

# Chapter 2

## The History and Development of the Handicraft Market

This chapter briefly describes the types of handicraft products and traces the development of organized marketing of Nepalese handicrafts.

### 2.1 Definition of Handicrafts

Handicraft production is a commercial activity based on the craftsmanship of artisans. Moreover, handicrafts can be considered as an industry using manual skills and an expression of creativity. Different organizations have defined handicrafts differently.

#### 2.1.1 Generalised System of Preferences (GSP)

For the purpose of the Generalised System of Preferences (GSP), handicrafts are defined in the following ways.

- Products made by hand
- Products made by hand tools
- Products made with the help of machines operated by hand or leg

- Products made through a combination of the above processes.

#### 2.1.2 His Majesty's Government (HMG) of Nepal

In Nepal, there is no standard definition of handicrafts. There is also no provision for registering handicraft industries separately. The Industrial Enterprise Act has covered all the craft-producing enterprises within the cottage industry category, and this is equivalent to micro-enterprises in many countries. His Majesty's Government and the Trade Promotion Centre (TPC) include only traditional items such as metal crafts, *thanka*, and filigree in the handicraft category in compiling data on exports from Nepal.

#### 2.1.3 The Handicraft Association of Nepal (HAN)

The Handicraft Association of Nepal (HAN) is the representative national body of

handicraft producers, exporters, and retailers. HAN classifies traditional Nepalese handicraft products into eight broad groups. Handloom woollen carpets that involve a lot of manual work and dexterity, and which are the number one foreign currency earner in Nepal, do not fall into the handicraft category in the definition given by either HMG or HAN. The eight categories into which Nepalese Handicraft products are classified by HAN are as follows.

- Woollen and cotton goods
- Silver goods
- Brass/copper goods
- Paper products
- Filigree goods
- Wood crafts
- *Thangka* paintings
- Others

HAN has classified products such as basketry, ceramics, dolls and puppets, masks, bead crafts, bone and horn products, knot crafts, batik, and other handicraft products into the 'other' category. Without following any strict definition we can identify the principal Nepalese handicraft products as follows.

## **2.2 Categories of Handicraft Products**

### **2.2.1 Metal Crafts**

Metal craft products include metal images of popular motifs of Hinduism and Buddhism and utilitarian utensils. These products are mostly produced by household units clustered around the city of Patan and the district of Bhojpur in east Nepal. In Nepal, making metal images is a very old craft. The images are produced by the lost wax

method of casting. The following is the lost wax sequence: preparing a wax model, covering it with clay, heating it to melting point, extracting the liquid wax so that a cavity is created, pouring metal into the cavity, and cooling it. In this process, the original model is transposed into a metal image. The metal image cast is very rough. It is then smoothed by chiselling it to precision. This complicated job requires an artist's conceptualisation, proper technology, an engineer's perfection, and the skilful hands of a craftsman. The art and skill are passed down from generation to generation and artisans follow traditional designs and methods of production.

### **2.2.2 Wood Carving**

The high quality craftsmanship in wood carving can be seen in various articles such as windows, doors, chests, boxes, figures of gods and goddesses, and animals and birds. The art of woodcarving has been in existence since the middle ages, as is evident from the work found in various old temples, palaces, and houses in and around the Kathmandu Valley. This craft languished for some time, but has seen a resurgence since the 1960s with the increasing influx of tourists. Wood carvings are bought by tourists as decorative pieces. The opening of new hotels and construction of new houses have also created a demand for artistic wood carving. Most of the work is carried out in the three cities of the Kathmandu Valley. Production is spread widely among individuals and households (please refer to the case study on the Bhaktapur Wood Carving Cooperative Society). At present, the industry faces a shortage in supplies of and consequently high prices of raw materials; viz., the various kinds of soft and hard wood.

### 2.2.3 Filigree Products

Delicate brass wires are intricately wound to make filigree products, and they are given a gold or silver coating to enhance their beauty. Basic filigree work originated with the use of coral and turquoise stones along with intricate filigree wirework in jewellery. Gradually, this work was used for pillboxes or larger cases to hold different articles and other decorative items such as birds and animals. Finally, this art form has recently been adapted to make very fine and delicate Christmas tree ornaments.

### 2.2.4 Paintings

Paintings were first seen in Nepal in the 11<sup>th</sup> century A.D. when Buddhists and Hindus began to illustrate the deities and natural scenes. Historically, Tibetan and Chinese influences in Nepalese painting were evident in *paubha* (*thanka*). *Paubha* are of two types: the *pala* that illustrate paintings of the deities and the *mandala* or mystic diagram paintings of complex prescribed patterns of circles and squares, each having specific significance.

*Thanka* are Tibetan paintings depicting various aspects of belief of mystic Buddhist sects. They are painted on silk or cotton fabrics with bright colours of many hues. *Thanka* are used as wall decorations. For Buddhist *lama(s)* they are objects of religious importance.

*Thanka* were developed in the northern Himalayan regions by Buddhist monks. The Gurung and Tamang communities are also producing *thanka*, and this provides substantial employment opportunities for many people in the hills. Some of the artistic, religious, and historical paintings are

also done by the Newar of Kathmandu Valley.

### 2.2.5 Hand-made Paper Products

Nepalese craftsmen have been producing hand-made paper for over a thousand years. The people of Nepal use natural paper in their daily lives for writing valuable legal documents, for making sacred or popular masks, for kites, etc. The monks of Tibet have always used it for their manuscripts and for printing sacred texts. This paper is renowned for its exceptional durability and for its lively and special texture.

The Chinese technique of paper-making was brought from Tibet about one thousand years ago (Bhaktapur Craft Printers' Information). The bark from *Daphne cannabina* or *Daphne papyracea*, known as *lokta* in the local language, is the raw material used. It is gathered at high altitudes without destroying the fragile ecology of Nepalese forests. Then, it is carried to villages two or three days' walk down the mountains. The paper-makers clean and boil the bark. Beating the boiled bark with wooden mallets produces a pulp, and this is poured on to wooden frames to dry in the sun. The sun-dried sheets are transported to paper factories where they are dyed, stencilled, printed, and transformed into attractive products. Today, products such as greeting cards, stationery sets, notebooks, gift wrapping paper, bags, envelopes, photo frames, and so on are made using traditional Nepalese designs (please refer to the case study on Bhaktapur Craft Printers).

### 2.2.6 Terra-cotta/Ceramics

In Nepal, building and modelling in terra cotta goes back 2,600 years and still con-

continues to this day. Terra-cotta temples, displaying superbly carved life-like motifs were built between the 14<sup>th</sup> and 18<sup>th</sup> centuries. Locally known as *kumhale*, one of several occupational castes, Nepalese potters use earth to produce a range of quality ceramic products. Earthenware statues, water and storage jars, and flower pots are traditional products. Today, producers have added interesting glazes, all lead free, and an expanding product line of useful and decorative terra-cotta items.

### **2.2.7 Papier Maché Masks, Puppets and Dolls**

Colourful papier maché masks, depicting various gods and mythical demons make unique decorations and are available in many sizes. Puppets made of wood and clay with papier maché masks are colourfully and ethnically dressed and are a popular export item. Some dolls made from cloth and corn husk, depicting various occupational and tribal ethnic groups, represent the culture of Nepal.

### **2.2.8 Bamboo, Cane and Straw Products**

Items for daily use are produced out of bamboo, straw, and cane all over Nepal. Such articles include furniture, mats, baskets, bags, boxes, trays, coasters, flower vases, and grain stores. Such articles are mainly produced in village households for every day use or for the local market. Commercial production of such articles has developed in the Kathmandu Valley and some areas of the Terai.

### **2.2.9 Handloom Weaving**

Handspun and handloom clothes worn by men, women, and children are a sig-

nificant expression of lifestyle in Nepal. Though weaving today has grown into a big business through the use of power looms, many families in Kathmandu Valley's old towns and localities still weave traditional clothes by hand. In some rural areas, village women can be seen spinning and dyeing cotton and woolen yarn and working on their handlooms.

Handloom fabrics in Nepal range from those woven in traditional patterns from cotton to cloth woven from *allo* (*Girardinia diversifolia*); the fibres of a plant belonging to the nettle family. Traditional items made from these fabrics include caps, shawls, sacks, bags, and clothing. Today new lines of ready to wear garments are also made to take advantage of the durability, versatility, and subtle colours of these fabrics.

#### Dhaka Products.

One of the handloom fabrics, which is becoming more and more popular, is *Dhaka*, a fabric used for making shawls and hats in particular. Weaving *Dhaka* is an intricate art that has been preserved in Nepal. It is valued for its intricate handwork in natural fibres. The traditional pattern is woven on wood and bamboo treadle looms by *Limbu* and *Rai* women from the eastern hill areas of Nepal. Stripes of mercerised sewing cotton with intricate and colourful cotton patterns are used in weaving. Each design is unique in shading. The weaver decides without a chart and without counting threads into which section of the warp she is going to lay the colours that form the pattern (please refer to the case study on Tehrathum *Dhaka* Weaving and Ujolta *Dhaka* Cloth Production Centre).

## Pashmina Shawls

Nepal is also known for its finely woven *pashmina* shawls. The *pashmina* shawl is an indigenous and unique product of Nepal. It is hand-made from the wool of goats from the mountainous regions of Nepal. Most of the wool comes from altitudes of from 2,743 to 3,353 metres above sea level. The wool is usually in one of four colours: grey, white, black, or cream. Once the skin comes to the factory<sup>3</sup>, the wool next to the skin is cut out. This wool is carded to separate the rough, outer part. The soft wool is then hand-spun into thin *Pashmina* yarn. This yarn is then hand-woven into the loom, with cotton, silk, and *Pashmina* wrap.

Hand-spun *Pashmina* wool is currently being replaced by imported, fine machine-spun yarn. This has discouraged local production, thus reducing opportunities for rural employment and income.

## The Natural Fibres of Hemp and Allo

In recent years, traditional weaving of hemp and *allo* (nettle) cloth has been on the increase. Several products, ranging from bags, wallets, place mats, and clothing, are being produced and are quite popular.

*Allo* (*Girardinia diversifolia*) is grown above 2,438m and is found in the hills from west to east. The villagers harvest the bark from September – March, spending one or two days, but sometimes a week, in the jungle collecting the bark. The bark is left to dry

for a few weeks. The dried bark is then boiled with wood ash for about four to five hours to make it soft and to extract the fibre. Then it is washed with mud to take away the unwanted substance and the fibre is ready for spinning. Traditional methods of spinning the yarn by hand spindle are still used. Since the *allo* is available in the hills throughout Nepal, there is good scope for expansion to different parts of the country.

## **2.2.10 Woollen Products**

Nepal has a wide variety of wool-bearing animals, so woollen items are traditionally an important part of every day life. Today, high quality wool from sheep and the angora rabbit and imported wool from New Zealand are used to make sweaters, jackets, hats, caps, gloves, and mittens. Designs are based on both traditional Nepalese and classic western motifs and are available in a wide range of colours.

## **2.2.11 Leather Crafts**

The Nepalese cobbler (*sarki*) has been working with leather for centuries. Leather goods produced include shoes and bags from the skins of buffaloes, goats, sheep, and even the high Himalayan cow and yak are used.

## **2.2.12 Horn and Bone**

Horn and bone products are among the recently developed Nepalese handicrafts. Products include buttons, ornaments, and figurines.

3. The *pashmina* wool is extracted from the wool on the neck and chest of a mountain goat. The value of the product reflects the scarcity of the wool, since it cannot be extracted from live animals. It has been the practice that the skin of the goat (killed for meat or dead) is brought to Kathmandu from remote mountain districts of Nepal and Tibet.

### **2.2.13 Musical Instruments**

Trumpets, drums, and various flutes and cymbals are traditional products in Nepal. So far, they have not been important as an export item, but scope for larger-scale exports exists if production can be geared to suit the demand.

## **2.3 Handicraft Products by Raw Materials Used**

Depending upon the raw materials used, Nepalese handicraft products can be classified broadly as follows.

### **2.3.1 Forest-based Products**

Hand-made paper, paper masks, wood carvings, bamboo products, cane furniture, wooden boxes, wooden and bamboo musical instruments, and *allo* (*nettle*) and hemp cloth.

### **2.3.2 Metal-based Products**

Metal statues, filigree products, gold and silver jewellery, *khukuri* (the Nepali knife), metal carvings, metal utensils, and brass/bronze ware.

### **2.3.3 Earthen-based Products**

Stone carvings, stone sculptures, ceramic figures, ceramic pottery, precious stones, tiles, and slate.

### **2.3.4 Cotton-based Products**

Knot-crafts, textiles, *Dhaka*, traditional fashion garments, *thanka*, batik, T-shirts, bags, and caps. These products constitute the handicraft products meant for export.

### **2.3.5 Animal-based Products**

*Pashmina* shawls, horn and bone products, leather goods, stuff dolls, woollen knitwear, socks, and blankets.

### **2.3.6 Agro- and Natural Plant-based Products**

Hemp cloth products, natural fibre-based products, and silk products.

## **2.4 Development of Organized Marketing of Handicraft Products**

### **2.4.1 Private Sector**

Nepal Traditional Crafts P. Ltd., established in 1964, was the first registered company specialising in the marketing of handicrafts. Subsequently, the Handicraft Association of Nepal was established in 1972. As an organization of producers and their groups, it was the first of its kind in the development of the handicraft market and for redressing the problems faced by handicraft industries and exporters. At present, there are about 400 firms, companies, and organizations engaged in production and export of handicrafts.

### **2.4.2 Government Sector**

#### Cottage Industries and Handicraft Emporium (CIHE)

His Majesty's Government established CIHE Ltd. as a semi-government organization in 1976 to facilitate the marketing of items produced by cottage and handicraft industries. The founding members of the emporium were the Department of Cottage Industries, Department of Indus-

try, National Trading Ltd., and the Attorney General. The main objectives of the emporium are as follow.

- To manage the sales of products of Nepalese industries
- To import and make the raw materials, machines, and tools available to the craftsmen and industries
- To open production units in different parts of the country
- To manage sales of Nepalese products in domestic and foreign markets

There are 14 showrooms and nine branches of CIHE throughout the country at present. The branches in rural areas used to work as marketing intermediaries in the initial period, promoting markets for both local consumption and for the Kathmandu market. Part of this programme was subsidised by the government. Though the CIHE played a catalytic role in the very beginning in promoting products of cottage industries and handicrafts in larger markets, many of its branches in various parts of Nepal were gradually closed down. Many of the individual producers who used to supply goods to CIHE began to market their products directly and no longer needed the service of the CIHE. Also, CIHE itself could not revamp its management and marketing strategies to sustain its activities in rural areas, largely due to bureaucratic malfunctioning, lack of innovative ideas in product development, failure to provide a consistent market for producers, and absence of professionalism. The Tehrathum and Dhankuta branches, which were supporting large numbers of producers, were among the important ones to be closed down. (Please refer to the cases of *Dhaka Weaving* and the *Sangtang Club* for infor-

mation on the previous marketing activities of the emporium.)

At present, CIHE is concentrating on running two major Cottage and Handicraft Industry Emporia in Kathmandu. These stores look neglected and lack commercial or aesthetic interest, there being no spacious display, presentation, or salesmanship. There is a general absence of promotional activities. Yet, the outlets are located in prime commercial areas and have good prospects for growth.

### The Trade Promotion Centre (TPC)

The Trade Promotion Centre (TPC) was established by His Majesty's Government in 1971 with the primary objective of promoting Nepal's export trade. The centre has undertaken relevant trade studies and research and offers trade counselling to exporters; it also provides services for the diversification of Nepal's trade. This centre is also providing GSP forms for exporters and coordinates GSP applications with importing countries. TPC also gathers information on international events such as trade fairs and exhibitions and passes this information on through relevant organizations such as HAN and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

### Products of Nepal

HMG established 'Products of Nepal' in 1984 in New York, USA, to help generate interest in Nepalese handicraft products.

### Cooperatives

Though the concept of cooperatives is new to Nepal, a few craft cooperatives emerged

in the late seventies. The Wood Carvers' Cooperative Society of Bhaktapur is one of the notable examples.

### Non-government Organizations

Following the restoration of democracy in Nepal in 1990/91, the Nepalese government recognised that the NGO sector has clear advantages for efficient and effective execution of many development activities. Since then, the number of NGOs in Nepal has continued to proliferate, covering all aspects of development. The government and international development agencies have made increasing use of NGOs for effective project implementation. Delivery of skill training, production, and marketing has been successfully carried out through NGOs in many cases, primarily because of the concerted efforts of various dedicated producers, organizations, and their personnel.

NGOs emerged in large numbers in different sectors in the late 80s. Many organizations took micro-enterprises as an entry point for other development activities. The Nepal *Charkha Pracharak Gandhi Smarak Mahaguthi* (NCPGSM), Association for Craft Producers (ACP), Women's Skill Development Project (WSDP), Himalayan Leather Handicrafts (HLH), Manushi, Kumbheswor Technical School (KTS), Janakpur Women's Development Centre (JWDC), Bhaktapur Craft Printers (BCP), *Sana Hastakala*, and Women Entrepreneurs' Association of Nepal (WEAN) are among the notable examples of NGOs in this field.

### Handicraft Association of Nepal (HAN)

The Handicraft Association of Nepal (HAN) was established in 1971 as a non-profit making organization consisting of private sector business communities, organizations, and artisans dealing in handicrafts. Its aim is to endeavour to promote the handicraft industry and market its products, as well as to raise awareness about the role of the handicraft industry as an employment-generating sector. It is also the body authorised to certify the floor free on board (FOB) price for handicraft goods to be exported. HAN has gained the attention of a wider public and of the government while lobbying with the government about policy matters of national interest. HAN has, at present, 1,432 individuals, firms, companies, and organizations as members and has branches in different parts of the country.

### Fair Trade Group (FTG)

The Fair Trade Group, Nepal, was initially formed in 1993 as an informal body comprising of seven established NGOs operating in the field of socioeconomic development for low income and underprivileged women. The initial aims of the group focussed on collective strengths and sharing of information that enabled group members to operate more effectively. Most case studies in this document describe the development of member organizations of the FTG, Nepal, and their impact on the development of producers, producers' organizations, and their collective marketing efforts and strategies.