/-. The average output of these units is estimated to be Rs.3,10,000/- and the average profit is around Rs.1,10,000/- per annum.

**Market Situation**

The market situation in the craft trade is very tight, competitive and fluctuating. Though the appliqué trades which have penetrated into the national and international markets as a result of their wide range of products having aesthetic and ethnic values, a major share of the trade is confined to the local or state markets. The distribution of products in terms of clientele for the appliqué crafts are - National Tourists - 38%, International Tourists - 23%, Urbanites - 36% and Rural Consumers - 3%.

The appliqué units depend on show-room sales, exhibitions and order based sales to market their products. The lack of governmental support for the promotion of markets of the craft items, absence of advertisement at public places, absence of brand names, unavailability of roadside showrooms, lack of innovative ideas in product designing fail to secure good markets for the craft items. The desperate sale of craft items on a credit basis, the commissions demanded by the marketing agents in the promotion of certain units, the lowering of prices of the products by certain units by sacrificing the quality, create major problems for the craft entrepreneurs. Fluctuation in the market situation is marked with a sudden reduction in the number of tourists to the state, in the cancellation of exhibition trips to other states.
and a large number of products remaining unsold. Finally, the lack of proper education among the entrepreneurs and their heavy dependence on intermediaries limit their profit margins. The market situation is subjected to constant fluctuations with heavy competition to market their products and it becomes very difficult for the small units to survive in the competitive scenario. They are sometimes compelled to reduce the prices of the commodities to avoid stocking of items and to arrange their working capital.

**Pricing and Profit margin**

The entrepreneurs take the costs of the raw materials, labour, establishment and transport into consideration for fixing the prices of their products and the expected profit margin on the small items is around 7-10%; on medium sized items it is between 11-25% and on large sized items it ranges between 16% and 30%.

**The Output and Sale values of the Units**

The craft units fail to estimate the quantity of commodities produced by them per annum and they have given the values of the products produced, sold and unsold from which an average has been calculated.

**Entrepreneurs’ Perceptions of the Future of the Craft Enterprises**

40% entrepreneurs in the appliqué trade perceive the future of their enterprise as bright, but the rest entrepreneurs seem to be quite pessimistic regarding the future of their trade and they feel it is not easy to survive over a sustained period of time with their trade as a primary occupation.

**Expansion Plans of the Craft Entrepreneurs**

About 88% appliqué entrepreneurs have their plans for expanding their units. 12% appliqué entrepreneurs propose to buy land, 68% to construct pucca buildings, 40% to open showrooms and 88% to buy new machines in order to increase their productivity. But for these expansions they need external financial support, which is quite difficult for them to arrange.

**Organisations among the Entrepreneurs**

The appliqué entrepreneurs do not have any form of association to protect their interests. However, all the craftsmen are interested in forming a union or association to safeguard their trade interests and to promote the craft sector.

**STRATEGIES FOR INTERVENTION FOR SUSTAINABLE DEVELOPMENT OF APPLIQUÉ CRAFT SECTOR**

Too also the suggestive measures are of three pronged and deal variedly with respect to the craft workers, entrepreneurs and micro-organizations in the appliqué craft sector.

The study on the craft workers projects the appalling conditions of the artisans who fail to get an iota of social and economic justice. Discriminations, uncertainties, insecurities, exploitations, and apprehensions haunt their lives. While there is enough appreciation for their creative abilities, no heed is paid to the abject conditions of these artisans. The insights, which have emerged through the present study, project the need for certain strategic interventions to alleviate the conditions of the artisans by ensuring them a basic minimum standard of living.

1. **Ensuring minimum days of work and wages to the craft workers** - Uncertainties in the craft sector stem from limited number of working days guaranteed to the workers according to the whims and fancies of the entrepreneurs. This should be done away with by making a legislative prescription to guarantee at least 20 days of work in a month to all the workers in a unit, irrespective of their skill level.
and nature of recruitment. Simultaneously, in order to ban exploitation, the Labour Department or the Directorate of Handicrafts should prescribe the parameters of judging the skill levels of the workers and stipulating the commensurate wages for each skill level.

2. **Improving the working conditions** - The worksites need to be made more spacious, well-ventilated, with good lighting/drinking water facilities and toilets. These provisions should be examined by the DICs before allowing a unit to operate and to register. The workers of all skill levels should be given adequate facilities in the units in order to discharge their duties.

3. **Introducing limited days of paid medical leave and maternity leave with retention of jobs**: Suitable legislations must be brought forward to provide earned leave on medical or maternity grounds for a minimum number of days, to the craft workers, so that they do not lose their wages when it is needed most or fear losing their jobs.

4. **Insurance against death and disability**: Social protection for the craft workers is absolutely absent. A Life Insurance Scheme needs to be introduced for the craft workers at a minimum premium. As a result, their lives would be insured and in case of death or disability their families would be entitled to some form of monetary compensation.

5. **Creating Craftsmen Fund and Mobilisation by the Local Banks for Saving**: Craftsmen Fund can be introduced in the craft concentration areas where each craftsman can contribute at least Rs.20/- per month. This would entitle him/her not only to get some interest but to get some loans on easy terms at times of need. The concept of savings is absolutely absent among the craft workers. The Regional Rural Banks should come forward to mobilize the workers to save and develop a thrift habit. This will help them to use their own money at times of need without depending on others, especially the entrepreneurs.

6. **Legislative Protections for the Craft workers**: Apart from the legislations to ensure minimum days of work and minimum wages to the craft workers, stringent legislations should be implemented to prevent the unauthorized retention and deduction of payments due to the workers. This will ensure that the workers get their payment on time. All the existing laws like the Equal Remuneration Act (1976), The Orissa Industrial Establishments' (National and Festival) Holidays Act (1969), The Trade Union Act of 1926 have to be extended to the craft sector too. Special laws need to be evolved in order to regulate the work conditions and terms of payment of the home-based and family workers.

7. **Registration of the Workers By the DICs and Issuing of Identity Cards**: To keep a check on the unauthorized entry of the workers and to put an end to the growth of surplus labour which curtails the bargaining power of the existing labour force thereby making their labour power cheap, the DICs should come forward to register the craft workers in the craft concentration areas. Years of practice of the craft as well as skill achievement should be made the parameters to issue an identity card to them. Only the identity card holders should get recruitment in the craft units. This would limit the entry of unskilled newcomers thereby not endangering the continuity of the existing workforce.

8. **Health Programmes**: Poor health conditions, lack of time to access the Government hospitals and lack of money to get good private health services plague the craft workers. Occupational hazards along with common diseases impair their productive capacities. Thus the immediate requirement of good doorstep...
healthcare facilities for the poor workers should be on avial. Health camps and monthly health checkup by some Government doctors in the craft concentration areas with the provision of free medicines can solve many health problems of the craft workers.

9. Formal and Informal Education Programmes: A low level of education is a common phenomenon among the craft workers and an antecedent to their miserable condition. This calls for the imparting of non-formal education in their free time. Primary knowledge of numbers and alphabets will enable them to keep a record of their dues which they have to get from the entrepreneurs and make them aware of their condition, improve their access to the local authorities (ALOs) and give them courage to be mobile to the near by town areas to have better and improved communication skills.

10. Sensitization of workers with respect to the Labour Legislations: The major reasons of exploitation of the craft workers emanate from their lack of awareness of the existing labour laws. Therefore Labour Laws Awareness Camp should be organized in regular intervals to sensitize the workers to a number of labour laws which included the Minimum Wage Act of 1948, the Orissa Industrial Establishment (National and Festival) Holidays Act (1969), the Payment of Bonus Act (1965), Equal Remuneration Act of 1976, and they will be advised to lodge complaints in cases of non-compliance.

   The micro-enterprises engaged in the appliqué craft trade undoubtedly contribute significantly to the State Economy by generating an income and creating employment opportunities for a large number of people. But even today, they are subject to negligence and their grievances have rarely been focused upon. So, the following recommendations have been made in a bid to improve the conditions of these craft enterprises.

1. The craft enterprises should be registered by the Municipal or District Authorities with all details and an annual list of them should be prepared by the Government.

2. The entrepreneurs engaged in this trade should be given adequate and free 'Entrepreneurship Development Training' in the craft concentration areas to equip them with the business related aspects along with the craft related knowledge.

3. A minimum level of free and compulsory education till the Matriculation Level should be imparted to the craft entrepreneurs to provide them better communication skills enabling them to deal efficiently with the customers. Night schools / Adult Education Centres / Programmes under Distance Education Schools should be organized with the help of local NGOs.

4. More women should be inspired to enter the craft trade making them self-sufficient with the help of Self-Employment Schemes of the Government.

5. Raw material depots should be opened in the craft concentration areas to reduce the financial strain on the entrepreneurs.

6. Common Facility Centers can be set up by organizing the entrepreneurs, which would enable them to purchase a few costly automated machines thereby reducing drudgery of the workers. These machines can be hired and shared by all the entrepreneurs.

7. The craft traders should be given assistance on new designs through the NID, NIFT. The Directorate of Handicrafts and Cottage Industries and the NGOs should serve as a via media between the entrepreneurs and the Designing Institutes and should transfer the technology to the craft clusters.
8. Easy credit facilities should be ensured to the craft entrepreneurs by the financial institutions. The Government should try to provide financial support through various self-employment schemes to the craft entrepreneurs.

9. Marketing of the products is the biggest grievance of the entrepreneurs today. Roadside showrooms should be leased to them at a minimum charge enabling them to display and sell their products. The Government Emporia should come forward to provide publicity and attract customers to buy the handicraft goods. They should also try to promote the enterprises on genuine principles and curb the role of the intermediaries involved in marketing the craft items and appropriating the profits.

10. Incentives should be given to the craft entrepreneurs to attend more fairs and exhibitions in order to market their products.

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