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Craft Artisans and State Institutions in Sri Lanka



Annemari de Silva

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International Centre for Ethnic Studies

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by

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Abbreviations

ICH	–	Intangible Cultural Heritage
IGC	–	Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore
IP	–	Intellectual Property
NCC	–	National Crafts Council
NDC	–	National Design Centre
SLHB	–	Sri Lanka Handicrafts Board (Laksala)
UNESCO	–	United Nations Educational, Scientific and Cultural Organization
UNP	–	United National Party

Introduction

Every traveller who walks through the Bandaranaike International Airport, whether entering or leaving the country, is bombarded with images and objects of Sri Lanka's cultural heritage. Carved elephants made of wood and stone, rattan weaved homeware, batik and hand-dyed clothes, brass and silver ornaments... These handicraft items are the "Sri Lanka" that is trying to be sold, whether that is through genuine handicraft stores or mass production outlets such as Luv SL or Spa Ceylon that rely on traditional craft motifs and designs. Craft is how we communicate our culture and our culture is captured in our craft. But, as we churn out our "culture" through these crafts, what is happening to the craft-makers themselves?

Interviews with several artisans revealed that they shared similar struggles that undermined the stability of their trade. Their labour process was arduous: materials were difficult to come by, even more difficult to process, supplementary labour was difficult to find. Their economy was dire: Laksala, which used to be their primary market and income, would take six months or more to pay them mere sums of a few thousand rupees, and the craftsmen were unfamiliar with and had limited access to other market options. Their welfare was non-existent: artisans would have to cease work entirely if their health suffered or they became disabled, they had next to no support from the state nor alternative mechanisms, and no plans for retirement except to depend on their children. One other thread held true between interviewees: they spoke of a "golden era" of the state and its support of the crafts industry. They spoke fondly of the connection they had with certain state departments and ministries, how their economy flourished and their welfare was looked after. The decay appeared to be within the past few decades. What has happened to this ecosystem that used to exist between the crafts industry and government?

This paper attempts to answer this question by examining the main state institutions mandated with supporting the handicrafts sector, namely, those constituted in the National Crafts Council and Allied Institutions Act No. 35 of 1982. First, the paper considers the social, political, and economic dynamics of crafts in Sri Lanka to make the argument that developing this sector goes well beyond being just a matter of cultural concern. The paper then moves to documenting the historical context of the creation and operation of the Allied Institutions and further considers each

institution individually, stating their mandates as outlined in law and detailing their current activities. This is followed by an analysis of policies and practices in the crafts sector as well as sectoral challenges. What emerges from the research is a story of state institutions created with the best of intentions in the historical context of shifting from a closed to open economy but that have deteriorated over time, some having become major sites of financial corruption, leaving the crafts community floundering. Accepted practices in the crafts sector also exacerbate craftspeople's vulnerabilities, such as payment methods, the presence of middlemen, the expectation of entrepreneurialism from the (usually low-income) craftspeople, and an overdependence on tourism as a market. I argue that the crafts sector is struggling **not** because of any inherent "backwardness" of craftspeople or lack of relevance of handicrafts to modern times but instead due to the combined effect of a decaying ecosystem of support for the sector and diverse sectoral challenges, which can be addressed. While the private sector has indeed helped innovate and revive many aspects of the crafts sector, its profit-making orientation means it has no obligation to protect and preserve. I argue that the state is thus a necessary actor for the protection and promotion of Sri Lanka's diverse handicrafts heritage and its producers and end this paper with suggestions on how to move forward at this opportune historical moment for handicrafts.

Methodology and Structure

The research for this paper was gathered through an analysis of various literature on the subject, including journalistic accounts, official websites and reports, relevant Acts, and secondary literature, as well as interviews with 15 current and past high-ranking officials at the Allied Institutions and private sector leaders in handicrafts, and 16 craftspeople from different areas in Sri Lanka practising different crafts. The craftspeople were from Kandy, Matara, Galle, Mannar, Jaffna, Moneragala, Gampaha, Colombo, and Batticaloa districts, and practised craftwork in palmyrah, reed, gems, handloom, batik, iratu (hard fibre of coconut leaf), woodwork, lace, pottery, bronze, and mask-making. Data was collected between August 2018 and March 2019.

Why Crafts? Why now?

There are two key ideological/political significances of handicrafts that I wish to highlight for the purposes of understanding the role of crafts in Sri Lanka today. Firstly, people's interest in and revival of crafts as a counterculture to mass production or hypercapitalism, and secondly, the significance of craft revival in the context of postcolonial countries.

The production of handicrafts was originally a utilitarian enterprise: people made the things they needed, be it clothes, cookware, mats, and so on. With the advent of industrialization, the individual artisan was replaced by a factory line of individuals repeating a single task towards creating one object. Machines also replaced people in this same manner. This division of labour produces a sense of alienation (Marx) in the worker as s/he is increasingly separated from the object created. Paradoxically, although factory production makes workers dependent on each other for production, the division of labour further cleaves differences as workers diverge in task, responsibility and understanding, thereby fracturing the working community and their solidarity (Durkheim). As a reaction to these social consequences of industrial capitalism, a revival of crafts erupted in Europe in the 19th century which sought to reunite worker to object to purpose. Iconic in this era was the Arts and Crafts Movement, started in England by designer William Morris. The movement sought to revive commercial viability and people's interest in design integrity and craft production, uniting worker and consumer with the object created. The movement spread across Europe and over to the U.S. as well and is a central aspect of design development in modernity (Bowe 1990). Similarly in Korea and Japan, Soetsu Yanagi created a culture of aesthetic appreciation of folk crafts, or "mingei" (art of the people), a Japanese term he coined. The philosophy of mingei is that people should own items that are of both utilitarian value as well as being beautiful – and that is found in the art-craft of the people (Leach 1989).

It may seem anachronistic to speak of the above but this relationship between the social consequences of industrial capitalism and revival of crafts is as much relevant today as it was in the mid-1800s. From the revival of crafts in tourist locations such as Sri Lanka, to the eruption of "Do it Yourself" (DIY) and amateur arts and crafts in industrialized nations, these are all symptomatic of a reactionary feeling against

a mass-produced environment that alienates individuals from society. As Stevens puts it, craft's ethos rests in its "long history of resistance to both the industrial revolution and the general tendency of technology and capitalism to replace the more genuine and authentic forms of human productions, namely, the things made by hand" (Stevens cited in Thomas and Jakob 2015, 7). In terms of the DIY and amateur arts and crafts revival, it is an "affirmation of process over product" where "amateur craft is to do with the need to physically engage with things in an overly pre-packaged world" (Greenhalgh 2003, 7) contributors discuss the development of not only six specific crafts (glass, ceramics, jewelry, wood, textiles, and metal. For tourists, Cohen believes this dissonance between the individual and their society is what also motivates tourists to seek "authenticity" in their experiences, the people they meet, and objects they engage with:

It is a quest for that unity between the self and societal institutions, which endowed pre-modern existence with "reality" . . . The alienated modern tourist in quest of authenticity hence looks for the pristine, the primitive, the natural, that which is as yet untouched by modernity. He hopes to find it in other times and other places . . . since it is absent from his own world. (Cohen 1988, 374)

It is easy to dismiss these desires as "anti-progress" or "anti-development," a naïve recourse to an imagined perfect past. Yet, these reactions are quintessentially modernist in that they are brought about by the very modes of production of modern times. That is, it is a contemporary felt need. Indeed, global trends such as the Fairtrade movement and local sourcing have grown out of a desire to counter the extreme version of division between worker and product that results in exploitative global supply chains.

The second dimension of crafts' significance to consider is its cultural role in postcolonial countries. In the 19th century, nationalist movements were gathering momentum in colonized countries around the world. A crucial aspect of these nationalist movements was the revival of native languages, indigenous religions, and cultural expressions. These became especially pronounced through the early 20th century as nations began asserting themselves back to the imperial centre and arguing for self-government, in the context of a weakening Empire. In Ireland, poet W.B. Yeats was a central figure in Irish cultural revivalism. Though he is best

known for his role in stimulating the use of Gaelic and folk music, he also met William Morris of the Arts and Crafts Movement and was involved in the revival of traditional crafts in Ireland. Bowe details the many exhibitions, workshops, and schools set up between 1886-1925 that sought to expand knowledge and practice of traditional designs in diverse mediums, including glasswork, lace and other fine textiles, enamel, metalwork, and more (Bowe 1990). Bowe also details similar craft revivals occurring in previously occupied Hungary, Finland, and Sweden. India is perhaps the most iconic example of crafts revival tied to nationalism, captured in the image of Mahatma Gandhi seated at a spinning wheel making his own cloth. In his philosophy of self-rule, expounded in *Hind Swaraj*, Gandhi connects the weaving of one's own fabric as an act of resistance to both imperial rule and the economic relations it forced upon colonial subjects i.e., the consumption of industrially made cloth from textile mills in the colonial centre, England (Gandhi 1909). In Sri Lanka, the same cultural revivalism exploded in the 19th century and crafts were no exception.

An emblematic example of this nexus between crafts revival and nationalism is Ananda Coomaraswamy. His research in art heavily included crafts and he was also instrumental in setting up the Ceylon Social Reform Society: “the main objective of this Society is to encourage people of this country to practice their local culture without imitating European culture blindly. The Society also expects to protect the ancient arts and culture of the island” (Abeyrathne 2015, 35). This statement is a good example of the significance of crafts and general cultural revival in decolonial struggles; it was a means of decolonizing the mind (wa Thiong’o) and establishing visual markers of a cultural heritage that reifies the idea of a “nation” under suppression and in need of independence from adulterating, colonial powers. In modern times, however, handicrafts and other cultural markers can be seen rather as a source of outward communication, an assertion of cultural heritage to an “external audience,” especially as the colonial periphery became the neo-colonial sites of tourism for consumption by travellers from industrialized nations seeking escape. There is also the diaspora buyer to consider, whose desire for a cultural marker is not quite the local traditionalist demand and is yet different from touristic demands as well.

The question then stands: if this desire for handicrafts – both production and consumption – is indeed a real societal demand reflecting contemporary social conditions of both consumer and producer, how do we appropriately fulfil it in today’s context?

The question of economy becomes central and crafts occupy a peculiar position in this conversation. Greenhalgh contends that there are two ways to monetize artefacts: “through exclusivity or quantity” (Greenhalgh 2003, 6) contributors discuss the development of not only six specific crafts (glass, ceramics, jewelry, wood, textiles, and metal. Either a small quantity of art is sold at high prices, as a fine artist would do, or a designer provides a template that goes into mass production, such as printed mugs and T-shirts. Crafts, however, occupy that awkward position where they are individually made – as with a fine artwork – but the expectation is that there are several made, replicas of each other, that are sold affordably – as with a mass-produced good. Buyers expect a mass production cost of an object made through a process of fine artwork. However, Greenhalgh’s dualistic proposition for crafts commerce seems apt for a context where crafts are no longer in demand for merely utilitarian purposes and mass-production is instead the go-to option. In contrast, Cohen speaks of four types of “commercialization” that can happen depending on the situation of crafts in a given social context, whether they are “vital,” i.e., still in active demand by their local community or “internal audience” (Graburn) for day-to-day purposes, or whether they’re “declining” – where crafts are on the verge of disappearing due to diverse factors such as an industrial overhaul, conflict, environmental strife, etc. (See Figure 1).

Figure 1. Types of commercialization processes

Culture	Source of Initiative	
	<i>Spontaneous</i>	<i>Sponsored</i>
Vital	(A) Complementary commercialization	(C) Encroaching commercialization
Declining	(B) Substitutive commercialization	(D) Rehabilitative commercialization

(Cohen 1989, 162)

Cohen posits that there are two major sources of initiative for commercialization: “Whether the process of commercialization was *spontaneous*, initiated by the local people in response to perceived new opportunities, or whether it was *sponsored*, i.e., induced by an external agency, for purely commercial or for humanitarian purposes” (Cohen 1989, 162). For the purposes of this paper, there is no need to go into depth about the four types of commercialization but suffice it to remark that these concepts of spontaneous and sponsored commercialization will be used through the study to consider different processes by which artisans can innovate on their existent crafts.

Zooming out of these microeconomic relations and towards the macro, the crafts sector has also been observed as a policy interest at times of financial insecurity such as during financial recessions, increased outsourcing of information sector jobs, and the rising desire to create “sticky jobs,” especially through manual labour (Thomas and Jakob 2015). If crafts are to be developed as a viable industry then there also needs to be intervention to mitigate the current outsourcing of souvenir mass-production to East Asian countries. Investment in the crafts sector and strategic planning is an economic necessity, given our current context of tourism development and underdeveloped professional sectors (and thereby lack of jobs, especially for youth). Although the outsourcing of information technology (IT) jobs has benefitted Sri Lanka, we must also be prepared for imminent job loss entailed by development of programmes and artificial intelligence that will fulfil tech jobs previously done by skilled people, e.g. website design and development.

Strategic planning is especially necessary given the rampage of microentrepreneurship initiatives across Sri Lanka by governmental and non-governmental actors alike. Many of these microentrepreneurs are just craftspeople by another name: they are weaving leaf fibre, palmyrah, rush and reed, sewing clothes, etc. Despite extensive investment in creating microentrepreneurs, the rest of the supply chain is unsupported – much as the case for the wider craft community. This is especially problematic for microentrepreneurship initiatives as these programmes are peddled out to some of the most vulnerable communities in Sri Lanka: war widows, female heads of households, survivors of domestic violence, and impoverished communities with limited options for employment or income. A supported national infrastructure for crafts would by corollary support these programmes as well.

In terms of legal infrastructure, there have been significant developments internationally in the last twenty to thirty years, which have felt reverberations locally in the past decade. A major step has been the increasing recognition of the complex forms of intellectual property exploitation that can occur when community-based, traditional knowledge is not protected by conventional intellectual property (IP) laws. A landmark case occurred in the 1990s when a US patent on the use of turmeric as a healing property was overturned after a legal battle with India's Council of Scientific and Industrial Research where it was shown that turmeric was historically, traditionally used for healing and thus did not fulfil the "novelty" criterion for patenting (Jayaraman 1997). This, along with the failures of similar lawsuits internationally that disadvantaged local and indigenous communities, as well as the increasing articulation of indigenous rights, propelled international bodies to look into effective protections for traditional knowledge. In 2000, the World Intellectual Property Office put together an Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC). The IGC is still currently working towards developing an international legal instrument that can offer effective protection and empower indigenous and other local communities to benefit from ownership of their cultural expressions and traditional knowledge. Since the 1980s, UNESCO has also taken steps to extend protections for traditional cultural expressions (including handicrafts and the traditional knowledge associate therein). Relevant documents were the 1989 Recommendation on the Safeguarding of Traditional Culture and Folklore and the 2001 Universal Declaration on Cultural Diversity. A watershed moment occurred in 2003 when UNESCO adopted the Convention on Safeguarding of the Intangible Cultural Heritage (ICH), marking a departure from most cultural policy norms that only conceptualize cultural heritage as its tangible aspect (i.e., locations, monuments, physical objects associated with craft, folklore, etc.). Sri Lanka has an important relationship with these international trends: currently the country holds one of only four seats available to countries of the Asia-Pacific region and is also a signatory to the 2003 Convention on ICH. Sri Lanka is also currently in the midst of putting together a national policy on ICH, with UNESCO already having commissioned two reports on ICH, one in 2011 and another in 2015 (UNESCO 2011; Denister de Silva, unpublished, 2015). In 2018, String Puppet Drama (Rookada Natya) in Sri Lanka was officially recognized by

UNESCO as part of the World's Intangible Cultural Heritage, joining the ranks of reggae music from Jamaica, yoga from India, and Cuban Rumba dancing (UNESCO ICH n.d.).

One of the problems that stands in the way of moving towards holistic policy revisions is the lack of statistical information about the handicrafts sector in Sri Lanka. The Labour Force Survey (2017) enumerates that 1.36 million people are employed by “crafts and other related trades” but this is according to the ISCO-08 definitions, which also includes many manual labour trades such as house builders and finishers, painters, machinery workers, electricians and those involved in food processing (International Labour Organization 2012, 79–80). In this Survey, the gender breakdown is 1:3 between women and men in each province, with most workers concentrated in the Western Province. The 2017 Industry Capability Report compiled by the Export Development Board, on the other hand, has a smaller though much more vague estimate, where “No. of people employed in the sector” is estimated at “Approx. 200,000,” with no disaggregated figures. It also states that “Total investment in the last five years” in handicrafts is “small,” with no numerical qualifiers (Export Development Board 2017, 6).

The National Crafts Council (NCC) has a better kept website with an extensive directory of craftspeople. This directory organizes crafters according to the categories in the table below, with further subheadings not listed here. The latest statistics available on the site are from 2014 and claim that 1487 craftspeople were registered with the NCC whereas NCC officials interviewed during this study claimed that between 26,000 – 27,000 craftspeople were registered as at February 2018.

Table 1. Types of Craft practiced in Sri Lanka

Types of craft	
Art & Sculpture traditional	Lacquer and Sesath**
Batik	Mask and Muppet
Cane and Bamboo	Metal Based
Carving Masks	Miscellaneous Handicrafts
Clay Work	Musical Instruments
Coconut, kithul and palmyrah based	Souvenirs
Dumbara*	Stone Based Handicrafts
Fiber, Leaf and grass work	Textile and Textile Based
Jewellery	Wooden Based Handicrafts
Lace	Leather Items

Source: Official Website of the National Crafts Council – Handicraftmen Directory

*Dumbara refers to a particular type of weaving with chena fibre from the Dumbara region

**Sesath is a traditional, stiff umbrella/parasol

This gap in statistical information needs to be addressed soon, lest policies and approaches by state and non-state actors diverge according to their own isolated experiences with handicrafts, rather than through a holistic understanding of the industry. While this sounds like quite a feat, it could potentially be remedied soon by working with information already held with state institutions. For example, the registries of the NCC could be used to glean demographics of craftspeople (geography, gender, age, etc.) as well as enumerating the types of crafts still practised, where, by who, which are on the verge of extinction, and so on. Similarly, the sales and purchasing records of Laksala can be used to glean the nature of demand and further customer surveys could investigate the demographics of buyers. All this information is essential towards creating useful policy and informing how the industry moves forward.

Such is the historical moment that Sri Lanka finds itself in vis-à-vis crafts. We inherit crafts as an all-important cultural-political signifier for our own postcolonial context, along with its significations for those of industrialized countries seeking the exotic elsewhere and a reconnection between product and person. The increasing interest globally in heritage and the growing legal frameworks for protection present

a constructive moment for Sri Lanka. The sector also holds the potential to address several other issues of national priority, such as out-migration of workers, livelihood support, and tourism development. However, this sector needs to be thought about holistically and in tandem with other government policies; right now, at least from the state, it appears to only be a concern about livelihood support for existent craftspeople and cultural heritage preservation. Whilst a complete sectoral analysis is beyond the scope of this paper, an analysis of the existent state infrastructure is vital to understand the current landscape in which crafts exist and consider what can be done about it.

State Organizations: The Allied Institutions

The main institutions responsible for the promotion and protection of handicrafts in Sri Lanka are the three complementary bodies established by the National Crafts Council and the Allied Institutions Act No. 35 of 1982, namely, the National Crafts Council, the National Design Centre, and the Sri Lanka Handicrafts Board (which uses Laksala as a brand name). The three organizations together will be referred to as the “Allied Institutions” throughout this paper.

This section documents the historical provenance of these institutions and then looks at their mandates as set out in the Act and current activities.

History

Pre-1982: origins of Laksala

The first of the organizations to be established was Laksala, not as part of the SLHB but rather as the marketing arm of the former Small Industries Department. Laksala’s origins are inextricable from the personality of Sivagamie Obeyesekere, who set it up in the 1960s.¹

As a young girl, Obeyesekere was a student of Ladies College, a prestigious Christian all-girls school in Colombo. During World War II, the College was moved to Kandy temporarily for safety. While there, the students visited houses of poorer families to pray with them. According to her daughter, Chantal Obeyesekere de Saram, this early exposure spurred what was to become a lifelong passion for serving the underprivileged. Obeyesekere envisioned a revival of handicrafts and handlooms as a means to empower these poorer communities, especially women. In 1961, as the Chairman of the Small Industries Advisory Board, she set up Village Sewing Centres and Craft Centres to revive these traditional crafts and also revived the District Cooperative Unions in handloom textiles. After a visit to India’s Handicrafts Emporium, Obeyesekere was convinced of the need to replicate a similar model

¹ Information in this section about Laksala and the connection with Sivagamie Obeyesekere is derived from:(Corea 2018); interviews with Chantal de Saram (Obeyesekere’s daughter) and Mr. Lionel Rodrigo, who worked with Obeyesekere since 1971 in the Small Industries Department and then was consequently Executive Director of the Sri Lanka Handicrafts Board from 1988 to 2005; and various newspaper clippings collected over the years of interviews with Sivagamie Obeyesekere, provided by Chantal de Saram.

in Sri Lanka i.e. a dedicated marketing arm and sales emporium for Sri Lankan handicrafts. After pitching the idea to Sirimavo Bandaranaike, who was Premier at the time, Obeyesekere got the go-ahead to establish Laksala in November 1964 and became its first Chairman. Funds were provided for the acquisition of four storeys of the iconic Millers Building in Fort, Colombo, for Laksala to have its main showroom. Obeyesekere went on to open Laksala branches throughout the country.

Laksala's central purpose from its beginnings in 1964 was as a marketing arm of the Small Industries Department to promote cottage industry goods (i.e. handicrafts). They purchased goods from the training centres set up under the Small Industries Department and marketed them. However, it did much more than this to sustain the ecosystem necessary for a healthy handicrafts industry. Laksala bought goods from craftspeople, purposely at a high price, elevating the market value of the products, whereas previously, handicrafts were sold at unsustainably low prices. They also took on the responsibilities of supplying imported raw materials at an affordable price; the crafts communities themselves handled sourcing and processing locally-found raw materials. They also worked with the Department of Rural Development to continue trainings for craftspeople. The government was hence able to (1) upskill craftspeople in their trade/artform, (2) provide hard-to-source raw materials, and (3) provide a marketplace – the crafts economy was holistically supported.

However, this system needs to be contextualized in the setting of a closed economy where due to high tariffs on imports, there were few to no competitors at the levels of raw material provision and handicraft alternatives in the marketplace. When the economy was opened up again in 1977, the crafts sector destabilized. Private vendors moved in, providing raw materials at a competitive price to the government. Even if the quality of the material was compromised, craftspeople preferred this cheaper option to the government-provided option. Private vendors were also able to sell from outlets closer to the craftspeople rather than from urban centres, as the state was doing. Eventually, Laksala auctioned off the remainder of its reserves of raw materials and ceased to be a vendor. While the open economy may have benefitted the crafts sector in the provision of raw materials, it introduced competition for goods in the market. Prior to 1977, Sri Lankan handlooms dominated the market but now cheaper readymade fabrics and textiles were flooding the market. Similarly,

imported giftware posed a threat to the handicraft gifts made locally and people were using plastics and aluminium goods instead of handicraft utensils.

Post-1982: NCC and Allied Institutions

Prior to 1982, all matters pertaining to the stimulation of the crafts sector fell under the Department of Small Industries and the Department of Rural Development. Laksala had hitherto been the marketing arm of the Small Industries Department. With the onset of competition due to the open economy, the economy of crafts declined and consequently so did the personal welfare of the crafts community. Seeing this problem, the government of the time decided there needed to be a more authoritative body to holistically support the crafts industry and its people. Thus came about the National Crafts Council and Allied Institutions Act No. 32 of 1982 (hereon referred to as the NCC Act). This Act constituted three new bodies that were tasked with the promotion and preservation of the crafts industry, and which were independent from the Small Industries and Rural Development Departments.

The three bodies constituted under this Act were: the National Design Centre, the National Crafts Council, and the Sri Lanka Handicrafts Board (Laksala). In brief, their mandates were as follows (each will be fully explored later in this study): The National Design Centre (NDC) functioned as a research and development arm of this trio, innovating designs and technology as well as researching materials and processes towards developing and increasing efficiency in the crafts sector. The National Crafts Council (NCC) oversaw the welfare and community stimulation of craftspeople, creating awards and learning opportunities, welfare schemes and financial assistance, and stimulating knowledge transmission and preservation. The Sri Lanka Handicrafts Board (SLHB) was created as a broader outfit for Laksala, which was consequently made independent of the Small Industries Ministry. While primarily still being the marketing arm of the trio, the SLHB looked into others aspects required in creating and selling the item as well, such as provision of machinery and raw materials, trainings for craftspeople, quality assurance of products, and credit facilities.

The NDC, NCC, and SLHB are still the main bodies which are responsible for Sri Lankan handicrafts.

The Allied Institutions now

There is a general consensus amongst the senior officials spoken to at the Allied Institutions that in recent times (in the past 10-20 years), the institutions have faltered in providing necessary support for craftspeople and they have struggled (or outright failed) to work constructively with each other, as was envisioned in the complementary mandates of the original Allied Institutions Act. Organizations were duplicating their activities as there was no coordination or conversation between institutions, the activities themselves were not necessarily made with the craftspeople as the central interest, there were heavy amounts of money mishandled, which institutions are still now recovering from, and institutions were handling projects that were well outside of the mandates originally envisioned by the Act. However, within the past few years, attitudes and practices have changed towards rectifying the problems inherited from previous leadership. This is a slow, complicated process and it is evident from conversations with craftspeople that the positive changes are yet to be felt by them. Here we discuss the original mandates of the institutions and their current activities.

THE NATIONAL CRAFTS COUNCIL (NCC)

The NCC was established as a means of undergirding craft communities, aiding with raw material and equipment provision, welfare, trainings, awards and exhibition opportunities, and more. The powers and functions are as follow as per section 17 of the NCC and Allied Institutions Act.

Powers and functions of the Council	17. The powers and functions of the Council shall be to
	(a) hold exhibitions both in Sri Lanka and abroad ;
	(b) improve the quality of the raw materials used for the production of handicrafts and of the finished products;
	(c) institute and award prizes, medals and scholarships for the study of handicrafts;
	(d) provide financial and any other assistance with the approval of the Minister to Crafts Councils or other institutions or organizations engaged in design production or sale of handicrafts ;

(e) provide for the training of craftsmen and advise on all training programmes for craftsmen, apprentices and employees who are in charge of training institutions connected with craftsmen;
(f) institute schemes for the welfare of craftsmen;
(g) institute international exchange programmes for craftsmen;
(h) organize workshops, seminars and conferences at traditional, national and international level to improve the standards and skills of craftsmen;
(i) provide for the dissemination of information and knowledge relating to crafts; and
(j) advise on the preservation of handicrafts of traditional, national or cultural value and set up crafts museums or galleries for the purpose of preserving such handicrafts.

Source: National Crafts Council and Allied Institutions Act (No. 35 of 1982)

Conversations with craftspeople show that their relationship with the NCC is the most stable, although they recognize that the NCC is handicapped in providing the kind of support they require, specifically in providing marketing opportunities. For this they depend on Laksala, which will be discussed separately. The NCC is still currently very active and perhaps has the closest ear to the ground when it comes to understanding the needs and issues of the crafts sector. Their main activities are as follows:

Registration of craftspersons. They have about 26,000 craftspeople registered with them. This database is intended as a means to disseminate information amongst craftspeople e.g., details on workshops conducted, exhibitions, and trade fairs. One might assume there would be a large overlap between craftspeople registered with the NCC and those supplying products to Laksala, but by 2013, only 6000 artisans were cited by former Chairman Anil Koswatte to be supplying to Laksala (“Annual Report - Sri Lanka Handicrafts Board” 2013, 4). Out of this, only about 600 are actively supplying to Laksala (Laksala official, February 13, 2019). Additionally, the NCC has identified that not all registered craftspersons are receiving updated information about available opportunities. To rectify this, they launched a monthly

newsletter in 2017 to update craftspeople about activities that had happened. The newsletters did not necessarily contain information about upcoming events and opportunities, rather it contains information about recent NCC initiatives.

Exhibitions and awards. The NCC organizes craft competitions, exhibitions, and consequent awards at the provincial and national levels, working closely with provincial-level officials of the Small Industries Departments. The exhibitions at both provincial and national levels are accompanied by award competitions for different categories of handicrafts (e.g., batik, reed work, cane work, etc.). The main national event is called Shilpa Abhimani (Presidential Awards Handicrafts Competition and Exhibition), which functions as a fair, exhibition, and competition. Award winners at the provincial competitions are invited to partake in Shilpa Abhimani. International handicrafts communities, largely from other SAARC countries, are also invited to this event to showcase and sell their wares.

For the craftspeople, these exhibitions and awards have a significant impact in motivating their work. The craftspeople who had won any awards spoke very proudly of them, whether it was a “merit” award at the provincial awards or category awards at the national Presidential Awards.

[The NCC] calls for exhibitions like this. Our products get a value. They give certificates and awards; like that, they give us recognition. - cane worker from Moneragala

[I feel] happy. And you get money with the certificates also no! - reed worker from Mannar

The exhibitions also function as an important site for craftspeople to sell their wares, gain exposure to new customers, and establish orders that keep their economy going through the year. For example, one craftsman got connected to a company that produced wares for hotels and has been producing goods for them for about 10 years.

The [Shilpa Abhimani] exhibition is held every year. Our products cannot be sold in Galle and Matara; for that we have to come to Colombo somehow. Through [the exhibition] we get orders for the whole year. Because we are from Matara,

we came to Colombo once a year only, in those days. This is the only exhibition that gathers all the craft workers around the country. NCC is the only place we have. - lace worker from Matara

People from Colombo ask us for our contact information and when there is an order, they let us know. Throughout the year, we get orders here and there like this. - wood worker

Shilpa Saviya. Shilpa Saviya is an annual design competition. It was envisioned as a means of addressing the marketing problem faced by craftspeople. Stage 1 of Shilpa Saviya involves a shortlist of potential candidates who are selected for a business management skill training programme, which is run in collaboration with the National Enterprise Development Authority. Stage 2 involves a 4-month Design Mentorship Programme run in collaboration with a design partner to co-create a new collection of handicrafts products. Stage 3 involves the development of brand names and strategies for local and export markets, in collaboration with the Sri Lanka Exports Development Board. The finale is a showcase of the developed brands and products. Winners of Shilpa Saviya are given support from the NCC to build their brand and promote it.

The first iteration of the programme was run in partnership with the Colombo Design Market in 2017-2018, a private entity, but after the group decided not to continue for 2019, the National Design Centre and Moratuwa University, both government entities, have stepped in as design partners. The NCC is also hoping to open a dedicated Shilpa Saviya shop in Galle where craftspeople can sell their products, with the NCC only charging a nominal fee for the shop-space provided. They have also been in conversation with Laksala to obtain shop-space dedicated to promoting brands that come out of the Shilpa Saviya programme.

Foreign exposure. The NCC also provides opportunities for craftspeople to go overseas for training programmes. Some craftspeople interviewed have received opportunities to go to Thailand, India, and Seychelles for conferences, exhibitions and specialized trainings. Additionally, winners of the *Shilpa Saviya* programme are similarly supported to go overseas, if they continue in their craft fields.

Provision of raw materials. The NCC still provides some raw materials, such as brass and silver, at concessionary prices. Previously, it was the main source of imported raw materials, particularly metals, but within the past ten years this model has become untenable as the cost of the imported goods, such as silver, cannot be sold in such a way to balance payments. Hence, these facilities have been reduced. Conversely, new means of sourcing materials have been initiated e.g., the NCC has collaborated with the armed forces to recycle copper that was previously used for shells.

Craftspeople who work with organic materials such as reed and palmyrah generally obtain and process these materials themselves. The NCC has recently initiated a re-planting programme in order to address environmental concerns about sustainable crops. State-owned and unused lands have been allocated as crop sites managed by craft societies. Four such sites have been initiated in the Ampara, Matale, Nuwara Eliya, and Kegalle districts as at May 2018. The assumption is that the crops will be handled within the craft societies once the harvest comes in.

Provision of equipment. The NCC provides equipment under three schemes. Those who have participated in their trainings are eligible if they prove continued activity in the relevant field through the following year. Under the welfare scheme, craftspeople are also able to apply to get equipment. Finally, equipment is distributed to workers in traditional craft villages under the craft village development programme.

Master craftsmen programme. The NCC identifies senior craftspeople who are able and willing to share their knowledge of craft to new people to participate in this programme. They are given the equipment, raw materials, and stipends to spend six months teaching apprentices (who may be young or old) their craft. They must teach five days a week and receive about Rs. 10,000 as a stipend. Unfortunately, since the stipend is low and they can make more money from their craft itself, some craftspeople may refuse to participate. As a clay worker from Kandy mentioned, the NCC at the time was offering Rs. 8,000 a month, which was not financially feasible for her, so she could not continue participation. While the NCC is aware of the meagreness of the stipend, they recognize that craftspeople choose to participate in the programme for the value of its prestige rather than the financial rewards.

Craft villages. This is any village where a craft was traditionally produced. Although diverse craft-making was widespread amongst villages, this has dwindled in modern times. Currently there are 150 traditional craft villages registered with the National Crafts Council. The NCC works to develop and stimulate these craft villages by providing tools, materials, and training programmes pertaining to their particular craft type. Officials I spoke to enumerated the following as examples: woodwork in Heenpendala, Galle and Ehelagala, Sigirya; palmyrah in Beppamkulam, Mannar; clay in Yakvila, Kurunegala. Between 2015 and early 2018, the NCC has been involved in revitalizing the following villages: Neervilikulam (Mannar), Pethaleyi (Batticaloa), Molagoda (Kegalle), Yakvila (Kurunegala).

Craft Societies. These “Shilpa Samithi” (craft societies) are being revived actively under the present NCC leadership, with the intention of developing them into cooperatives, especially to make them eligible for funding benefits for co-operative development projects by the state. The NCC believes that societies are the best way forward, especially to bridge the generational divide: older craftspeople who are unable to reach modern markets such as those available online can work with young, tech-savvy community members. Artisans themselves, however, are less hopeful about the prospect of craftspeople being able to work together for a collective goal, as were a few representatives from other state institutions. The NCC also recognizes that collective action is still to be worked on: for example, craftspeople still do not sell collectively, even those who are part of societies. However, they are hopeful about this direction as a way forward for craftspeople.

Craft Councils. District-level craft councils will contain representatives from craft societies within the district, as well as the District Secretary. The District Secretary has the ultimate authority at this level of governance; hence, if s/he participates in the council discussions and is able to see from the larger picture how other things may be affecting crafts communities (e.g., environmental permits for raw materials) and intervene accordingly. So far 10 have been established since mid-2018. Since it is a new initiative, its results are yet to be seen.

Shilpa Navodya. This programme is a collaboration with the Ministry of Education to improve crafts awareness amongst children. Starting in 2016, the programme targets about 300 schools in all 25 districts. Children who showed special interest

in the programme were taken further to develop their understanding of making the crafts. The children create products and submit it to a competition. Rather than necessarily creating new craftspersons, the programme intends to inculcate a sense of value for handicrafts in new generations such that, when confronted with handicrafts in shops, they will understand both the cultural and monetary value behind such products.

THE NATIONAL DESIGN CENTRE (NDC)

The National Design Centre functions as the research and development arm of the Allied Institutions, developing innovative designs, raw material uses, and efficiency in methods, as well as being a bank of information on technologies and developments in the handicrafts sector. The powers and functions of the NDC as per the Act are provided below.

Powers and functions of the Centre.	82. The powers and functions of the Centre shall be
	(a) to undertake designs for small industries and research in respect of materials used for the production of handicrafts and designing of such handicrafts, and to seek to substitute the use of local raw materials for imported raw materials; :
	(b) to acquaint itself with market development both in Sri Lanka and abroad and the demand in other countries for handicrafts produced in Sri Lanka.
	(c) to devise new and more efficient methods of production of handicrafts;
	(d) to consider the introduction of mechanization with a view to effecting the production of handicrafts more economically and efficiently ;
(e) to advise and assist the Sri Lanka Handicrafts, Board and craftsmen in respect of matters relating to the production of handicrafts both in the processes used and the utilization of raw materials and generally in the development and production of handicrafts;	

(f) to carry out tests in respect of materials used for the production of handicrafts at the request of the National Crafts Council, the Sri Lanka Handicrafts Board, Crafts Councils and other bodies or persons and to issue such certificates as prescribed in respect of the quality and standard of such materials ;
(g) to maintain an information bank on materials, processes, designs and market trades which may be of value to the National Crafts Council, the Sri Lanka Handicrafts Board, Crafts councils and craftsmen ;
(h) to impose and collect charges on services rendered by the Centre;
(i) to maintain laboratories, workshop and other institutions ;
(j) to enter into agreements with the approval of the Government with institutions in Sri Lanka and abroad whose objects are wholly or partly similar to those of the Centre; and
(k) perform such acts as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions.

Source: National Crafts Council and Allied Institutions Act (No. 35 of 1982)

The main activities of the NDC are described below. The NDC has its main office in Katubedda with a large warehouse-cum-workshop attached to it where designers and craftspeople work together in development. They do not have the capacity to have their own research laboratories for materials and chemical testing but are working towards partnerships in the future.

Design development. NDC’s main activity is to develop new designs for crafts products. Recent graduates from Moratuwa University and the University of Fine Arts are recruited for this purpose. There are two design development workshops, one in Colombo and another in Kandy. Designers work with craftspeople to develop a new product to test in the market. Trainings are then carried out across the island, throughout the year, to introduce successful designs to craftspeople. The programme schedule for 2018 estimates a total of 505 target beneficiaries (“Training Schedule” 2018).

Product Testing. There are two main ways by which products are tested: the main NDC exhibition called “සුගතයට නිමැවුම්” (“Products for this Age”) and through connections to shops. NDC coordinates sending product samples to Laksala and other private shops such as Lakmedura, where they receive feedback about product viability from the shop management team as well as through sales figures. In the NDC exhibition, once a year, there is an opportunity for the craftspeople to have direct contact with buyers, including exporters, and gauge their reaction to new designs.

Raw materials research. Since many crafts are from organic materials, crafts face the challenge of storage e.g., palmyrah that gets fungal growth. There is thus research on developing techniques and products to help with these challenges e.g., an environmentally friendly, non-toxic anti-fungal agent. Some organic materials are also hard to source and supply. For example, traditional masks are made out of kaduru wood, which is a scarce raw material: there is hence research into alternative materials.

Tools and equipment provision. The NDC has tried programmes to introduce machinery in order to increase efficiency and productivity. For example, polishing machines for rattan. However, the uptake from craftspeople is still slow.

Certification (future initiative). The main challenge the NDC observes for crafts vis-à-vis export markets is proper certification for materials used, especially dyes, to indicate that they are non-toxic. The NDC and associated craftspeople do not currently use natural dyes. Importing countries require certification, hence most craftspeople are unable to export without it. However, some middlemen (merchants, retailers) are able to export, according to the NDC, as they have access to adequate certification. The author was unable to verify the situation of these middlemen and what certification they use, though. The NDC intends to develop a certification process so that craftspeople are then able to export directly.

Interior Design Diploma. Although the Act does not provide for the NDC to act as an education certifier, the NDC offers a Diploma in Interior Design, which is only available at the Katubedda campus (next to the NDC head office) in Sinhala and English.

Shilpa Saviya. As of 2018, the NDC has become the design partner for the NCC’s programme, Shilpa Saviya, which is an entrepreneurship training programme for award-winning craftspeople (For more information on Shilpa Saviya see above, National Crafts Council).

Design consultancy. NDC’s design expertise is used by other government bodies for various projects such as memorial building, interior design of new buildings, and souvenir design.

SRI LANKA HANDICRAFTS BOARD (LAKSALA)

The Sri Lanka Handicrafts Board is known in short through its commercial brand name, Laksala, which was originally the marketing arm for handicrafts, based out of the Small Industries Department (prior to 1982) but also a source for raw materials and welfare measures. Upon the enactment of the NCC and Allied Institutions Act in 1982, the SLHB was established as an overarching body, in which Laksala was the brand name for their produce and shops. The powers and functions are as below, in Section 45 of the Act.

Powers, functions and duties of the Board.	45. The powers, functions and duties of the Board shall be
	(a) to establish, maintain and operate and assist in the establishment, maintenance and operation of centres, workshops or other institutions for the purpose of creating or adopting designs to be used in the production of handicrafts and the marketing of goods produced at such centres, workshops or other institutions;
	(b) to provide machinery, equipment and raw materials required for the production of handicrafts;
	(c) to procure, provide and distribute raw materials required for the production of handicrafts
	(d) to give such assistance as may be necessary by way of medium term and short term credit facilities to craftsmen;
	(e) to provide for the training of craftsmen;
	(f) to expand the production of handicrafts and to improve the quality of the raw material used for such production and of the finished products;

(g) to co-operate with scientific and technical institutions, organizations and agencies for the improvement of crafts materials and craft production techniques;
(h) to maintain shops and showrooms both in Sri Lanka and abroad, for the display and sale of handicrafts and to conduct displays, exhibitions and sales and to do all things incidental to such sales ;
(i) to promote the sale of handicrafts both in Sri Lanka and abroad and their export;
(j) to appoint such officers and servants as may be necessary for carrying out the work of the Board;
(k) to establish a provident fund and provide welfare and recreational facilities, houses, hotels and other like accommodation for persons employed by the Board;
(l) to make rules in respect of the administration of the affairs of the Board;
(m) to acquire, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property;
(n) to charge fees for any services or facilities provided by the Board; and
(o) to do all such acts or things as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions.

Source: National Crafts Council and Allied Institutions Act (No. 35 of 1982)

At the moment, the SLHB’s activities are concentrated on their sales mandate through the Laksala showrooms. There are 12 branches island-wide: Kandy, Peradeniya, Pinnawela (elephant orphanage), Airport, Welipenna (Southern Expressway rest-stop), Nuwara Eliya, and six branches in Colombo. There is a general understanding of what type of customers purchase from the different branches but there is no dedicated research arm to understand exact figures of sales and demand. There are also purchasing centres and collecting centres in a few places around the island to facilitate the supply chain from craftspeople to showrooms. Craftspeople are



Figure 2 Logo of Laksala
Source: Official Website of Laksala

currently unable to bring their wares directly to a local branch and must instead provide them to the central office (if at all via the collecting or purchasing centres).

The products sold by Laksala are not handicrafts alone anymore. The reasons for this pivot will be explored in “Policies and Practices in the Crafts Sector.” The crux of the matter is that it has pivoted from a handicrafts seller to a “Gift & Souvenir Boutique,” a decision which appears to have been taken around 2009–2010. The current management believes this is the direction Laksala needs to continue in, in order to stay afloat in a competitive market. However, the insistence is that products are locally-made, whether that means handicrafts or from local brands and factories. Handicrafts remain a fundamental, core direction of Laksala.

Laksala currently has a base of 600 active suppliers providing diverse crafts from masks, to textiles, to metalwork, timber and more. Other non-handicraft products sold include: music CDs, gems and jewellery, tea, essential oils, spices, factory-made garments, factory-made ceramics, porcelain, and timber products from the state timber corporation. Apart from the music CDs, the other products are branded as Laksala, although the shops sell some other brands including Dilmah tea and Noritake and Dankotuwa porcelains.

Welfare

This section deals with welfare options made available to craftspeople through the years; they have been administered by various state institutions and not just the Allied Institutions alone and are thus listed separately to the institutional activities shown above.

Craftsmen’s Benevolent Fund (Treasury). In 1985 a benevolent fund was set up through the approval of President Ranasinghe Premadasa, allotting Rs. 10 million out of the Treasury towards this. The Executive Director of Laksala/SLHB handled this fund. Submissions were given to a Board of about five members to approve, which included representatives from the Treasury and the Ministry in charge (at the time, Rural Industries). Submissions were made with recommendations by the executive director of Laksala. Money was used largely for health-related issues,

often simply to buy a pair of spectacles for craftspeople. Applicants were to submit a medical certificate along with their request. Money was also provided for large sudden expenses, such as children's education (e.g., sending to university). In old age, when unable to work any longer, a sizeable one-time payment was also made upon application. The payments were made out of the interest gained from the Rs. 10 million fund deposited at the bank. By 2005, Rs. 10.6 million was available in the account. The funds have thereafter been misappropriated and are unavailable to continue as welfare support.

Govi Vishrama Vatupa (Farmer's Retirement Fund). This fund was extended to craftspeople in the 1990s upon the initiative of the SLHB at the time. However, craftspeople were dissatisfied with this because they had no connection with the officers handling the fund and were therefore poorly treated. That is, the officers worked regularly with the farming communities and were involved in various aspects of their lives and economy whereas their only interaction with craftspeople were for this retirement fund. Craftspeople hence wanted their own dedicated fund handled by officers that worked with them holistically and knew them. From the side of the state, officials stated the failure of such funds was due to craftspeople not adhering to the regulations of the Fund, especially paying the premium in a timely manner. Since they are unused to this type of future-oriented, regular payment, craftspeople had to be reminded to pay at the post office. However, the officials handling the fund were not regularly reminding them and thus the programme failed.

Savings scheme with NSB. The SLHB had initiated a savings scheme for craftspeople with the National Savings Bank. When payments were made to crafters, 5% of the money would be deposited into the Bank as a savings scheme, with the consent of the craftsperson. Account books were maintained with Laksala but were given to the person if they wanted to withdraw the money. However, many craftspeople did not wish to have the 5% deducted, preferring to have the money immediately.

Pension. Several craftspeople mentioned hearing about potential pension benefits but never actually receiving it. A quote from one craftsman from Colombo who has been in the trade since the 1970s exemplifies this: "At Shilpa Abhimani, a politician or bigshot will give a speech for half an hour. With the kind of things they say and

promise during that half an hour, anyone would want to join the crafts industry! They talk about protections – this time they promised a pension scheme. But they only make a show of this for that day. We’ve been hearing this promise of a pension for ages now.”

All of the welfare mechanisms above were tried and have failed for various reasons. In the case of contributory funds such as insurance schemes and retirement funds, craftspeople were unused to making regular payments for premiums and had to be reminded by officials. This is unsustainable by the state and officials would forget to remind them, ending in failure of the programme. Many of these savings mechanisms were “opt-in” programmes whereas most craftspeople would prefer to have complete upfront payments or use the money they have, unable to spare the small margins of contributions demanded by the savings mechanisms.

A pattern in the welfare options available for craftspeople is that they appear to be modelled after contributory schemes that would work with individuals who have a regular, say monthly, income and are able to make long-term-thinking, regularized savings decisions. However, craft-selling by its nature is an entrepreneurial income: sums are sporadic and vary in quantity, though perhaps with some predictability determined by “seasons.” Hence there needs to be a new imagination about what schemes are offered to craftspeople, one that is capable of taking into account the irregularity of their income and resembles savings/investment attitudes taken towards entrepreneurs rather than salaried workers.

Policies and Practices in the Crafts Sector

“අල්ලගෙන ඉන්න ඕන කට්ටියක්, අත ඇරියොත් වැටෙනවා” (*You have to hold them by the hand: if you let go, they collapse*) - interview with NCC official, September 4, 2018

“*Handicrafts are a dying sector*” - Laksala official in (Ratnawalli 2018)

The quotes above are from two state officials from different bodies in the Allied Institutions. The attitude conveyed is one of charity – as though the sector is being kept artificially alive through the charitable intervention of the state. This attitude seemed to dominate conversations about the sector. However, more private actors recognized the rising potential of crafts and possibilities for innovation and co-creation (fusing traditional designs and techniques with modern market needs). It is true that handicrafts worldwide dwindle in the face of mass production but I argue here that in the case of Sri Lanka, the relative “poverty” of the sector has a lot to do with financial mismanagement by the state sector and lack of appropriate policies and practices towards craftspeople and their work. One example was seen above: welfare policies do not relate to the earning patterns of craftspeople but ultimately, craftspeople’s poverty is blamed on them. This section considers challenges with state practices and policies, as well as practices and attitudes more generally in the crafts sector. Many of these are rectifiable and there are lessons from international practices that are applicable to the Sri Lankan context.

State-sector issues

Competition amongst state organizations and duplication of efforts

One of the earliest challenges was the doubling up of work mandates. During the time of the 1977 United National Party (UNP) government, multiple organizations found themselves acting as a seller, whereas their original mandates were supposed to be complementary. The Small Industries Department was responsible for trainings and workshops and developing the skills of craftspeople and those interested in learning the trade. Laksala was responsible for purchasing and reselling the wares made by the workshops of the Small Industries Department. However, Laksala was unable to buy all the products developed and the Small Industries Department found

themselves having to buy the wares as well. Consequently, both the Department and Laksala had to sell their wares separately. Rather than combining efforts, the two government bodies found themselves in competition with each other instead of being united in competition against the private sector in the burgeoning open economy. As a former official from the Small Industries Department recalled, the Minister for Small Industries at the time, S. Thondaman, even saw this competition between the government bodies as a positive factor and encouraged it (former Small Industries Department official, September 14, 2019).

In recent times, there has been similar duplication of efforts arising from a lack of coordination (or outright resistance to cooperation) between leadership in the institutions. Research conducted in the early 2000s reveal that the institutions were functioning quite separately from each other (Masakorala 2005). However, since about 2016, there has been a structural approach to change the situation. Specifically, the Chairpersons of the NDC, NCC, and Laksala are all on the boards of each organization, which minimizes duplication and encourages complementarity.

Public policy inconsistency and private alternatives

Between 1964 (when Sivagamie Obeyesekere set up Laksala) and 1973 (when she set up Lakpahana), there were three swings of government. Up to 1965, the SLFP were in power; then 1965–1970 saw the UNP take the helm; and the SLFP came back in 1970. These oscillations in government meant that there was constant shuffling and reshuffling of policies, plans and operations, and decision-makers within government bodies (i.e., including the Ministry of Small Industries which housed Laksala). Obeyesekere had a personal attachment to the crafts sector and was determined to see its development through. Recognizing that this inconsistency was damaging, Obeyesekere decided to set up a private organization so that there was consistency in people and plans that were driving the crafts sector. Lakpahana and the Sri Lanka National Artisans' and Craftsmen's Association (NACA) was set up in 1973 with Obeyesekere at the helm of both (Chairman of the former and President of the latter). Lakpahana was to function similar to Laksala i.e., as a marketing and sales avenue for the craftspeople while NACA was a network through which Lakpahana could also roll out benefit schemes, capacity-building opportunities and so forth. Lakpahana is still in operation today and is renowned for its genuine handicrafts.

This example of setting up a private enterprise as a stable alternative to government bodies highlights two issues. Firstly, policy inconsistency as a structural challenge. As soon as a government changes, there is an overhaul of decision-makers and policy directions, resulting in an inability to sustain long-term goals and development. Secondly, the stability of this sector appears to be very personality-led. If Obeyesekere were certain of Laksala's ability to maintain structural integrity and continue to work towards the betterment of the crafts community, there would not have been a need to start an alternative organization. However, this uncertainty meant that artisans' welfare depended on following where Obeyesekere went. If Laksala was institutionally strong and not dependent on the personality of the leadership, then it would also be independent of governmental shifts. This personality-driven nature of the institution thus lends to its fickleness in the face of political change.

Functioning outside of mandates established by Act

When Section 82 of the Allied Institutions Act above is read in toto, it is clear that the NDC was envisioned as a research and development arm for the Allied Institutions, looking into design and technology for the handicrafts sector alone. Every power and function listed – whether it is to look into production, design, market development, efficiency, processes, material research, running laboratories – is qualified by the words “of handicrafts.” However, the types of design consultancies that have been taken up by the NDC go beyond this remit.

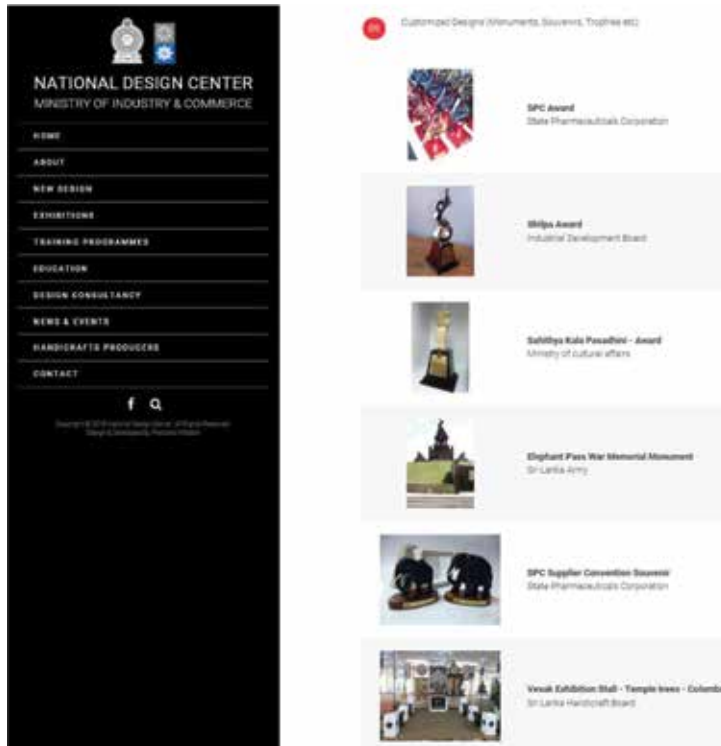
When the author first accessed the NDC site in August 2018, the website listed the following types of consultancies performed by the NDC, which include the following which are unrelated to handicrafts:

1. Design/construction of Exhibition floats, Exhibition stalls and stagebackdrops (sic)
2. Design/construction of theme structures, Exhibition decorative entrances and name (sic) board etc.
3. Design/printing of Visual Combinational aids such as Banners, Flags, Pathaka, Posters Invitations, Logos, Letterheads and greeting cards etc.
4. Design/construction of Monuments

(Design Consultancy Service to Government and Private Institutions 2015).

On the version of its website active as at December 2018, the design consultancy examples listed are as below.

Figure 3 Design Consultancy activities of the National Design Centre



Source: Official Website of the National Design Centre

Of those listed above, the involvement of the NDC with building a war memorial stands out. Other instances of NDC involvement with design consultancy for building and/or architectural purposes include: the Gajaba Regiment memorial, a memorial to Soma Thero in Anuradhapura, and interior design consultancy for the Galle Heritage Foundation including providing sculptures and paintings. Two chairpersons of the NDC have been the designers for two war memorials. Mr. Sarath Surasena has been responsible for the War Memorial at Saliyapura, built in 2004, that commemorates the soldiers of the Gajaba Regiment and Mr. Sunil Fernando was responsible for the design of the Elephant Pass Memorial (Wickramage 2004; “Historic Gun Battle Memories at Elephant Pass Immortalized” n.d.). It is unclear whether these designs were provided as services rendered by the chairpersons in a personal capacity or whether it was undertaken as an organizational endeavour.

Whatever the case, the NDC website still claims credit for the design of both, even while Wickramage's articles asserts that "no state funds have been used for the building of this mega monument." The memorial in Anuradhapura to Soma Thero was sponsored by the Army, while the design was provided by the NDC.

There is no ostensible connection between the design and building of these monuments with the development of Sri Lankan handicrafts.

The complicated situation of Laksala

There are older craftsmen who reminisce with great nostalgia about how they were able to make a living and get things done because of Laksala. They see Laksala as their ancestral home. The feeling that Laksala is their entity is something that is deeply rooted in them – State official, Laksala

Laksala is the centre of the handicraft business with almost all craftsmen connected to this entity. Laksala served as the core element of our survival. Today we are faced with hardships because of the issues prevailing at Laksala – Reed craftsman, Kandy

I earned, educated my children, did everything from the income I received from Laksala. Now it takes at least three months to get a payment. It's difficult to wait that long so we have distanced ourselves from Laksala – Rush worker, Kandy, has been with Laksala since 1975

The predicament that Laksala currently finds itself in warrants a separate section to understand the complex legacy of financial trouble inherited by the current management and the consequent reasons for certain business decisions that have been made that have resulted in the company's significant departure from its original mandates. Laksala appears to have radically changed within recent decades. Artisans who have been active since the 1970s and 1980s speak fondly of a time when Laksala was the centre of the crafts world: it supported the marketing of the craftspeople's goods and that was enough for the crafts economy to sustain itself and grow, enabling artisans and their families to grow alongside it. Laksala was also where artisans would obtain certain welfare benefits and credit and loan facilities.

Now, however, the attitude is completely different. Artisans are wary, if not outright distrustful, of providing their goods to Laksala. They speak with bitterness about non-payment or severely delayed payment and the effects it has had on them. They comment on the appearance and operations of the Laksala stores, upset at the steep

prices their goods are sold at when they themselves are not seeing the returns, and discouraged by the introduction of factory-produced goods in a store that is meant to support the production of handicraft-makers like them. What has happened for Laksala to find itself in this position?

About five years ago, I gave an item to Laksala and they said I can take 30% of the money at the time. But the payment was delayed day by day. When I went again, the storekeeper who was there had been transferred. After about a year, a cheque was sent home. – Reed worker, Colombo

I gave my items to Laksala about four years ago. At that time, they gave us an advance of 5%–10%. The rest was then received after about 7-8 months. Even when the situation was like that I still gave my products to Laksala. But in the end, I could not get my money. I finally complained to [a top-ranking official]. After several months I received the cheque but I didn't supply products to Laksala again. – Lace worker, Matara

I don't supply to Laksala, they don't pay on time. Laksala might give me Rs. 2000 for something that is worth Rs. 1000. But I don't care about the higher prices. I need the money now. I have to pay my children's tuition and other things. Back then my father was able to do this business and live off a few sales a month. It's not like that now, now we have so many expenses. This is everyone's situation. - Gem and Jewellery worker from Galle

Financial position

The Performance Reports of 2016 and 2017 from the Department of Public Enterprises show that Laksala recorded a loss of Rs. 21.91 million in 2015 but by 2016, through a combination of reducing administrative costs and increasing sales, Laksala generated a modest pre-tax profit of Rs. 4.48 million. The pre-tax profits increased to Rs. 33 million in 2017.

Laksala's financial records are in various states of disarray and the Auditor-General reports are damning. The Auditor-General issued a Disclaimer of Opinion² on the

² Audit Opinions are governed by standards issued by the Institute of Chartered Accountants in Sri Lanka. The standards specify three categories of opinion: Unmodified/Clean, Qualified, and Adverse. Auditors issue conclusions only when they are confident the opinion is supportable. Where it is not, a "Disclaimer of opinion" may be issued, but only after: (i) all attempts to gather evidence (or perform alternative checks) have failed, (ii) the limitations faced by the auditor have been communicated to those charged with governance, and (iii) these limitations have not been removed. This is the most serious thing an auditor can say and means that the SLHB has failed to maintain proper books of account, as required under section 64 (2) of the National Crafts Council And Allied Institutions Act (No. 35 of 1982).

accounts of the SLHB in the years 2012, 2013, 2015, 2016 (unable to source 2014, 2017) as they have “not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.” The reports go on to enumerate the diverse mismatches in accounts, missing documentation, the abandonment of millions-worth of projects in mid-construction, under-utilized funds and assets, abuse of fund allocations by members of the Board, unaccounted discrepancies in sales, and much, much more.

From 2011–13 an increasing proportion of the sales revenue was swallowed up by administration and distribution costs. In 2011 administration and distribution costs made up 45.75% of sales revenue, by 2013 this had grown to 59.21%.

Table 2: Laksala Sales Revenue 2011-2013

Laksala Sales Revenue v. Administration Cost			
<u>Year</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
	Rs	Rs	Rs
Cost of purchases	227,039,653	202,628,850	110,957,238
Administration cost	359,918,584	188,578,972	122,081,983
Distribution cost	47,489,083	23,271,225	4,263,820
Total Admin & Distribution	407,407,667	211,850,197	126,345,803
Sales	688,112,358	489,564,350	276,368,521
Profit before tax	23,461,300	69,630,013	52,374,597
% of Admin & Distribution to sales	59.21%	43.27%	45.72%
% of cost of purchases to sales	32.99%	41.39%	40.15%

Source: Sri Lanka Handicrafts Board, Annual Report 2013, p11

The Auditor General’s report for 2013 gives a couple of examples of inefficiency. The board opened a new showroom in June 2013, refurbishing the premises at a cost of Rs. 8 million but closed it by March 2014: “Even though the Kesone (sic) Showroom procured on rent basis had been modernized at a cost of Rs. 8,353,071 and opened on 14 June 2013, it had been closed down due to the non-receipt of the expected income by March 2014.” In the same year a sum of Rs. 17 million was spent on the opening ceremony of two showrooms: “Sums totaling Rs. 17,219,407 had been spent

on the opening ceremonies of the Museum and the Battaramulla Showroom.” (“Sri Lanka Handicrafts Board - Report of the Auditor-General” 2013)

In the 2013 report, the Auditor-General does not mince his words when highlighting the discrepancy in profits made from crafts sales compared to the payout of the craftspeople themselves. He also notes that Board expenditure had increased while profits had actually decreased, all while the craftspeople remained underpaid.

(3.2 - d(ii)) “Even though the main objective of the establishment of the Board is increasing the income of the handicraftsmen by expanding the production of handicrafts and improving the quality thereof, only a sum of Rs.235 million or 33 per cent of the sales income of the Board amounting to Rs.699.7 per cent (sic) had been paid to the producers. Out of the sales income of Rs.504 million for the preceding year, a sum of Rs.209 million or 41.5 per cent had been paid to the producers. As such an encouragement of the handicraftsmen had not been caused. Instead the recurrent expenditure of the Board had been unusually increase (sic), while the 12.5 per cent net profit in the preceding year had decreased to 1.9 per cent.” (“Annual Report - Sri Lanka Handicrafts Board” 2013, 54. *per cent should read “million,” since the statement is about sales income, which in the next sentence is stated in millions for the previous year.)*

In the same year, 2013, a loan of Rs. 100 million was taken from the Bank of Ceylon by the SLHB “to meet supplier payments on revolving credit basis.” This was part of a larger Rs. 400 million loan taken where the rest was used for construction payment (“Annual Report - Sri Lanka Handicrafts Board” 2013, 35). So even though the SLHB was making Rs. 504 million in sales income for 2013, it used less than half of that amount to repay craftspeople and instead took another Rs. 100 million loan for this (tacked onto a construction loan). It is not certain how much of this was actually utilised to pay suppliers, but the former Chairman and longtime Board member of SLHB, Buddhi Keerthisena, says that “craftsmen were not given even 50 million” (Ratnawalli 2018).

In the following year, 2014, the Auditor-General continues to note discrepancies between what has been paid to craftspeople compared to monies used for other purposes. Administrative expenses totaled over Rs. 398 million whereas the cost

of sales, i.e., purchases from suppliers, stood at a lesser value, just under Rs. 305 million. Note that at this point “suppliers” also included large companies and factories that were supplying the “diversified” goods, which means less than this amount was being paid back to artisans. The Auditor-General enumerates instances of failed or underutilized construction projects and several overpayments to top administrative staff: an overpayment of Rs. 1.8 million in petrol allowances to the Chairman, an additional Rs. 1.8 million in entertainment expenses, Rs. 6.72 million in transport allowances outside of limitations by the Public Enterprises Circular, and various overpayments for attendance in Board meetings. Additionally, out of the total Rs. 32 million paid in incentives, 50.2% had been paid to 22 members of the Board of Management compared to the 49.8% paid to 176 employees. The Auditor-General adds:

Even though the main objective of the establishment of the Board includes the expansion in the production of handicrafts, improving the quality thereof and increasing the income of the manufacturers through sales of handicrafts, the manufacturers had been paid only 35.4 per cent of the income earned by the Board, whereas the operating expenses had been 65 per cent of the total income.
 (“Annual Report - Sri Lanka Handicrafts Board” 2014, 10)

This 2014 Annual Report was only presented to Parliament in 2017 and there are currently no later Annual Reports available (“Parliament of Sri Lanka - Papers Presented” n.d.). Other efforts to repay craftspeople include a sum of Rs. 25 million that was allocated in 2017 to the SLHB “to settle the outstanding payments to suppliers” (“Performance Report: Department of Public Enterprise” 2016, 14–15). The Rs. 100 million figure was not mentioned in the 2013 or 2014 Performance Reports of the Department of Public Enterprise, whereas the Rs. 25 million allocated in 2017 was referenced. A recent RTI request also revealed that the SLHB had received regular grants, including a Divineguma grant of Rs. 100 million in 2012, a Sri Lanka Tourism Promotion grant of Rs. 50 million in 2013, grants from the ministry of Rs. 36 million in 2013 and budget allocations (Rs. 42 million in 2013 and Rs. 36 million in 2014). Yet, as at December 2017, there was over Rs. 284 million in outstanding payments delayed by three months or more to about to about 430

craftsperson suppliers, with some owed as little as Rs. 5,000 and Rs. 800 for over three months. To recall, there are only about 600 active craft suppliers with Laksala.

These repayments funded by the Rs. 100 million loan, the Rs. 25 million allocation, and the many grants and other sums appear to only have been partially fulfilled and have not addressed the procedural issue of delayed payments since artisans interviewed were still citing very recent examples of severely delayed payments. Craftspeople interviewed were also disgruntled by government purchasers haggling down of the original price of the good and cited feeling disillusioned by seeing the price that their goods were sold for on the Laksala shelves, compared to what they were personally paid for. They were conscious of and conceded to the need for a mark-up – a 30% mark-up appeared to be acceptable to them. However, they saw 100%–150% mark-ups of their goods and were discouraged by this, also complaining that their products probably did not sell due to these high prices. They did not, however, seem aware of the extent of corruption and mismanagement in the company in the past years. Artisans also felt discouraged by the lack of decent treatment they received from government officials when they tried to ask for the money owed to them.

The current administration of Laksala is scrambling to rectify many of the structural issues caused by such shortfalls in payments to both craftspeople and executive staff, as will be discussed later in this section.

Many artisans find that dealing with Laksala is a bitter experience because they delay payments agonisingly. Some artisans have to wait about six months or more just to be paid Rs. 40,000 . . . When we call they never answer the phones and we have to go all the way and remind them. Mostly, they just ask for some more time; this happens to a lot to rural artisans as they don't fight back hard with companies like this fearing they might get in trouble. A few of them never go asking for late payments and keep supplying goods, thus making it very hard for themselves. – Reed weaver, Elpitiya (Ratnawalli 2018)

If we ask for money, they would either promise to settle it and write a small cheque to hand over to us. But the cheque bounces. You check with any bank as to whether they approve Laksala cheques: Laksala boasts it has state patronage but not even a bank approves their cheques! – Brass worker, Kandy (clarifies that cheques still bounce, even as at Sept 2018)

When I first supplied artefacts to Laksala, they promised to deposit the payment in the Bank, but I was not paid a cent! I went twice to meet and remind them to pay me and they consider us as an irritation. Or, they value our goods at a lower rate. Once I took a large crotchet table cloth priced at Rs. 2,300, nevertheless, their buying price was Rs. 1,800. And once more, I offered them a sample for Rs. 750 but they priced it for Rs. 600. Then I discontinued business with Laksala. – Traditional weaver (Ratnawalli 2018)

The cooperative society has 20 lakhs in unsettled payments. They don't pay us. When they come, they bring a dated cheque for around 2 lakhs but they take goods from us worth 15–20 lakhs. Since they are unable to settle the money, unsettled dues get accumulated. If the documentation goes missing, all our money will be lost. Those who can stay on [with Laksala] are the ones who can spare 20–30 lakhs and not the small craftsmen. – Brass worker, Kandy

Further explainers for Laksala's financial position

Apé Gama fiasco

Apé Gama is a replica of a traditional Sri Lankan village in Battaramulla, a suburb on the fringes of central Colombo, declared open in November 2013, along with the Laksala showroom complex inside of the premises (*Daily Mirror* n.d.). Apé Gama is located on the same complex as what was previously known as the Janakala Kendraya (Folk Arts Centre) and is close to the National Crafts Council head office. It contains thatched roof houses and mud huts, farming and animal husbandry-related set-ups, and has a winding path along which one can walk through this “village” observing the mannequins placed around to look like authentic villagers going about their lives. It is also used as an event location and is open to tourists during normal business hours.

Apé Gama was built by Laksala, borrowing nearly Rs. 200 million and spending Rs. 21.6 million of its own. However, in September 2015, it was wrested from Laksala (within the Ministry for Cultural Affairs) and gazetted under the Ministry of Education along with several other institutions related to cultural affairs (*Newsfirst* 2016). The removal of Apé Gama from the SLHB then meant that the Laksala was left with the burden of rectifying that debt but without any earnings from Apé Gama returns. As at 2016, Laksala was paying Rs. 3.9 million a month to settle the loan, including its interest (*Economynext* 2017; “Performance Report: Department of Public Enterprise” 2016, 14–15). Again in May 2018 with a cabinet reshuffle, these

same institutions were placed with the Ministry for Higher Education and Cultural Affairs (*Daily Mirror* n.d.). However, this final reshuffling has not meant a return to Laksala and the company is still left to recover the costs associated with having constructed Apé Gama, without its returns. This crippling loss due to expenses for Apé Gama is one of the reasons that Laksala finds itself in such monetary trouble.

Corruption

In 2018, the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) filed a case against Anil Koswatte, former chairman of Laksala, for handing the contract for building the Laksala showroom at the Colombo National Museum to a private contractor without proper tender procedures (Sooriyagoda 2018). The Coalition against Corruption also lodged a complaint with CIABOC regarding fraud amounting to over Rs. 2,700 million including: Koswatte receiving over Rs. 1 million net as a monthly payment from Laksala, in violation of salary regulations; violation of tender procedures in contracting and constructing the Laksala showroom; obstruction of due process in conducting audits; establishment of an engineering unit under Laksala, in contravention of the NCC Act. Auditors from the Auditor-General's Department were actively obstructed from conducting their work: "Those at the Auditor General's Department who were involved in revealing these frauds have been transferred to a small office of Laksala in the Moratuwa area, some 16 km from the head office, making it hard for auditors to continue their work and making them travel 16 km up and down even to check a small voucher in connection to audit examination." ("CAC Lodges a Complaint Against Fraudulent Activities of Laksala" 2014). Notably, the construction of Apé Gama and the pivoting of Laksala from handicrafts to the "state gift and souvenir boutique" also happened under Koswatte's chairmanship, as well as the "diversification" of Laksala through the initiation of the following subsidiaries:



Figure 4 Logo of Lakarcade
Source: Official Website of Lakarcade

1. Laksala Import and Export Services: “to import raw materials to produce gift and souvenir items including handlooms and batiks” and to “export gifts and souvenirs or any other value-added products including furniture”
2. Micro-financing agency that will “assist village craftsmen and rural suppliers”
3. A Hotel and Property Management Services “to operate and manage boutique type hotels with gift and souvenir shops”
4. Laksala Lifestyle Décor and Engineering Management Solutions which “will use local raw materials for interior decorations and provide necessary construction facilities”

(Sirimanna 2013)

Currently, Laksala does not run any of these services.

Koswatte and three others underwent trial for the fraudulent tender procedures relating to constructing a new Laksala showroom but were released on bail with sureties of Rs. 10,000 each and two personal sureties totalling Rs. 2 million (Hiru News 2017). This amount is less than 0.001% of the Rs. 2,700 million-worth fraudulent activity that was initially filed against them by the Coalition for Corruption. In April 2018, Koswatte launched “Lakarcade,” – a near-replica of Laksala, selling handicrafts with a vision “to become the global representative of authentic Sri Lankan Novelty Gift and Souvenir items by preserving our heritage”. It is located at a prime property location off Union Place in Colombo 2, a commercial hub in central Colombo, and includes Ayurveda spa options as well (“About Us” n.d.). Koswatte is the CEO of Lakarcade.

Laksala now

[Handicrafts] is still the fundamental, core direction. But you need add-ons, you can't just stick to [handicrafts]. The thing is that you're competing with all the others. If you go to [examples of private companies], obviously the same clientele would go. If you want to survive you also have to match them. This is a self-financing outlet, there are no government grants. This is government-owned but

it is a business venture. We have to find resources and make money . . . It's not a showpiece as such, it's a commercial venture - Laksala official, February 13, 2019

Laksala is currently still reeling from the history of financial chaos detailed above, including the severe and unaccounted losses made. This recovery from financial trouble is the justification used for the kind of business model Laksala currently runs on i.e., that they need to expand beyond just handicrafts and instead remain pivoted as a gift and souvenir boutique and that they need to price high in order to make quicker returns.

Earlier in 2018 when journalist Darshanie Ratnawalli did an investigative piece on Laksala, she found that Laksala operatives believed that it was necessary to sell things like factory-made garments and porcelain in order to keep the company afloat. The attitude was that factory-made goods were cheap and sold fast and brought enough income to keep Laksala afloat so they could continue selling handicrafts (Ratnawalli 2018). The leadership of Laksala has changed since then but there is still an insistence on remaining open to general souvenirs and gifts in order to be competitive in the wider market, as evidenced in the opening quote. All products are Sri Lanka-made, though they may not necessarily be “handicrafts.” Indeed, as a Laksala representative explained, they vary mark-ups on different items such that high margins on certain items can compensate for the lower margins put on some handicraft products. This is seen as necessary to ensure the company still runs successfully to fulfil their core mandate of supporting handicrafts.

Some of the challenges that the new leadership faced was non-payment of incentives to executive staff (on top of non-payment to craftspeople). With a discouraged team, the operations of Laksala also suffered. Several steps have been taken to try and rectify these issues, including better incentive payments to executives, timely payments to craftspeople, and better co-ordination with the tourism industry to drive customers to Laksala. The company is actively pursuing coordination with tour operators and guides; groups of tourists make a pitstop at Laksala for their souvenir-purchasing needs. The fruits of this have been seen in the early months of 2019. The ceiling on partial upfront payments to artisans has also been increased as a result of the availability of funds resulting from increased sales income.

Unfortunately, the extent to which damages have been done are such that the company is still trying to recover its losses four years into new management and the faith of artisans in the company is fragile if not broken. The current management insists on the centrality of handicrafts to Laksala and the urgent need to rectify these relationships and business connections in order to keep Laksala functioning successfully and supporting the crafts sector.

While Laksala's predicament seems extraordinary on its own, it appears to be just one more example of a troubled state-owned enterprise. An extensive report published in 2019 by the Advocata Institute showed the losses incurred by other state-owned enterprises, some in the billions, with extraordinary examples of operational expenses, unaccounted payments, and extraneous project/construction expenses. Many of these are vital goods, such as electricity and transport. While privatization is championed by some as a simple solution, complete privatization and the erasure of Laksala is inadvisable for handicrafts, due to the dual responsibilities of promoting economy *and* protecting cultural heritage. The latter is a mandate of the state that the private sector has no obligation to fulfill. This will be discussed further in the section entitled "Private Sector."

Attitudes and practices in the crafts sector

The state, along with dealing with its own internal issues, must also confront the problems posed by the sector itself. Accepted attitudes and practices in the crafts sector, compounded with the problems shown above, have further contributed to the problems facing craftspeople and their trade. Practices need to change in order to respond to the operational realities of the crafts sector and changing trends in production and consumption in modern times.

The "entrepreneur" approach to craftspersons

On the whole, there is an attitude towards the crafts economy that presumes a lot out of the initiative of the craftsperson alone, arising from an assumption that craftspeople ought to function as "entrepreneurs." There is an expectation that the

craftsperson alone acquires and processes raw materials, makes the object, sells it him/herself, and is able to account and manage alone all the variables that may affect any aspect of this supply chain. Hence, they must account for: climate fluctuations affecting raw material availability, market fluctuations (especially to account for tourism, which in itself is dependent on politics), fluctuations of consumer price expectations, fluxes in customers at markets, and more. The point is, there is no supported ecosystem of different actors involved at different stages of the handicraft supply chain (apart from middlemen supporting sales, which as we have seen can be often problematic). Hence the burden is squarely on the craftsperson, which furthers his/her vulnerability.

Microentrepreneurship is actively peddled as a poverty alleviation strategy, not just to craftspeople but also to multiple vulnerable communities in Sri Lanka. Often called “self-employment” opportunities, they are pushed by government, non-government and private sector actors alike. This attitude has become such a mainstay of “empowerment” projects that there is little reflection and critique; it instead becomes a cultural expectation in development work. This entrepreneurial approach needs to be sternly questioned. The essence of entrepreneurship is the ability to take risk, which in turn depends on the availability of capital to sink. Why, then, are we expecting capital-poor communities to take on the financial and mental/emotional risks of entrepreneurship? Commenting on this phenomenon globally, crafts scholar Timothy Scrase is scathing: “There are all too many cases in the developed world of small enterprises failing within their first year of operation to graft the Western model of entrepreneurialism and small business development onto the communities of marginalised Third World workers” (Scrase 2003, 458). And yet, here in the “Third World,” we continue to expect entrepreneurial initiative from the most marginalized of our own communities. This is especially problematic when expected of communities (mostly women) who survived the war:

In the post-war context, these [SME] programmes are rolled out . . .altogether ignoring the material and psychological losses during the war and their implications for engaging in entrepreneurial activities. Indeed, women are expected to be so resilient and resourceful that a few chickens, a few plants, and a few thousand rupees is considered sufficient to enable them to recover form the

shock of the war, and its economic, social, cultural and psychological ramifications still reverberating in their lives. (Kodikara 2018, 42)

Even for people who wish to take an entrepreneurial approach, it becomes difficult to find necessary support, which we will see below in artisans' experiences with business loans.

There needs to be holistic support for the crafts industry as a whole, instead of simply making more market opportunities, training programmes, and entrepreneurial loan schemes, all of which still put the burden of production and selling on the craftsperson alone. The same challenge of expecting too much out of the lone craftsperson was identified in a sectoral study of India. There too, the recommendation was to create an environment that is conducive to such entrepreneurialism, i.e., to support various aspects of the value chain (raw material supply, credit schemes, welfare, marketing, sales, exhibitions) so that if a craftsperson chose to be entrepreneurial, they could successfully do so (Mubayi 2016). The NCC's *Shilpa Saviya* has the potential to be an exemplar in this type of holistic support: artisans are given design and business strategy support as well as the connections to export know-how through the Export Development Board's involvement in the programme and a small payout at the end of the programme to kickstart their business. Those with an entrepreneurial ability are ideally given the resources to take their work to another level through participation in this programme. However, this is only one example whereas for crafts as a sector to flourish, there needs to be a sector-wide supportive environment.

Raw materials

There is no ecosystem that makes raw materials readily available for craftspeople. Certain crafts, such as batiks and lace, do have this since they can obtain their raw materials from places selling dyes, fabrics, etc. For others, especially plant-based raw materials such as those made with palmyrah or coconut leaves (e.g., rush and reed crafts), the craftspeople themselves must fulfill raw material acquisition and processing themselves, in addition to the craft-making itself.

Firstly, the time-consumption aspect of processing raw materials is not adequately compensated for in the way crafts are priced; craftspeople primarily determine the

price of their items solely on (a) the cost of the raw materials and (b) market value. They hardly compensate for the time and labour spent on *making* the item itself, let alone on processing the raw material in the first place.

Secondly, craftspeople are also vulnerable to climate-based fluctuations that affect raw material availability. These factors are well beyond their capacity to prepare for. For example, women reed weavers in Point Pedro state that if it has been a rainy day, then there is no one to collect the leaves and thus no leaves for them to use and they fall back in their daily or weekly income. There is no broader system for them to understand how climate change is affecting seasonal variations in raw material availability either.

We buy the leaves ourselves and the dyes are very expensive... We can't buy leaves during the rainy season as no one climbs the trees to get the leaves – Reed worker, Mannar

Even for other crafts, in-between steps of manufacture are missing. Bobbin lace-makers from Galle recount how they would have to come up to Pettah in Colombo in order to buy their raw materials in bulk. Brass workers from the Central Province describe how their moulds and plates were purchased from overseas: there were no local manufacturers.

Having a separate sector of raw materials and related items suppliers would help to steady the supply as well as account for the cost of raw materials processing. The NCC has stated intentions of creating supplier societies (akin to craft societies) in order to resolve the raw material supply aspect. Alternatively, as craft societies and/or co-operatives are built, the role of raw material supplying can be handled by a few members, while others are making the objects and yet others are selling, marketing, and fulfilling other aspects of the supply chain. This kind of co-creative craft society is envisioned by NCC at the moment, where they expect younger generations to join the craft society and help with digital marketing of crafts made by the older generation (read more in “Facing the Digital Age”).

Purchasing practices

This is one of the principle challenges craftspeople face. There has been an attitude that consignment purchasing is how all purchasing happens from retailers, and hence craftspeople simply need to adapt to that, rather than the converse option, which is to create a separate system of purchasing that takes into account craftspeople's need for immediate income. Most craftspeople are from lower economic backgrounds and are unable to buffer themselves for the period of delay between selling the product and receiving the money, especially since this is not a matter of a few days' delay but months' worth. Even medium-scale craftspeople are only able to create this buffer for themselves by having their primary income from some other work.

I don't supply to Laksala, they don't pay on time. Laksala might give me Rs. 2000 for something that is worth Rs. 1000. But I don't care about the higher prices. I need the money now. I have to pay my children's tuition and other things. Back then my father was able to do this business and live off a few sales a month. It's not like that now, now we have so many expenses. This is everyone's situation. – gem and jewellery worker, Galle

For most, it becomes impossible to maintain their daily life expenses, let alone buy raw materials and sink time and money into creating handicrafts where there is no guarantee of a reasonably quick income. This also means that it's only big-time crafts makers who are able to produce for these consignment-based buyers, since they are able to sink Rs. 100,000 – 200,000 worth of goods at a time and wait months for payment. Private companies appear to be addressing this issue by paying either upfront or providing advances upon placing the order or both. Additionally, physical markets provide an opportunity for craftspeople to gain immediate incomes through face-to-face sales.

Post-dated cheques have also been used as a means of payment. Artisans spoke about how they distrusted these cheques as many of them bounce and banks would not honour them. This form of payment has also created another middleman amongst crafts communities at the stage of payments. A craftsperson from Galle described how they dealt with post-dated cheques and their need for immediate income. The cheques can only be redeemed at the date marked, which is two or more months later

than when the cheque is given. Since craftspeople need an immediate income, they instead find someone who can discount the cheque. That is, they find a local person who can pay them the value of the cheque immediately. This person may or may not take a commission out of the cheque payment, depending on the relationship s/he has with the craftsperson. This economy essentially introduces yet another middleman into the chain between consumer and craftsperson, enabling another community to unfairly benefit out of the craftsperson's labour. The craftsperson now has two levels of middlemen: (1) the person who profits from buying and selling their wares to the end customer and (2) the person who makes a commission off the payment of dues to the craftsperson.

City-centred purchasing and vending

Transport [is a challenge]. For us to come from Mannar to here . . . We first have to speak to the bus, pay them separately about sending our parcels of goods and we have to discuss sending our goods to Colombo first before we get there . . . We have to come to Colombo to buy the dyes. It's expensive in Colombo but there's no supplier where we are. We have to come here and buy it, even if it's expensive.

– Reed worker, Mannar

Craftspeople often have to travel to Colombo in order to fulfil multiple aspects of their business and welfare. They bring their goods to the city in order to hand them over to major buyers. When they experience delays in payments they would similarly have to travel to Colombo to the head office to question delayed payments. Often craftspeople would return home with the issue yet unresolved. This same travel to Colombo was necessary when making applications for welfare requests and applications for loans.

Centring so many aspects of crafts on the city is untenable for craftspeople since travel takes time away from their already time-intensive labour. In the case of vending, initiatives can be created to channel craft goods to regional outlets, particularly in the case of tourist attractions where there are often coincident gift shops and museums. This currently happens organically where hawkers are a standard feature near tourist attractions. However, this is not yet a coordinated policy direction within the state and presents a rich opportunity for collaboration with local private

sector businesses and hospitality to connect with local craftspeople. This regional approach is already mainstreamed for crafts exhibitions but not for year-round retailing. Payment processes and applications for welfare and loans also needs mainstreaming where physical presence is not required, such as postal applications or online registrations and claims.

Quality Assurance

Previously, the state was involved in an overseeing capacity from design to finish, including quality checks. This micro-managerial level of involvement may not be feasible for the state to implement any more, but the lack of quality assurances and the lack of challenges for craftspeople creates a self-fulfilling negative feedback loop. When the state purchases whatever goods are produced by craftspeople without proper dialogue about market needs, quality or standards, then those goods will be more difficult to sell. The goods – and the craftspeople – continue to be perceived as out of step with consumer trends, “stuck in the past” so to speak, and the poor quality of products becomes a characteristic of the handicrafts rather than exceptions to a generally good stock. In one example, a consignment of sarees was sourced from Batticaloa but the thread density was lower than required standards. When the supply department aired their concerns about the stock’s inability to be sold, the CEO at the time explained that the women wove while doing domestic work and that Laksala bought from them to encourage them and grow the sector (Ratnawalli 2018). Although the sentiment is charitable, the negative feedback loop here affects innovation as well as immediate payment: if the sarees were taken on consignment, then they would never get paid if their sarees are not sold. The mismatch with market needs has immediate as well as sectoral consequences.

Since the craftspeople are selling their items through a third-party, they also have no direct interaction with consumers and their spontaneous commercialization process is inhibited. There needs to be a dialogue between the third-party and the craftspeople about the market in order to have a successful sponsored commercialization process. This system becomes a loop that further decays the handicraft sector by perpetuating the idea that craftspeople are eternally “behind the times” and unable

to produce quality, market-relevant goods. Indeed, this loop engenders the attitude that handicrafts are “a dying sector” and that companies have “a corporate social responsibility to keep Sri Lankan handicrafts alive” (Ratnawalli 2018).

Laksala asserts that it currently has a quality check at least at the point of purchase at their centres. Conversely, the private sector is heavily involved in the production process of crafts and maintains high standards of quality checking from design to finish. At first, this can be challenging for craftspeople but in the end, it is worthwhile as the craft develops through this sponsored commercialization.

With them [a private buying company], they require the exact colours, the exact design. Even sewing has to be neat . . . If we do this, minimizing mistakes, then there is no problem. Sometimes, they tell us if there is a small mistake and tell us not to do the mistake again. If it is not right at all, they tell us, otherwise they do a sample to give us and they ask us to do [the product] like that . . . Initially, I thought it is difficult to work with them. But as we went on, I realized that they discuss things well with us and we can work with them. They listen to what we say. – Reed worker, Kandy

The same craftspeople stated that another private company purchases products from him but insisted on high quality and traditional styles, “*For a market like that we don’t have to produce a lot of stuff: for the few products we do, we get a good price. I continue my work like that,*” once again demonstrating that what craftspeople fundamentally need is a decent sum to compensate for their work.

Loans

Loan facilities have been important to craftspeople for means of business development. However, despite the diversity of available loan facilities, craftspeople struggle to access them. Even in the instance where craftspeople are able to take on the burdens of an “entrepreneur” approach to their work, they are barred from these loans by the procedural problems outlined below.

1. Obtaining loans requires the signature of two government officials. Although a state representative I spoke to clarified that the signatures can be obtained from anyone, not necessarily government officials, the craftspeople who had

attempted to access loans were under the impression that the guarantors had to be civil servants.

“I requested a loan from Enterprise Lanka. They were ready to give me the loan but they said two government workers have to sign the documents. Although there were many government workers, they have already signed for other loans and were therefore not ready to sign mine. That rule is there because they know that it is difficult to get a signature from a government servant.”

“When we try to apply for a loan even, they give us the application and ask us to nominate two public servants as guarantors. Even if we are traditional craftsmen we can’t get a loan.”

2. The time spent dealing with the bureaucracy of obtaining the loan is not worthwhile, especially compared to the amounts that can be obtained.

“After hearing all the documents we had to get in order to obtain the loan, I told my daughter, we might as well go to Colombo and get the things we need on loan, it would be cheaper than spending our time here with all this.”

3. There is distrust in the stability of government organizations: if the loan takes a long time to get processed, will the organization still exist as governments change?

This craftsman was asked to put down his land as collateral in order to obtain the loan. “To complete these processes it took about 5–6 months. By that time, even Enterprise Lanka as an organization might be gone. It’s a government organization, no?”

4. Lack of institutional recognition and respect as craftspeople.

“When applying for a loan (from the Ministry of Small Industries), the application they issue to us is the same as that which is given to farmers applying for loans under the Agricultural Scheme (Govi Jana Seva). Why can’t they even give us due recognition by identifying us as craftsmen?”

One of the justifications for all these hoops, especially the double-guarantor, was stated by a Bank manager in Masakorale’s research (2005): “Such procedure is necessary

otherwise when short-term credits are released for current production expenses like the purchase of raw materials, they often use them for personal consumption. This is due to lack of other means to meet their daily needs of subsistence and other ceremonial and religious expenses.” This is alarming: craftspeople are turning to debt to allow subsistence living, likely creating cycles of indebtedness. Moreover, if craftspeople are experienced delayed payments or unfair prices, they are limited in escaping this cycle. Rather than providing loans and bureaucratic welfare options, what is most immediately needed is timely payments at competitive prices. As one reed weaver stated, “It’s not welfare, what I’m saying is that back then they were able to pay on time and they paid a good price. That was enough for us to go about our daily lives.”

Middlemen (vendors/suppliers)

Middlemen connect craft-makers to craft-buyers. Guides (in the tourist industry) are discussed below as a special case. Middlemen often do a valuable service connecting craftspeople to markets. Craftspeople may not necessarily have the money or time to come to central marketplaces regularly, in addition to producing goods. By fulfilling the sales aspect, middlemen address one aspect of the supply chain for crafts and alleviate the burden from craftspeople. However, they may also become a crutch to the industry.

We have a few mobile vendors in the village. But sometimes business is not profitable when third parties are involved as we do not get the real value for all the hard work we put in. We know how expensive these items are in the shops outside. They sell our products keeping a huge margin. – Coconut carver, Avissawella (Silva 2015)

A comparison of two responses of craftspeople who appear to be in buy-back arrangements is noteworthy here:

The most difficult thing for us is to sell what we make. We do not have much contact with the tourist shops in the city. The middleman takes our products to the shops in the city and brings us money. When we need raw materials he either gives money to buy them or gives materials. We can borrow some money in an emergency. He is a great asset for us. (Masakorala 2005, 88)

Compare the above with the following account provided by someone working with weavers in Batticaloa.

In [a town nearby] you get middlemen who provide cheap yarn for these weavers and get them to weave saris for them for a cheap price. With the yarn cost deducted, the weavers only get in hand even less than Rs. 500 or Rs. 600 per sari. And when he sells the end product from that also he keeps a small margin.

(social enterprise owner, September 4th 2018)

Masakorala's craftperson does not clarify if they are also buying the material from the middleman or whether it is obtained for free (which is unlikely, considering there is also a lending relationship established in the same quote). In the second quote, it is clear that the middleman participates in this economy at absolutely no cost to himself: he sells the yarn to the women weavers and also sells the final product at what one can imagine is a significant mark-up, since handloom saris in Sri Lanka are sold upwards of Rs. 2000 whereas he is only paying Rs. 600 to the women weavers. This means that the craftspersons are not adequately compensated for their labour and time.

Considering these are women weavers from a post-conflict region, they are additionally vulnerable as there are limited other options for employment. Cottage industries are an important source of income for women in post-conflict areas, as it allows them to earn an income from within the house and manage carer responsibilities as well (Kodikara 2018). Additionally, since women have limited ability to have direct contact with consumers, it inhibits their potential for spontaneous commercialization i.e. direct capacity to develop their products. So they can become dependent on this middleman who can in turn exploit women's vulnerabilities and become a gatekeeper: the women are in a weak bargaining position since both their raw materials and point of sales centre on this middleman. So while middlemen are sometimes necessary for the craftspeople to maintain their livelihoods and facilitate sales, there needs to be checks on them such that vulnerabilities of craft-makers are not exploited. There are also efforts to minimize the need for middlemen in this ecosystem. Private companies who buy products from crafters try to do so directly, connecting via trade fairs, exhibitions and markets. When recruiting new suppliers,

Laksala also has a verification process to make sure suppliers are craftspeople and not middlemen.

Guides

Guides can be the boon or the bane of the industry. They act as the middlemen in tourism who bring tourists to craft shops. A representative from a private company selling handicrafts described how in the past, guides and tour operators used to shepherd busloads of tourists to the shop but gradually these middlemen started increasing their commissions on sales to a point where it was unsustainable for the shop. Instead of compromising on the price of the items (i.e., raising the price of the item would decrease sales and flow of goods, affecting the amounts received by craftspeople), the shop refused to do business with these middlemen who were extorting those amounts. In the end, the guides/tour operators acted as gatekeepers and stopped bringing their busloads to the shop, severely affecting the customer base. Similarly, the craft village in Sigiriya that was supported by the NCC went into disuse because guides were demanding high commissions for bringing tourists that the NCC was unable to pay. The village activity dwindled and is only recently being revived through more initiative from the NCC.

Guides may exercise exploitation in other ways as they are familiar with the tourism industry but the “locals” themselves may not. In an example in Vaakarai, a guide, was taking tourists to see a community of Veddas and had no consensual arrangement with the community themselves: “Later I came to know that he earns a lot of money through showing us and some our activities here . . . He requested our elderly women and youths to do various activities to show the tourists, but they were not paid a single rupee, he has earned a lot out [of] us but we were not aware later we came to know about this” (Aslam and Gnanapala 2018, 6–7).

Guides make up 3% of the employment in the tourism industry, with travel agents and tour operators making up another 6%, whereas tourist shops only make up a collective 1% of all employment from tourism (Sri Lanka Tourism Development Authority 2017, 36). Regulated commissions and a symbiosis between shops and guides/tour operators could be developed to ensure that middlemen are able to make a reasonable commission while no longer acting as gatekeepers. Laksala is making

an effort to do this. Previously, as guides had not been paid their commissions, they had also stopped bringing tourists to Laksala. Now, they are actively connecting with tour operators to bring tourists to the outlets and making sure guides receive their commission. This has had palpable results in the increased numbers of tourists and tour buses that pass through Laksala outlets.

Competition with mass-produced goods

Competition from cheap mass-produced imports are a consistent challenge to handicrafts around the world (Yang et al. 2018; Scrase 2003; Amruta 2016; Gonzalez 2018). On one level, the everyday utilitarian purpose of handicraft items (in Sri Lanka say, clay pots, reed mats, bronze trays) has been fulfilled by factory-produced goods made with cheaper materials (aluminium coolware, plastic mats and trays). This was an early blow to the handicrafts economy particularly after the opening up of the economy in 1977.

Back in the day, we used to have friends coming to our homes asking for brass trays, but for the past 25–30 years, hardly anyone has had a request of that sort. Every house had a brass tray or two: today, there are plenty of plastic trays in homes. – Brass worker, Kandy, in the field since 1980s

There are issues for [my craft's] market because there are alternatives like [name of company] with plastics. They have advertisements on TV . . . For example, fruit baskets and vegetable baskets are all made of plastic but we cannot give our products for that low a price. Even a full [plastic] string hopper steamer set costs Rs. 60 but just one of our pieces costs Rs. 40-45. – Cane worker, Moneragala.

As explained earlier, the establishment of the Allied Institutions was in response to this liberalization, to stimulate artisanal communities. On another level, as handicrafts adapted to cater to touristic purposes, that market too has been captured by mass-produced souvenirs. Key-tags and magnets communicating the idea of “Sri Lanka” but made in China are aplenty at many shops, while mass-produced handicraft-looking items such as mini sequined elephants on keychains and readymade batik prints from Indonesia are available at others. Craftspeople have no way to compete

with the low prices these items sell at. This, when combined with the purchasing behaviour of tourists that prefer small, cheap goods, leaves local craftspeople at a level of unfair competition in the current market.

One logical step would be to have import controls over such items. However, as a state policy, this stands at odds with the Sri Lankan government's overall development targets. Import restrictions on textiles (e.g. batik prints) would be untenable since Sri Lanka is a garment-factory nation; and without proper market research, it is not possible to say whether our domestic production of handicraft souvenirs meets the demand of tourists. Scrase sees this contradiction between the state's desire to "preserve handicrafts" while simultaneously encouraging unfair competition as paternalistic:

Notwithstanding the good intent of state or national policies to preserve "traditional" crafts, there is nevertheless an underlying paternalism in such policies when the very same state is pursuing a broader global industrial and manufacturing agenda that competes with, and will ultimately lead to, the marginalization, or even complete demise, of local artisan industries (Scrase 2003, 456).

Indeed, this inherent contradiction manifests itself within the bounds of Laksala itself. With the company's "pivot" from handicrafts promoter to "state souvenir and gift boutique," the company finds itself selling factory-made garments which are (structurally speaking) the direct cause for the depletion in the market share of handlooms in daily wear. Yet, this happens while the company touts the image of the marginalized local craft-worker who is supposed to benefit from the company's sales (see Figure opposite).

Instead of claiming that "all products" are made by craftspeople, there can be a certification system introduced to demarcate which items are hand-made compared to those that are Sri Lankan-made. By introducing such marks, both qualities are being



Figure 5 Notice at Laksala shop
Source: Author, March 2019

promoted; additionally, a premium can be added to handicrafts as consumers may be willing to pay more to directly support craftspeople. Having this mark of difference between handicrafts and Sri Lankan-made would also allow Laksala to continue the cross-subsidisation model they are currently following, without false advertising on which goods are handmade.

An additional challenge at this historical juncture in Sri Lanka is the increasing market-share that Chinese businesses have in the tourism industry. It would be against their interests to restrict the import of Chinese-produced “Sri Lanka” souvenirs. In contrast to import restrictions, a pro-active approach could be taken to guarantee locally-made items. Currently, tourists may shop with the assumptions that handicrafts and souvenirs are inherently locally-made, but by a certification system, this distinction could be made to provide local goods a competitive advantage. This emphasis on locality has proved successful in the “Australia Made” campaign launched in the 1990s, which was driven in large part to tap into the tourist economy and promote locally-produced goods to tourists. The campaign has grown into supporting everyday Australian-made goods and has been an exemplar of positive discriminatory advertising practices, translating from tourist consumer behaviour to local consumer fidelity to local products (Cameron and Elliott 1998; Baker and Ballington 2002). As a counterpoint to arguments that consumers would still prefer cheaper goods to “authentic” higher-priced goods, there is ample evidence in the Sri Lankan sphere itself to show that emphasis on the “local” is a big selling point. For example, “Made in SL” is a website functioning entirely on the premise of selling handicraft items by pushing forward the guarantee that products are made in Sri Lanka. The growing trend in ethical consumerism has also created a fertile environment for initiatives such as the Good Market, a private open market that supports ethical and environmentally conscious Sri Lankan small brands. This consumer behaviour can be tapped into on a larger scale, using these certifications to guarantee products made by local craftspersons at outlets and markets around the country.

Dependence on tourism

Tourism tends to be seen as a catch-all problem-solver for dwindling craft economies. However, there are several problems with creating a crafts sphere that is mostly dependent on tourism.

The nature and effects of foreign tourists' demand

Firstly, it is assumed that an increased rate of tourism means that handicrafts will naturally receive a boon through sales. However, craft stakeholders must understand the *nature* of tourists' demands and its consequent effects and then evaluate whether so much focus should be given to tourist-oriented development of crafts.

Global experience has it that tourists are generally more concerned with price and ability to carry. In Liao's study of tourism in Taiwan, he relates the narratives of some artisans' experiences with tourists.

I did not expect tourists to purchase my work. Mostly they came in and complained about the prices. I thought they could not appreciate the beauty of my work. Most of my real customers were Japanese, who cherished my work and knew its value. – A local sculptor (Liao 2010, 14).

Gurung records similar tourist behaviour in Assam: “Most of the tourists came to the artisans to see their work and the process of making handicrafts with no intention of real purchase. Most of the tourists purchase small items (6 inches to 14 inches) for convenience to carry and flight (sic)” (Gurung and Goswami 2015, 6).

These preoccupations with cost and convenience over culture affect crafts in two ways. Chutia and Sarma (2016) show through examples in South-East Asia that craftspeople will alter their products to lose their functionality and prioritise aesthetic aspects and portability for consumption by tourists. This is one type of spontaneous commercialization, as craftspeople are made to understand the nature of demand of foreign buyers. It can be seen as a natural consequence of market dynamics. Chutia and Sarma also show that in contexts where the local demand for crafts is also strong, craftspeople will bisect their production such that functional wares are produced for the “internal” audience while aesthetic, non-functional versions are sold to tourists.

On the other hand, the need for cheap, small goods also drives the market for mass-produced imported goods such as factory-made souvenirs from China. This has been one of the main setbacks for crafts communities around the world as they are unable to compete with the price and production quantities (Amruta 2016; Gonzalez 2018; Felix 2017). This competition with mass-produced goods was explored above. Suffice it to point out here the paradox that the attraction towards traditional designs and motifs is what drives the demand for mass-produced items, yet the traditional communities see none of its rewards. This is where legal interventions on intellectual property law for traditional knowledge can support traditional craft communities while also sustaining tourism demand: the communities can be compensated for their design and motif contribution, supported by the sales from the mass-produced goods (See Context for more discussion on the Intergovernmental Committees on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, initiated by the World Intellectual Property Office, and the UNESCO Intergovernmental committee for Safeguarding Intangible Cultural Heritage.)

Local customers vs. foreign tourists

Conversely, craftspeople find that their local clientele provide a more steady, reliable source of income, as well as a sense of pride when customers purchase with an understanding of the value of their craft. The artisans interviewed in Sri Lanka attested to the fact that what kept their economies going was either (a) large/costly occasional purchases by locals or (b) being recruited as a supplier to a local company, rather than tourists.

For example, a woodworker pointed to a large wooden sculpture of a Buddha on a lotus, and she remarked on how foreign customers would not understand the value of such a work and why it would cost so much i.e., time taken, labour, and religious-cultural value. Her family rents a stall in Apé Gama and remarked that one of the major boons her family (of woodworkers) received was a single purchase by a local public figure. After buying a large item from them, he periodically buys other costly, large items, understanding their cultural value and justification for price. This person has also recommended their work to others and through this word of mouth, the woodworkers receive large, high-price orders that then sustain them through the year.

Two other craftspersons mentioned how they were connected through exhibitions/markets to representatives of local companies who then sourced their wares. The companies would then work with them on a design and sample and then commission whole orders through them. Thus, a sustained income was made available throughout the year, giving them the leverage to trial new products in on-going markets and take other risks. They continued to participate in markets and exhibitions to continue finding these types of connections and participate in local supply chains. In this vein, exhibitions and trade fairs as organized by the NDC and NCC are very valuable for the crafts community.

Tourism is seasonal

Secondly, the fickle nature of tourism means unpredictability in income for those who depend on it. This is natural and large-scale operations like hotels have buffer mechanisms to compensate. However, craftspeople do not have the same capacity and for those who are on subsistence living, this variation in income can be disastrous. A higher dependence on a highly variable market would then exacerbate these effects if there is inadequate support for managing such variable income.

Moreover, handicrafts depend on raw materials, which are seasonally available. If handicrafts become wholly dependent on selling to tourist markets, which are in turn seasonally dependent, then the society of craftspeople are at the behest of two highly variable factors. Craftspeople do not necessarily have the capital to purchase raw materials ahead of time and maintain stocks. Instead, they buy materials in response to an incoming demand. However, if the raw material supply season does not match the tourist season, then for an entire cycle, they are at a loss. This seasonality of foreign tourism proves an additional challenge for the crafts community (Masakorala 2005).

We have also seen that the seasonality of sales and unpredictability of income affects craftspeople's welfare mechanisms offered through the state, i.e., they cannot make regular payments for insurance and retirement schemes. If even further dependence is created on fickle tourist seasons, then this pushes craftspeople into further precarity within a welfare structure that does not account for seasons. There needs to be appropriate mechanisms designed from both the economy and welfare

angles that can account for this inevitable seasonal variation if we are to orient the handicrafts sector towards tourism.

Conversely, there is a lot of *local* tourist traffic. In 2014, domestic tickets sold at museums stood at 413,575 whereas foreign tickets went at 57,604. The numbers of domestic tourists visiting the Cultural Triangle was similar to foreigners: 547,163 as against 627,136 (Gnanapala and Sandaruwani 2016, 73). While this does not reflect purchasing power, it does present the opportunity to expose locals to more genuine handicrafts at these touristic locations, such that the ordinary citizen becomes increasingly aware of the diversity and value of handicrafts. The state can act as a vendor, e.g., through Laksala or running gift-shops at museums and other sites, working with the NCC network to connect with craftspersons from the vicinity to provide products for the museums and cultural locations. Additionally, the exposure and awareness of crafts for students on field trips to museums and cultural sites buttress the conceptual objectives of the NCC's *Shilpa Navodya*, which aims to instill understanding and value for handicrafts in younger generations. Given the significance of local buyers described in the previous section, giftshops connected to these touristic sites can be an additional site of exposure to potential long-term local clientele.

The expectation of a free demonstration

Most initiatives in both public and private sectors that connect artisans to tourism will involve some point where tourists are able to watch a craftsperson working. The expectation is that the artisan will demonstrate their work for free and earn an income by selling products s/he has already made and are available for display. The artisan is also expected to interact with the visitor and explain their craft or any other queries the visitor may have. Considering what was observed above about tourist purchasing behaviour, i.e., they generally come to look rather than necessarily buy, it is unfair that the burden of income once again rests squarely on the craftsperson, who is not only expected to fulfill a teaching responsibility (unremunerated) but also market and sell their products at the same time. As one artisan observed, in remarking on his participation at a display stall run by a state institution, "It was a waste of time. I was told I needed to be there six days of the week because there was always some high-profile visitor that came. But there was no income generated:

we were just exhibition objects.” This artisan ceased participating at this display stall as the income he earned from sales was not even enough to cover the minimal monthly stall rental. This craftsman was at least based in Colombo and could travel to the site on a daily basis. Another craftsperson from another district had to travel and lodge himself in Colombo to man his stall. In the end he realized it was “a waste of time. Since there were no sales, it is difficult to continue to work there because we come from the villages.” He did not make enough to cover the basic monthly fee and was paying for accommodation out of pocket. In another interview with a craftsperson who held demonstrations at a hotel, I asked whether she was paid for the demonstrations. Her response was that the hotel did not charge her for being there: her normative understanding was that she ought to have paid for being able to sell her wares there, rather than feeling entitled to remuneration for teaching and exhibition. Her only recompense was the purchases made by hotel residents.

There needs to be some form of remuneration for the time spent doing these displays of workmanship as well as the educational contribution, if artisans are also expected to engage and educate visitors. This must be established as a conventional standard, especially as the prevalence of these “display-work” type arrangements are on the rise in both public and private tourism projects. For example, tours are being arranged to go to crafts villages but the expectation is still that income is generated from sales rather than compensation for the tour itself.

Intergenerational knowledge transmission

Caste

One of the biggest challenges identified by both craftspeople and state alike is the issue of “the new generation” not taking up crafts. The complaints are of children of craftspeople who do not wish to take up their parents’ trade, finding employment in other domains. This assumption that craft knowledge is handed down from generation to generation is problematic when one takes into account the fact that craft-making is traditionally tied to caste associations.

The case of *parai* drum performance and manufacture in Batticaloa is a case in point. This type of drum is made and performed historically by the *parayar* caste, which is considered low caste, or “outcaste” even (the name gives rise to the English term

pariah). Members of the caste perform the drums at religious festivals and especially funeral processions of higher castes. However, due to the relationship of the drum to their caste-based oppression, members of the caste have been retaliating and casting aside their drums, even symbolically burning them. Burnings have happened as long ago as the 1970s (Thompson 2006, 104–7). There is an attempt to revive this form of traditional drumming by local groups such as S. Jeyasankar’s *Third Eye Group*, an arts and cultural initiative, and other local academics e.g., Sinniah Maunaguru and Balasukumar (Sykes 2013, 506). However, it remains a challenge to get younger generations to take up these instruments due to its caste associations.

In a particularly poignant example, Thompson recounts the story of a village in Batticaloa in the mid-1980s where, in an effort to fight caste-based oppression marked by the performance of drumming, a group of youth issued an ultimatum to temples and other groups to stop getting *parayar* drummers to perform for them. An elder drummer refused to give up his handmade drum and some months later, the youths stole the drums (Thompson 2006, 106–7). In suppressing both the performance and manufacture of the drums, the use of it has gone into such decline that pre-recorded *parai* pieces are contemporarily used at funerals. In another example documented by Sykes, some young women ex-LTTE cadres were taught drums by a local music teacher as part of their rehabilitation. Rather than giving the traditional *parai* drums, they were taught another type of drum from South India, so that they would not have the additional stigma associated with the low caste drums (Sykes 2013, 500–501).

Further south, in conversation with pottery makers in Kandy, an elder quietly acknowledged that many of the youth were turning away from continuing their parents’ craft because of its caste associations. They were even changing their family names to decrease any association with their caste origins. Younger generations who may have alternative economic opportunities are motivated to find employment elsewhere and distance themselves from their family trade, some even changing their surnames which may have caste identifiers (interviews with craft community in Kandy). Hence the main problem with conceptualizing passing down traditional knowledge regarding the crafts sector is that it is still imagined as a transmission occurring *within* families and not rather as a vocational formation.

Financial viability

Those days we were able to find people from among our family members. Now they don't come like that to work in the sector. Youth nowadays have easier means of earning money than having to study this [craft]. We don't like to get [family members] involved. I don't think the future generations will get into this industry because of all the difficulties faced by artists, mainly finding a market.

– Senior brass worker, Kandy. He learnt the trade from his father in the 1980s and continues working on brass as secondary work, largely for sentimental reasons. His main income is from a different job.

Rather than even caste issues, the main challenge to intergenerational knowledge transmission is the lack of financial reward and respect for artisans. As one state official identified, “When the children are told of the difficulties associated with such traditional livelihoods, they would want to get a good education and move away from craft-making work.” It is unfair to expect new generations from within the same community to continue the trade when craft-making is not financially sustainable even for the current generation. The open economy has offered other jobs such as work in export processing zones (EPZs), garment factories, migration overseas, which offer the advantages that (a) they are not caste-associated (b) they guarantee steady income and (c) they are easily-learnt skills, while handicrafts can take years to complete a proper apprenticeship.

Notably, several of the artisans I spoke to were not of a traditional craft heritage but rather learnt the skills through trainings made available to them in the past. Hence, even in the past, the attraction to crafts has not necessarily been through traditional cultural ties but rather through the availability of trainings to learn a profession and the attractive income previously guaranteed by the trade. While trainings are still being rolled out through the NCC, the income is uncertain, and in the face of alternative employment options, younger generations are less likely to get involved.

Interestingly, in her research in 2001, Masakorale documents that master craftsmen are less likely to encourage their children to get into the trade compared to ordinary craftsmen. The offspring of master craftspeople are encouraged to do professional jobs. This was the case of the high-performing artisans interviewed. The current adult

generation of artisans who were doing well in their business were not encouraging their children to join the trade because of the poor financial returns. Instead, they were being encouraged to turn to professional jobs via improved education. This is also symptomatic of the general challenge facing employment in Sri Lanka where there is an over-saturation of professionally-qualified youth but insufficient numbers and quality of vocationally-trained youth.

The one counter-example to this was a father-daughter duo where the father was a traditional batik designer and the daughter had studied fashion and brought a modern design angle to the family company. The father recounted how when products he designed and she designed were put into the market for sale, hers would immediately be bought up, showing that his daughter's designs were viable in the current market. She, still in her 20s, has now almost entirely taken over the company, while the aged father stays on for support and advice.

Tradition vs. modernity

There is an understanding that many artisans do not wish to alter their products to suit modern market requirements. This plays into the narrative that craftspeople are “backward” and unwilling to adapt to modernity. However, it is more complex than this since many of the traditional crafts have spiritual-religious significance. For example, when there was a proposed design to incorporate traditional mask designs into a wearable watch, the society of craftspeople rejected this idea because the spiritual implication of this design would reap negative effects on their community. As an example, there is a deity called Visavakarma who is believed to be the lord of the arts, the carpenter of the gods, the primordial craftsman and that worship of him assures that the mask-making craftperson/industry prospers. Masks are made with some characters representing him, in order to incur his blessings. If this design is modified and the characters omitted, then the craftspeople believe this would invite the god's wrath upon them (Masakorala 2005). Hence, the seemingly simple idea of using a mask design on a watch becomes a much more complex issue when religio-cultural aspects are taken into account.

Traditional craftspeople would recognize and know these complex connotations. However, these kinds of tensions arise as the industry moves towards “co-creation”

between traditional craftspeople and designers who are trained in fashion, craft, etc., but may not be culturally aware. It then depends on the sensitivity and respect that designers afford their co-creating craftsperson, and the power and agency of the craftsperson themselves, to be able to enter into dialogue about creations that suit modern markets but remain culturally sensitive and appropriate. Initiatives like the *Shilpa Saviya* programme of the NCC are a good testing grounds for understanding the pros and cons of such partnerships. It has been the experience of previous design partners in *Shilpa Saviya* that the craftspeople who attended the programme were, for the most part, quite ready to work with the designers to innovate. There was no demographic relationship with those who resisted innovation i.e., those who resisted were not necessarily older generations, nor were they from any particular locale – it depended very much on individual personalities.

Facing the Digital Age

Online sales are often touted as being a one-stop solution to the woes of craftspeople not being connected to their consumers. Connecting via the internet does offer some solutions in the Sri Lankan context. Many small and medium industries use social media platforms like Facebook and Instagram to market their goods. However, the situation is different for the craft-making community for two reasons. Firstly, Sri Lanka generally has a low internet penetration (32%) and many of the artisans are themselves not connected online (Sri Lanka Telecom PLC 2017, 21). Secondly, we established that the younger generations are not taking up the crafts trade – the actual craft-makers are older generations who are digitally unconnected are unused to online dynamics and opportunities. Hence there is a problem with the generational technology divide.

One solution to this proposed by the NCC is to encourage young people to join craft societies such that they can handle the digital marketing aspect, selling items made by older and unconnected craft-makers in the society. This solution is yet to be implemented and rests on the premise that the sales will be sufficiently attractive to maintain youth interest in the sector. Only one of the craftspeople I interviewed were selling online, the father-daughter duo, where the daughter handled their Facebook account – this again attests to the generational gap: without the daughter, the original craft artisan would not be connected.

There was also an initiative in late 2016 by a private company that specialized in creating virtual shops (“ShopBox - Posts” 2016). They partnered with the NCC to provide trainings for a group of craftspeople on how to use their platform and create their own virtual shop, offering the craftspeople a waiver on their fees for the first year. There are currently no craftspeople selling through this site.

Another digitally-minded solution is to have online sales opportunities through a central vendor (Amruta 2016; “Mexican Government to Sell Traditional Arts and Crafts on Amazon” n.d.). This is essentially what “Made in SL” is doing. Notably, the Good Market, which is a flourishing and popular open-air weekly market, does not facilitate online sales and instead focuses on the physical shop and market spaces. They do, however, provide a registry with all vendors such that customers are able to contact them directly.

There are critiques of online sales contending that it simply acts as another middleman between producer and consumer, since craftspeople are generally unable to connect directly and operate the platform themselves, including their own products (Murali 2016). In this sense, having one’s own Facebook page enables that direct connection but few craftspeople are connected. Most of the craftspeople still depend on physical markets, with many travelling from around the country to come to the few major exhibitions and sales held in Colombo or in their province capital, in order to sell their products.

Post-war

One issue peculiar to the post-war context is the recent shift between consumption of handicrafts to consumption of plastics, which is reminiscent of the shift felt in Sri Lanka from a closed to open economy in the 1970s–1980s. The isolation of the North and East during the war resulted in a closed economy where handicrafts as used for daily needs remained prevalent. The end of the war heralded the influx of small and big businesses, which brought in competitive goods such as cheap plastics. The usage of handicraft items has thus decreased and cheaper mass-produced goods prevail.

To counteract the diminishing of crafts, local initiatives have been launched to document traditional crafts and encourage local craftspeople's enterprises. These initiatives are also to fill the gap on literature about the region's heritage, researching traditional dyes and weaving styles. This type of research can be supported by the government to establish intellectual property rights as forms of traditional knowledge. Geographic Indicators could be used to, for example, safeguard the tradition of making the *yaal* instrument which originates in Jaffna. An IP regime could help protect and promote certain natural dyes and traditional design motifs that are unique to the region. These value additions need the support of the state, particularly in pushing through a national policy and legislation vis-à-vis Intellectual Property Rights for Traditional Knowledge and Traditional Cultural Expressions.

Language trouble is also a perennial problem with the state sector: most processes are conducted in Sinhala, government officials are often only proficient in Sinhala, which leaves Tamil monolinguals stranded. This is especially problematic if the economy of crafts is for the most part supported by state infrastructure and, as explained before, is centred on major cities which are mostly Sinhala-speaking. As a reed weaver explained, she is the sole representative for her craft society because none of the other women can speak Sinhala: "They don't speak Sinhala so they can't manage in Colombo to do business in Sinhala. They go for the events in Jaffna and Mannar."

While this issue affects the entire nation, it compounds the challenges faced by craftspeople in the North and East who are majority Tamil-speaking and who are supposed to rely on state infrastructure to further their livelihoods. Since micro-entrepreneurship and cottage industries are encouraged as solutions to livelihood in the post-war context; this challenge of language further cripples this demographic. This disproportionately affects women, who are the heads of households and are making craft for mere subsistence living and are often doing so in tandem with several other jobs: "You can't just do one job and survive," as a craftswoman from Mannar said. The compound effect of being required to travel to major urban cities to exhibit/sell and the language divide at these urban centres creates an ecosystem that is hostile to cottage industry development as a postwar solution.

Private Sector

A study of crafts and the private sector merits a separate in-depth study. Suffice it to say here that the private sector has stepped in in many ways where the government has fallen short. The private sector has blossomed to target several different aspects of the ecosystem of crafts. Some companies have set up open-air markets in major touristic cities that act as both a marketing opportunity and product test site. Other companies work closely with designers and crafters to create new, contemporary designs for consumables such as clothes and household products. They then connect with the hospitality industry, which not only creates a relatively stable demand for craft goods but also promotes a cultural shift towards appreciation and valuing of traditional craft goods. Private companies also make the connections for craftspeople to technical trainings, equipment, and design collaborations. Still more, particularly, small start-ups are focusing on single products such as cork goods, woven bags, stationery, etc., and innovate on these products.

A glimpse at what the private sector offers shows standards of design, certification, quality assurance, and value addition that are leagues ahead of the state in many domains. Their marketing responds to diverse trends and is adapted to the tastes of different markets, be it to appeal to foreigners, diaspora, local hospitality, or local daily use. Their materials innovation is well beyond the state. While the NDC is still trying to work on certification for artificial dyes, several private companies have been working with natural dyes and performing well in the export market. They are working on innovative methods of using traditional materials, including rush, reed, rattan, and more. The private sector also appears to be a much more reliable paymaster than state services and is earning the loyalty of crafts communities around Sri Lanka rapidly. Many of the craftspeople interviewed had given up on Laksala and turned to private retailers, or only visited state exhibitions to make connections to bulk buyers.

Some may herald this growth of the private sector as the solution to saving handicrafts in Sri Lanka but while they play an immensely important role, the state still supersedes this in its role as promoter and protector of handicrafts. Ultimately, the private sector is driven by what can be sold. Craftspeople attest to the fact that consumables (clothes e.g., handlooms, food, souvenirs) are the types of products

that succeed in private markets, whereas older utilitarian or cultural items such as woodwork (masks, décor) and metal work (sculptures, trays) are difficult to sustain. The state's dual role is to promote *and* protect handicrafts; it is a cultural custodian, which the private sector is not obliged to be. Moreover, as both private and public stakeholders identify, the state has the necessary retailing and export infrastructure that can facilitate a strengthening of handicrafts, which private companies cannot scale to. This includes the Laksala shops around the country (with the potential to continue expanding), the nationwide network and registry of craftspeople held by the NCC, the research and development potential in the NDC, state-sponsored certification methods and a potential IP regime, as well as the ability to integrate with national strategies involving tourism, vocational training, and exports. There are multiple other factors that contribute to the state having a competitive edge. As a representative of Laksala identified, being "state-owned" gives the company an unmatched competitive edge over private enterprises. The state also has international connections, such as membership in the World Crafts Council and Asia-Pacific Crafts Council, through which a continuous learning can be obtained as other developing and postcolonial countries continue to face similar challenges.

Conclusion

This research was guided by a desire to understand what has happened to the state in its role as promoter and protector of handicrafts, through particular focus on the institutions mandated with these responsibilities. It is evident that the state is dealing with multiple levels of challenges. Firstly, it has its own institutional challenges: as organisations with mandates set in the context of the 1980s, their roles and responsibilities have not been formally revised to respond to contemporary needs of handicrafts. Some are even duplicated, as for example in the case of welfare responsibilities lying with Laksala as well as the NCC. Secondly, the institutions face procedural and political problems. Personality politics and inconsistent policies dog the institutions. These are not easy challenges to recover from; the loss of finances due to inefficiency and performing extraneous activities strangles consequent leadership as they must prioritize recovery over innovation and long-term strategizing. Thirdly, the state is dealing with the natural challenges of the sector as a whole: supply chain issues, changing consumer demographics and needs, mass-production competitors, and more. The landscape in which the state must function has also changed a lot within the past ten years: Sri Lanka is now in the context of post-war development, the flourishing of e-commerce and social media-facilitated commerce, consumer trends demanding ethical and environmentally friendly goods, and more. Moreover, the private sector and non-governmental organizations are also functioning within this sphere and significantly affecting the opportunities available. Closer coordination with these non-state actors and lessons-sharing can benefit a holistic approach towards improvement of the handicrafts economy, the welfare of the craftspeople, and the ultimate objective of allowing cultural heritage items to flourish.

Improvement of state services vis-à-vis handicrafts is paramount at this point in time but so is a more general sectoral revision and coordination as well. With the multiplication of players in this sphere, the rapid development of tourism interests, the need to respond to job scarcity and underemployment of youth, continued economic empowerment projects and humanitarian aid – several domains converge on handicrafts. There is an urgent need for research to understand the minutiae of the sector and respond appropriately. For example, public, private and non-governmental actors are working tirelessly on handicrafts training even while there

is no understanding of market demands: there are no figures on the demand for handicrafts – what are consumption habits of tourists and how does it depend on demographics? What is the nature of local demand, how are these changing across the years?

In terms of state response in handicrafts, the following levels of revamping need to be done.

Review the landscape of handicrafts in Sri Lanka

Information needs to be generated to understand the actual shape of the handicrafts sector in Sri Lanka. There is no systematic information on craftspeople: a census needs to be obtained, enumerating demographics of craftspeople, types of craft, and regional information. This can potentially be obtained from the NCC's registry, depending on the state of information available. Research must also be done to map non-state actors – NGOs promoting craft as livelihood, entrepreneurs and SMEs, hospitality and tourism – and how they contribute to the sphere. Market analysis can also be done through analysis of sales in Laksala. On the positive side, there is a reasonable amount of research done that considers anthropological aspects of crafts, e.g., the relationship of caste and craft, gender, as well as rich literature on art histories and ethnographies of craft items. This type of research into traditional crafts can also spur innovation appropriate to modernity, such as the revival of neem as a natural dye. Sociological and economic enquiries, in tandem with available humanities research, can help inform all actors on the needs and potentials of the crafts sector.

Revise mandates and institutional responsibilities and approaches to the sector

Some mandates of the institutions are duplicated and complicate complementarity of roles. Both the NCC and Laksala are mandated to provide raw materials, machinery, and trainings. The NDC is also required to provide machinery. Some amount of delimitation ought to happen so that institutions are not structurally allowed to duplicate their activities. In practice, Laksala has limited itself to marketing and sales, while craftspeople seek welfare and other holistic development from the NCC. The Allied Institutions' mandates need to be revised, in response to contemporary needs and practices, consequent to a sectoral review as

suggested above. The role of the state is no longer that envisioned in the 1970s and 80s when the Act was drafted and must be adapted in view of the current landscape of multiple actors in this sphere. Commonly assumed approaches to promoting crafts must also be revised. The micro-entrepreneurship approach must be interrogated, craftspeople should not be expected to teach/demonstrate for free, and they should be involved directly in commercialization processes and interactions with markets rather than only third parties handling this aspect.

Rectify existent problems

It would be easy to dismiss the financial challenges facing craftspeople as a common symptom of poverty but this paper makes it abundantly clear that financial corruption and poorly-informed practices have greatly contributed to the demise of this sector and deterioration in craftspeople's welfare and businesses. This not only affects the individual but the sector as a whole; young generations do not see it as lucrative and do not pursue the field, there is limited capital to grow microbusinesses, and there is less financial ability to take risks on innovating design styles and production methods. However, these problems can be rectified through concerted efforts. Underutilized buildings can be maximized, as the NCC has attempted to do through the refurbishment of several rundown workshops and warehouses. Wasteful practices that prioritize top administration over executives and suppliers can be minimized, as Laksala is currently attempting to do. Importantly, payments must be addressed – not only the settling of outstanding dues but also a reimagined system of payments that allows for reasonable upfront payment, not a delayed payment style such as consignment or postdated cheques as are currently the norm. This would also address other sectoral issues, such as: the field being seen as an attractive, lucrative option of employment, craftspeople being financially empowered to develop their businesses without dipping into loans, and also looking after their own welfare.

Respond to new developments

So many changes have occurred within the past ten to fifteen years both in Sri Lanka and globally and any development initiative in crafts must take stock of these.

As a post-war developing country in which cottage industries are seen as a salve to economic challenges, both state- and non-state actors must interrogate what is being encouraged when craft microentrepreneurship is promoted. As seen, success in crafts lies squarely on the initiative of the crafter him/herself – which is a lot of risk and burden to impose on vulnerable communities. Crafts have potential to develop as “sticky jobs,” especially since those in low socioeconomic circumstances often see migrant work as one of the few viable employment options they have. But for this to happen, the sector needs to be holistically developed in order to support these workers: infrastructures for sales, market research, raw material suppliers, machinery, design research, all have to be addressed by other actors in order to create a fertile environment for microentrepreneurs to succeed.

As outlined in the introductory section, there are also developments in intellectual property rights that Sri Lanka can take advantage of. The state has an important role in being the custodian of traditional knowledge and should be negotiating with overseas parties that may be interested in acquiring design or craft knowledge. There are also other value additions it can initiate for crafts, such as geographic indicators for regional crafts e.g., Yaal instrument-making in Jaffna or Dumbara weaving.

Global consumer trends have also significantly changed, especially with the growth of ethical and environmentally-friendly consumption. The NDC has felt this challenge, as they struggle to certify dyes used in crafts to make them export-appropriate. In Sri Lanka, there are many new actors in the field of crafts who understand these changes and are perhaps performing better than the state institutions in certain aspects such as design development, market response, and enabling business development of craftspeople. The state can work complementarily with these stakeholders towards supporting the organic ecosystem of support that appears to be blossoming in the private sector for crafts. Importantly, these consumer trends are growing in Sri Lanka as well with “green” movements. By stimulating domestic demand for craft items, the sector is buffered against fluctuations in global markets and tourism (e.g., woven baskets at supermarkets instead of factory-produced “green canvas bags”).

If research on art history and ethnography of crafts is complemented with proper data on the sociological and economic questions regarding handicrafts, there is

immense potential for Sri Lanka to develop this sphere. It can address the question of cultural heritage conservation and promotion as well as mobilizing this sector to address broader national challenges, such as un(der)employment, labour migration, tourism growth, and the move to environmentally friendly and sustainable consumer products. However, existent problems must be rectified and all actors involved in the sphere need to take stock of the landscape, nationally and internationally, in which Sri Lankan handicrafts are being produced and consumed and adapt accordingly. It is a rich historical moment in which to move forward with the protection and promotion of handicrafts in Sri Lanka.

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Craft Artisans and State Institutions in Sri Lanka

Annemari de Silva

Handicrafts have been the subject of many an art history or anthropology study. This present study looks instead at the policy, economy, labour, and welfare considerations of handicrafts and craftspeople. It maps the historical development, mandates and activities of the main state institutions responsible for the protection and promotion of handicrafts in Sri Lanka and then considers the policies and practices in the crafts sector. The study problematizes certain aspects that underscore the crafts sector, such as the 'entrepreneur' approach to handicrafts and dependence on tourism, and it details production challenges for craftspeople, from sourcing raw materials and dealing with middlemen to purchasing practices and marketing in the digital age.

Though historically artisans have had a gainful relationship with the state, this ecosystem has deteriorated in the recent decades. Craftspeople are often viewed as a charitable project but this study shows that institutional failure, including financial mismanagement and corruption, has destabilized the handicrafts sector and affected crafts people's welfare and economy. While the private sector has been a boon, it ultimately has no obligation to be a protector of handicrafts, even if it is in its interest to promote it. The study thus argues for adequate revision and revitalization of policy and practices by the state.

The cross-cutting findings of this study are relevant to those interested in crafts, tourism, micro entrepreneurship, cultural policy, or the informal economy.

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