

THE CARPET INDUSTRY'S CONTRIBUTION TO INDIA'S ECONOMIC

Dr. Vibha Singh

Assistant Professor Department of Commerce and management, Lucknow Public College of Professional Studies, Lucknow, U.P.

The Indian carpet industry is now in a difficult state, particularly in the hand knotted carpet sector. On the one hand, the carpet business is dealing with the effects of the recession, while on the other, there is a severe scarcity of trained weavers. As a result, the cost of manufacture has risen, but purchasers demand the carpet at a lower price.

The sector, which used to make a lot of money in foreign currencies, is now struggling for its survival owing to rising raw material prices and weaver salaries.

The purpose of this article is to examine the impact of the global financial crisis on the carpet sector in India, with a focus on Uttar Pradesh. It also examines the carpet industry's methods for mitigating the consequences of the economic downturn.

Keyword- Carpet Industry, Growth and Economy,

History of Carpet Industry in India

Carpet is not a cultural item in India, but rather an act of importation. This art was brought to India by the Mughals from the Persian and Turkish lands. Since then, this elaborate and nuanced art has been an integral part of Indian culture. The certainty of carpet provenance would always be cloaked in uncertainty.

With the fall of the Mughal Empire, Indian handicraft suffered a setback in the nineteenth century. English and European countries regulated the local carpet workshop. For the first time, Indian handmade carpet garnered international notice and acclaim during the Great London Exhibition in 1851 for its acceptable quality, orientated design, fine weavers, and rich colour combination (Gito and Kumar 2011). The feel of carpets varies depending on the quality of wool used in their manufacturing. Northern carpets are smooth and lustrous, whereas southern carpets are opaque and harsh.

Introduction of Carpet

The origins of carpets are unknown; however it is They were tightly tied to shield the people from harsh weather. It met their initial goal of avoiding immediate touch with the earth.

Such carpets are said to have originated as primitive types of floor coverings similar to what we see now. The earlier forms of the painted tents of the nomadic lifestyle were specimens, uniquely coloured and decorated with the specific types of themes and established beautifying techniques. Since ancient times, the art of carpet weaving and its commercial manufacturing has been practised in Iran, then Persia. During the Islamic era, Persia became a key centre for carpet manufacture and export (8th century A.D. On ward). Iran's Azarbaijan Province, Tabarestan, Khorassan, Sistan, and Bukhara were among the major hubs of carpet manufacturing and shipped over 600 carpets to the courts of caliphs in Baghdad each year while paying taxes to the Khalifa of Baghdad. Because of their distinctive designs and themes, these carpets are in high demand among buyers in Europe

Volume-20, Issue-02 (July-December) 2024

(UGC approved Multi-disciplinary Peer-Reviewed Journal)

UGC CARE LIST since 2017 under UGC Social Sciences Approved Group Journal

313



Principal

Lucknow Public College of Professional Studies
Vinamra Khand, Gomtinagar, Lucknow

and the Middle East. Persian carpets were produced to a 232 knot/in² density using high grade wool and, in some cases, silk.

Indian Carpets

These were created solely to create unique pieces of decorating and furnishing. Originally, the woven carpets displayed the typical Persian style with beautiful knotting. Carpet weaving design and art has evolved over time. Jahangir, Akbar's son, governed and promoted the use of flowery carpets. His love with botanical aspects such as floral traits resulted in a diversity of herbal species that were brilliantly expressive on carpets. He established other workshops, and this art form reached its pinnacle of popularity.

They are one of the most distinctive works of art, marked primarily by an exclusive, intensely perceptive palette of pink, yellow, green, and light blue. Such hues work well when combined with the traditional bluish red known as lac red. This vivid red has been often utilised for field grounds on carpet. The Persian style is evident in the lifelike and flowery motifs with animal figurines and epic hunting scenes on the carpet.

Carpet weaving was established in India in the 16th century, and Indian carpets are in high demand in worldwide markets. In the country, the handmade carpet business employs about 20 million employees and craftsmen. India now ranks top in carpet manufacturing and exports. The country manufactures a broad selection of low, medium, and high quality handmade carpets and other floor coverings.

Jammu and Kashmir, Himachal Pradesh, Haryana, Punjab, Madhya Pradesh, Rajasthan, Gujarat, Kerala, Andhra Pradesh, Telangana, Odisha, Uttar Pradesh, and the North-Eastern states are the primary carpet-producing states in India.

Methodology

The material in this study is derived from secondary sources. Secondary data was gathered from both public and unpublished sources, including district industrial centres (DICs), the office of the Carpet Export Promotion Council (CEPC), and circulars and journals issued by researchers and experts from various departments and institutes in India. Data was analysed using a basic percentage approach and displayed in statistics tables and graphs.

Market Overview

Carpets and rugs are popular ornamental home flooring materials in both residential and commercial settings in India. Urbanization, expanding building, fast development in the middle-class population base, need for well-equipped furnished houses, lifestyle changes, and increased expenditure on home furnishings and interiors are the primary drivers driving demand for carpets and rugs in India. The need for decorative and ornamental rugs, rather than carpet floors, drives the country's growth.

Another key element fueling the rise of carpets and rugs in the residential and non-residential categories is the expanding building industry. Carpets and rugs are primarily viewed as materials that alter the structure of a space by offering comfort, warmth, and softness. In the market, several types of rugs are desired, including bedroom rugs, living room rugs, shag rugs, office rugs, wool rugs, braided rugs, and other flooring rugs. Carpets created from innovative fibres such as jute,

Volume-20, Issue-02 (July-December) 2024

(UGC approved Multi-disciplinary Peer-Reviewed Journal)

UGC CARE LIST since 2017 under UGC Social Sciences Approved Group Journal

314

Amit

Principal

Lucknow Public College of Professional Studies
Vinamra Khand, Gomtinagar, Lucknow

linen, hemp, and mixed materials are popular in the market. With a rise in environmental concerns, market buyers are exhibiting interest in carpets and rugs created from recycled raw materials, garbage, used and rejected items.

Initiatives of the Government

India organizes local and international trade shows and expositions on a regular basis to promote handmade carpets and give a platform for the country's exporters. The Indian government provides many facilities and incentives to assist handloom weavers and craftspeople. The Indian Ministry of Textiles has signed many memorandums of understanding (MOU) with the Ministry of Skill Improvement and Entrepreneurship for the development of handloom weavers' skills. In addition, subsidized loans and handloom setup subsidies are available.

A Worldwide Leader in Handmade Carpet

India is becoming the undisputed leader in the international handmade carpet business. For its delicate beauty, eco friendliness, and beautiful bright colour artistry with a human touch, India's tradition of handmade carpet has been acknowledged globally, with a commendable share in global exports.

The Art and Craft Production Process

Once the dyed yarn is available, the designers make carpet designs by hand or using a computer-aided design (CAD). These patterns serve as a model for the manufacture of various sorts of carpets. For hand-knotted carpets, a warp frame is built. Hand-knotted carpets made of silk and wool are the most precious. The weaver skillfully ties these carpets under the tight supervision of the master weaver. Tufted Carpets are made by stretching pre-woven cloth on a tufting loom. Tufted carpets are comparatively easy to make since the yarn is tufted at a high frequency using a tufting instrument. Hand-woven carpets are woven directly on handloom-like textiles.

Dyed or prefinished natural yarns are utilised for all sorts of carpets. Handmade carpets undergo latex fixing, backing, cleaning, sheering, finishing, and inspection before they are ready for export shipping. India has one of the most diverse selections of handmade carpet designs, weaves, structures, and methods. The collection includes hand-knotted, hand tufted, and hand-woven carpets, area rugs, kilims, and durries, each with its distinct manufacturing technique.

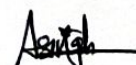
Training and Development of Skills

Hand-made carpets, which have a high socioeconomic relevance, are continually growing and supporting their human and material resources, which are essential for their long-term existence. Foreseeing this, CEPC, in collaboration with the Indian government, assures and supports every effort toward eco-friendly and sustainable production process assistance.

This includes, among other things, several skill development programmes for working artisans and craftsmen, attracting managerial talent and educating them in modern production techniques, introducing modern designing concepts on CAD, initiating efforts to set up regional common effluent treatment plants, and improving quality and consistency management infrastructure.

Importance of Carpet as Product

Carpets are one of the most popular types of flooring in both homes and workplaces. Carpet is mostly used to adorn interiors and to improve thermal comfort in the areas where it is used. It



Principal

decreases heat loss via the floor and relies on the idea of trapping air to reduce convective heat transfer to achieve its outstanding thermal insulating characteristics. It keeps warm air for longer in colder climes or seasons, which is a key benefit in our energy-conscious society. Aside from providing an eye-catching appearance, luxurious feel, and walking comfort.

Human activities that last a long period on a hard floor surface, such as walking with a heel strike and postural sway caused by body inertia, cause discomfort in the lower leg, ankle, and foot. Carpet compressional behaviour aids human activities by minimising the effect of heel strike while walking and assisting in the regulation of postural control in standing situations to detect firmness.

Uttar Pradesh Carpet Industry Swot Analysis

The Uttar Pradesh carpet business is a one-of-a-kind industry. It is disorganised and lacks adequate channels. Nonetheless, it has demonstrated outstanding performance in the past. SWOT analysis will reveal the value drivers and roadblocks in this market.

Strengths

1. **Innovation:** One of the key strengths of Uttar Pradesh carpet weavers is their ability to innovate in the weaving and design of carpets. Because carpets are considered luxury commodities, and consumer trends change on a regular basis, innovation is critical to success. Low-cost carpet producers such as China lack innovation, whereas Uttar Pradesh carpets acquire a competitive advantage.

Weaknesses

- **Disorganized:** Uttar Pradesh's carpet business is severely unorganised. At the state level, there is no regulating and controlling body. As a result, many activities are duplicated. In addition, carpet weavers in Uttar Pradesh have no social security.
- **Marketing Channels:** Uttar Pradesh's middle-level carpet makers lack effective marketing channels. They are having a difficult time gaining access to clients in order to expand their business. As a result, they are extremely reliant on buying agents.
- **Professionalism:** The majority of gamers lack a professional attitude to business. They don't care about delivery times or quality. As a result, purchasers prefer to interact solely with buying agents in order to exert control over them.

Opportunities

1. The global home furnishing business is gradually shifting towards the carpet sector. As a result, this movement creates a new market for hand-tufted carpets, which are less expensive than hand-knotted carpets. This would be a fantastic chance for Uttar Pradesh carpet weavers.
2. Previously, carpets were acquired by wealthy individuals with an aesthetic sensibility. The evolution of modern design has also captivated a large number of people. The Uttar Pradesh carpet sector may find a highly promising market in the middle class, which is becoming more interested in carpets. Carpets are becoming a fashion statement. This market group may be extended further with careful marketing.
3. After dealing with China for a while, many consumers believe that India offers more options and freedom. This type of input and sensation may be expanded upon.

4. Carpets are often thought to be pricey. Prices may be further regulated and made low by combining new technologies and designs. Cutting out the intermediaries would further lower costs, directly benefiting customers and increasing demand.

The above SWOT Analysis of the Uttar Pradesh carpet sector must be submitted to the Indian Institute of Carpet Technology (IICT), which is part of the Ministry of Textiles in the Government of India. Based on this SWOT analysis, the IICT must develop an action plan.

Problems and challenges confronting the Uttar Pradesh carpet industry include:

The Uttar Pradesh carpet industry is now going through a difficult period, particularly in the hand knotted carpet sector. Nothing is happening in its favour; on the one hand, the carpet sector is still recovering from the effects of the recession; on the other hand, the industry is facing a significant shortage of trained weavers in order to execute the export order on time. The cost of manufacture has risen, yet purchasers still want the carpet at the same price. Over time, the Indian rupee has displayed an unstable and shifting tendency versus the US dollar, making competitiveness among other countries increasingly difficult.

During this time of crisis, government agencies and financial institutions should take measures to revitalise and expand the carpet sector. The following are the significant issues and concerns confronting the Uttar Pradesh carpet industry:

1. Order shortage

A decrease in carpet export orders has forced carpet weavers and the business community, including subcontractors, owners of dyeing factories, and washing units, to close their doors. Although the government has proclaimed a bailout plan for the business, the impact on the industry is unknown.

2. Scarcity of trained labour in the carpet industry:

As a result of a scarcity of skilled labour, labour costs are rising. There is an urgent need of training of weavers to fill the void produced by NREGA. Another fact is that the younger generation is not interested in learning how to weave carpets. If significant efforts are not made, carpet weaving will face the prospect of extinction in the next years.

It has also been noticed that the carpet sector has a poor entrepreneurial foundation, resulting in a lack of investment in talent development, certification, standardisation, brand promotion, and market connections, all of which are required to maintain the business.

There is a severe scarcity of carpet weavers (particularly for hand-knotted carpet), as most weavers have switched to the NREGA system, which pays higher salaries per day. To prevent migration, government agencies could execute skill development programmes more quickly, and exporters should consider the wellbeing of weavers.

3. Prices of raw material in carpet industry

Because indigenous wool output is insufficient to fulfill carpet industry demand, the Indian carpet business relies heavily on imported wool. Rajasthan produces the majority of the Indian wool used in carpets.

Wool production, however, is not viable for farmers. Furthermore, there are no government incentives or programmes to encourage farmers to engage in large-scale farming and sheep breeding.

The price of imported raw wool is rising due to increased demand from machine-made carpets. Imported wool costs have risen by more than 50% in the previous six months. The high volatility of imported wool prices has made it difficult for Uttar Pradesh carpet weavers to compete in the international market.

There is a scarcity of Indian carpet grade wool, and the average diameter of already available carpet grade wool is becoming coarser by the day, thus it is critical to boost wool output while simultaneously maintaining wool quality. Breed improvement by selective breeding should be carried out for this objective.

4. Inadequate Infrastructure

The Bhadohi-Mirzapur-Varanasi area may readily claim to be home to some of India's wealthiest carpet exporters. Regardless, there are no suitable roads to and from the city. The route from the state highway to Bhadohi is shaky, giving the tourist a rough trip into India's carpet metropolis. On average, electricity is available for 6-7 hours every day, albeit most of the time low voltage prevails. The village is completely black in the evenings, with only lanterns, low-voltage lamps, or automobile headlights providing illumination. Aside from the road, electricity and water supplies are also disrupted. Water is supplied through wells or deep tube wells. Though there are ponds and other bodies of water nearby, exporters claim that the chemicals used in dyeing harm the water. The state government is not actively involved in building infrastructure in this large export-earning metropolis.

5. Rate of wages and impact of NREGA on carpet industry:

Despite the highest weaving earnings offered to carpet weavers in the Bhadohi-Mirzapur-Varanasi area, far too many weavers have moved on to other occupations. The carpet weavers are aware that their source of revenue is extremely labor-intensive and skilled, yet they are not even guaranteed a regular monthly salary. This is why many master weavers have chosen unskilled jobs given by the Mahatma Gandhi National Rural Employment Guarantee Scheme rather than their traditional expertise acquired over generations (MNREGA). In the last five years, the Uttar Pradesh carpet industry has lost around 50% of its male weavers due to migration and initiatives such as MNREGA. To make matters worse, Indian carpets had to compete with far less expensive Chinese machine-made knockoffs that could be woven in a single day. Similar carpets in India might take many weeks to weave by hand. It's a never-ending cycle. Carpet weavers cannot be commissioned to make carpets unless there are orders. However, unless there are enough weavers to weave, no additional orders will be accepted.

Conclusion

Indian handmade carpet is undoubtedly the most distinctive. It contributes enormous amounts of foreign revenue to the country, which boosts our economy. Since 1961, the carpet business has shown a favourable development trend. This period is critical since it is a time of intense rivalry on the global market. Because of its distinctive weaving, the Indian handmade carpet has proven

its ability to compete globally. The ever-increasing expansion in terms of export value implies that this business has a significant potential for long-term viability. has the potential to employ a million rural jobless craftsmen and become the most effective tool for reducing regional disparities in the country This provides a chance for activity consolidation to save costs, increase quality standards, improve product development, and deliver products on time, consequently boosting This business growth. Careful SWOT analysis and well-planned initiatives will aid the carpet business in navigating these difficult economic times. The continuing government support for the Indian carpet sector through new plans and training programmes would be beneficial.

Reference

1. Bano, R. and Fatima, N.(2014). Role of small scale industry and women empowerment: A case stud in carpet industry of Bhadohi district, U.P, IJMIE, 4(3), 152
2. Gito, P. and Kumar, C. (2014). Export market"s segmentation performance and marketing of Indian carpet industry: A BCG matrix approach, Pacific Business Review International, 6(11), 1-3.
3. Sinha, S. (1982). India and the international market in hand knotted carpets. Economic and political weekly, 17(48), 129-144.
4. Sinha, S. (1989). Development impact of silk production: A wealth of opportunities. Economic and Political weekly, 24(31), 157-163
5. Shirma, S.K. (2013). Growth of handmade carpet industry. Carpet council news, 5(11), 20.
9. Shirma, S.K. (2013). Country wise export of handmade carpets. Carpet council news. 5(11), 17.
6. Carpet and Rug Institute. (2010). 2010 Annual Report. Dalton.
7. Government of India, Planning Commission, Plan Documents.
8. K. Srinivasan, "A death-blow to weavers?" The Hindu March 28, 2000.

Principal
Lucknow Public College of Professional Studies
Vinamra Khand, Gominagar, Lucknow