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Role of handicrafts in promoting rural employment: A systematic literature review

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Abstract
Handicrafts offer rural communities an important avenue for non-farm work and earnings, but the evidence on how far they generate rural jobs is dispersed across different crafts, places and academic fields. This systematic literature review asks what part handicrafts play in advancing rural employment, income and livelihoods, and it records the opportunities, obstacles and interventions discussed in the published record. Reporting followed the PRISMA 2020 guidelines. Information from these was entered into an evidence matrix and examined through descriptive statistics and thematic synthesis. The studies are heavily concentrated in India and are largely recent. Six themes were identified: employment, income and economic viability; poverty and how public programmes perform; collective, cluster and enterprise-based models; gender and women's livelihoods; skills, knowledge transmission and digital capability; and resources, space and the environment. Handicraft and handloom work is reported as a significant source of rural jobs, yet earnings are frequently modest and public programmes deliver uneven employment results. Clusters, producer groups, enterprise models, upgraded skills and digital capability are linked to stronger outcomes, while intermediaries, restrictive gender norms, weakening knowledge transmission, dwindling resources and regional inequalities hold them back. Major gaps include few longitudinal or outcome-oriented studies, limited use of craft villages as units of analysis, little evidence on market demand, and slight research beyond India.

Keywords: Handicrafts, rural employment, rural artisans, rural livelihoods, systematic literature review

Introduction

Handicrafts hold a special position in rural economies, since they draw together local skills, locally available materials and household-level production, and they frequently create work where agriculture alone cannot absorb labour. In India, artisanal and handicraft activity is counted among the principal non-agricultural occupations of the countryside (Guha *et al*., 2025) [7]. Only agriculture employs more people than handlooms in rural and semi-urban settings (Chakraborty *et al*., 2026) [4], and the handloom sector generates both direct and indirect jobs across rural regions (Ramachandran & Chandramohan, 2025) [16].

A growing literature shows how craft work sustains rural households. Research on artisan households in Punjab found that traditional occupations supplied just over half of household income, although overall incomes remained low (Sandhu & Toor, 2022) [17]. The job-creating capacity of khadi institutions has been examined (Busenna & Amarender Reddy, 2011) [3], and pottery in Majuli is described as a significant part of the local rural economy even though the industry is considered to be in decline (Pegu, 2019) [14]. Efforts to organise artisans also report gains. A cluster development programme in Assam was linked with rising incomes, asset building and improved skills among rural artisans (Das, 2015) [5], while NGO-supported producer groups enabled women embroiderers in the Thar desert to break free of exploitative dealings with middlemen (Ojha & Mishra, 2013) [11]. Government schemes have also been evaluated, such as the distribution of upgraded toolkits to rural artisans (Bhaumik & Banik, 2010) [2] and credit-linked employment generation programmes for khadi and village industries (Hussain *et al*., 2021) [8].

The sector deal with with lasting difficulties. Among Godhadi craftswomen, the passing of knowledge between generations is weakening, and gender norms, uneven access to information and digital divides add further barriers (Lakhani *et al*., 2026) [9]. Enterprises making traditional wooden crafts must cope with changing consumer tastes, thin digital skills, restricted market reach and technological distraction (Prince & Patnaik, 2026) [15]. Bamboo artisans in the Himalaya have seen their resource base analyst (Sundriyal & Sundriyal, 2011) [18], and transformations in the built environment of craft settlements in Assam endanger the combined living-and-working spaces on which artisanal traditions rely (Bhattacharya *et al*., 2025) [1]. A systematic synthesis crossing different crafts and settings is therefore needed to establish whether, and under which conditions, handicrafts advance rural employment.

This paper presents a systematic review of Scopus-indexed studies addressing that question. It charts the evidence base, brings together the reported contributions, opportunities, challenges and interventions, considers the theories applied, and sets out an agenda for further research. The paper is organised as follows: the research gap and questions, the methodology, results and discussion, future directions, limitations, and the conclusion.

Research Gap and Research Questions

1. Research Gap

Four gaps motivate this review. First, the evidence is scattered and geographically concentrated: the included studies vary in craft, location and method, and 16 of the 17 are from India. Second, evidence on outcomes is limited. Most studies portray conditions, problems and prospects, and few follow changes over time in employment, income

or artisan numbers. Third, craft villages and craft-based settlements seldom serve as the unit of analysis (Bhattacharya et al., 2025 [1], study named craft settlements), and market demand is rarely examined directly. Fourth, explicit theory is used economically: just four of the 17 studies rely on a stated conceptual or theoretical framework, namely the sustainable livelihoods framework (Lakhani et al., 2026; Prince & Patnaik, 2026) [9, 15], poverty-trap concepts (Bhaumik & Banik, 2010) [2] and feminist and postcolonial theory (Ovla, 2026) [12].

2. Research Questions

Five research questions, listed in Table 1, direct the review.

Table 1: Research Questions

No	Research Question	Rationale
RQ1	What publication trends, geographical spread, methodological approaches and craft motivations characterise studies of handicrafts and rural employment?	Charts the scale, distribution and rigour of the evidence
RQ2	In what ways do handicrafts contribute to rural employment, income and livelihoods, including those of women?	Brings together the reported outcomes
RQ3	Which opportunities and enabling conditions favour job creation in rural handicraft sectors?	Informs practice and policy
RQ4	Which challenges restrict employment in rural handicrafts?	Pinpoints obstacles such as middlemen, resource decline and gender norms
RQ5	Which interventions and theories appear in the literature, and what gaps remain?	Contributes to theory and shapes the research agenda

Research Methodology

1. Review Design

The review was reported in line with the PRISMA 2020 guideline for systematic reviews (Page *et al*., 2021). Scopus served as the sole source database owing to its wide coverage of peer-reviewed journals in economics, development studies, geography and the social sciences, including regional titles pertinent to rural handicraft research. Records moved through identification, screening, eligibility assessment and inclusion, with the counts at each stage shown in the PRISMA flow diagram (Figure 1).

2. Search Strategy and Search String

The search was run in Scopus and exported. The strategy joined three concept blocks:

a. Handicrafts, artisans and craft communities,
b. Employment, livelihood and rural development outcomes and
c. Rural or village settings. Table 2 lists the blocks and the full string.

Table 2: Search String

Concept block	Search terms (title, abstract, author keywords)
Handicrafts	"craft village" OR "handicraft village" OR "artisan village" OR "craft cluster" OR "craft community" OR handicraft OR artisan*
Employment and livelihood	employment OR livelihood* OR "job creation" OR income OR "self-employment" OR "rural development" OR migration
Rural context	rural OR village*
Limits	Document type: Article; language, Publication, Year

The three blocks were combined as TITLE-ABS-KEY

3. Inclusion and Exclusion Criteria

Eligibility criteria were set before screening began and were applied at the database, title-and-abstract, and full-record stages (Table 3).

Table 3: Inclusion and Exclusion Criteria

No	Inclusion Criteria	Exclusion Criteria
1	Handicrafts, handloom, artisans, craft villages or craft clusters are the central topic	Handicrafts or crafts referred to only in passing; “artisanal” applied to non-handicraft activities such as fishing, mining or brick making
2	Examines rural employment, income, livelihood, poverty or rural development outcomes	Does not address employment, income or livelihood outcomes
3	Set in a rural or village context	Wholly urban setting
4	Peer-reviewed journal article indexed in Scopus	Editorials, notes, conference papers, book chapters and other non-article types
5	Published in English from 2010 to 2026	Published before 2010 or in a language other than English
6	Record retrievable, with relevant information available	Duplicate records; records that could not be retrieved

4. Study Selection

Scopus returned 1,197 records, of which 55 remained after database limits were applied. Seven of these pre-dated 2010 and were dropped, leaving 48 for title and abstract screening. Screening removed 23: 16 had no connection to handicrafts or mentioned them only in passing, four used “artisanal” in the sense of fishing or mining, one dealt with an urban craft market, and two did not deal with employment livelihood outcomes. The other 25 reports were sought for eligibility assessment, and all could be obtained. Assessment led to the exclusion of eight: four because handicrafts were not the main focus, three because they did not address rural employment or livelihood outcomes, and one because of an urban setting. In total, 17 studies were included. Figure 1 depicts the selection process, and Table 4 gives details of the eight reports excluded at the eligibility stage.

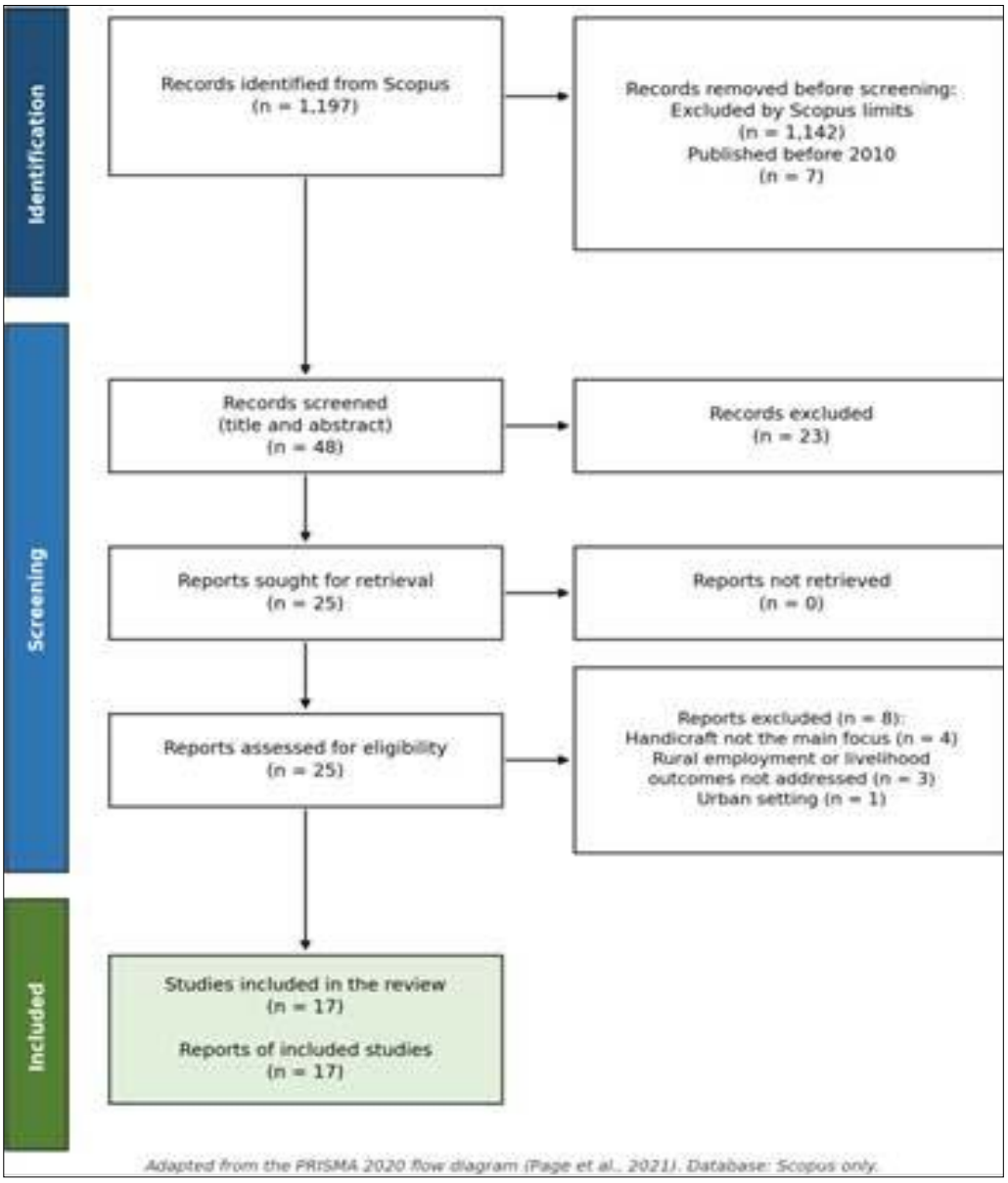


Fig 1: PRISMA 2020 Flow Diagram of Study Selection

Records were identified from Scopus (n = 1,197). The diagram is based on the PRISMA 2020 template.

Table 4: Reports Excluded at the Eligibility Stage

Year	Study	Focus
2022	Panda et al.	Uses of bamboo and alternative livelihoods in Bhadrak, Odisha
2022	Attri & Bairagi	Marketing of handicrafts and handloom in urban markets (teaching case)
2025	Chaudhary & Agarwal	Patterns in geographical indication registrations for Indian handicrafts
2016	Vats	Geographical indications and rural development
2021	Sondhi & Basu	Scaling the brand of a home décor enterprise run by women artisans (teaching case)
2019	Bhattacharjya et al.	Mechanism for transferring technology to rural artisans, weavers and farmers
2016	Venkataramanaiah & Nidugala	Competitiveness of handicraft manufacturing units in Moradabad

5. Evidence Extraction from Matrix

For each of the 17 included studies, an evidence matrix recorded author and year, country or context, craft focus, design and method, main findings, and the sustainability dimensions addressed (economic, social, cultural, environmental and institutional). Data came from the titles, abstracts and author keywords available in Scopus. Table 5 presents the full matrix.

6. Data Analysis

Descriptive statistics summarised the studies by year, region, research method and craft focus (RQ1). Findings were then clustered into themes drawn from the extracted data (RQ2 to RQ4), and each theme was cross-checked against the evidence matrix to confirm which studies underpinned it. The theories employed in the studies were identified and compared (RQ5). No formal quality appraisal was undertaken, which is acknowledged as a limitation of the review.

Table 5

ID	Study	Context	Craft focus	Design and method	Key findings	Dimensions
1	Bhaumik & Banik (2010) [2]	India (state not specified)	Rural artisans supplied with improved toolkits (SITRA programme)	Quantitative: ordered logit using 6,088 usable observations (6,788 collected)	Even with improved toolkits, conditional and structural rigidities hinder beneficiary artisan households from moving out of poverty; the authors contend that governments lack clarity on strategies for reducing and alleviating poverty.	Economic; Institutional
2	Busenna & Amarender Reddy (2011) [3]	India (national; 200 khadi institutions identified)	Khadi institutions: spinners and weavers	Survey of khadi institutions, with projections to 2012	Evaluates how many jobs khadi institutions can generate and what difficulties they face, projecting the numbers of spinners and weavers needed along with the requirement to upgrade the skills of artisans and supervisors.	Economic; Institutional
3	Sundriyal & Sundriyal (2011) [18]	Uttarakhand, India	Traditional bamboo artisans	Questionnaire survey	Bamboo matters for rural livelihoods, but the state of the resource and of traditional artisans has worsened; the study reports trade bottlenecks and interventions that could strengthen bamboo-based livelihoods.	Economic; Environmental; Institutional
4	Ojha & Mishra (2013) [11]	Thar desert, western Rajasthan, India	Women hand-embroidery artisans in NGO-organised producer groups	Qualitative: five case studies	Women once earned token wages from middlemen; NGO-led group formation, together with training in quality, design and fashion trends, gave them a base for sustainable livelihoods and turned them into breadwinners and agents of change.	Economic; Social; Institutional
5	Das (2015)	Assam, India	Rural household enterprises and artisan clusters	Case study of a cluster development initiative	The initiative strengthened rural artisan groups and was linked to higher income, asset creation, social capital, skill upgrading, product development and better backward and forward linkages.	Economic; Social; Institutional
6	Mehra et al. (2019)	Western Rajasthan, India	Handicraft social enterprise (Sahaj Crafts) and rural artisans	Teaching case study	Looks at the handicraft value chain, the challenge of building a viable social business model, and a craft incubation centre and design education approach aimed at upgrading rural artisans' skills and livelihoods and reducing poverty.	Economic; Social
7	Pegu (2019)	Majuli, Assam, India	Pottery industry	Not stated in abstract (study of problems and prospects)	Handicrafts, pottery above all, add to the rural economy of Majuli, yet the industry is characterised as ailing because of multiple obstacles despite room for growth; research on it is very scarce.	Economic
8	Hussain et al. (2021)	Jammu and Kashmir, India	Khadi and village industries under the Prime Minister's Employment Generation Programme	Analysis of programme performance data	Results were strong for cases sanctioned, funds released, production and sales, but employment fell short of expectations; the study recommends financial and technical help, training, monitoring and marketing support.	Economic; Institutional
9	Sandhu & Toor (2022) [17]	Punjab, India	Rural artisan households	Household survey of income, assets and consumption	Traditional occupations supplied a little over half of household income; overall income was low, and households found it hard to sustain a reasonable living standard.	Economic
10	Bhattacharya et al. (2025)	Sualkuchi and Sarthebari, Assam, India	Handloom and bell-metal craft settlements	Mixed methods: field surveys, interviews, focus groups, spatial mapping	Moving from traditional homes to reinforced concrete buildings adds durability but breaks up the combined living and working space and endangers artisanal traditions; hybrid construction and community participation are advised.	Social; Cultural; Environmental
11	Guha et al. (2025)	Birbhum, West Bengal, India	Artisans in rural non-farm activity	Not stated in abstract	Presents handicrafts as a rural non-agricultural activity with scope for jobs and income, and assesses how poor artisan households cope with and manage poverty.	Economic
12	Ramachandran & Chandramohan (2025)	India (national)	Handloom sector and rural livelihoods	Conceptual and policy review with historical analysis	The handloom sector offers direct and indirect rural jobs, but regional disparities and planning shortcomings have eroded livelihoods; the study reviews earlier and current policy measures.	Economic; Institutional
13	Chakraborty et al. (2026)	India (national)	Handloom weavers	Mixed methods: statistics, GIS mapping, film and textual analysis	Only agriculture employs more people than handlooms in rural and semi-urban areas; the study traces weavers' decline, hardship and loss of identity under political and economic pressures.	Economic; Cultural
14	Dutta et al. (2026)	Assam, India	Artisan-managed natural dye textile enterprises (lac and indigo)	Quantitative: primary data from 150 enterprises; CVP analysis, regression, DEA	Natural dyeing enterprises prove economically viable, with high margins and modest operating risk; profitability depends on contribution margin, scale and technology type, whereas heavy labour cost intensity lowers performance.	Economic; Environmental
15	Lakhani et al. (2026)	Maharashtra, Gujarat and Rajasthan, India	Godhadi-making craftswomen	Qualitative: focus groups and interviews; grounded theory	Weakening knowledge transfer between generations, restrictive gender norms, information gaps and digital divides constrain the growth of capabilities; proposed strategies include youth-led digital engagement and positioning artisans as co-creators.	Economic; Social; Institutional
16	Ovla (2026)	Kalpourgan village, Iranian Baluchistan	Women's pottery as a household economic activity	Qualitative: visual ethnography and interviews	Pottery earnings help pay household expenses, children's education and marriage costs; men still hold most decision-making power, but women's earnings create negotiated agency.	Economic; Social; Cultural
17	Prince & Patnaik (2026) [15]	Andhra Pradesh, India	Traditional wooden artisan enterprises	Quantitative: survey of 230 enterprises; PLS-SEM	Digital competence strongly shapes AI adoption and entrepreneurial orientation, which partly mediate the connection Between digital capability and sustainable livelihoods.	Economic

Results and Discussion

Evidence base - RQ1

The 17 included studies span 2010 to 2026. Interest has grown recently: 12 studies (71%) appeared from 2019 onwards, including 3 in 2025 and 5 in 2026 (Table 6).

In geographic terms, the evidence clusters in India (16 of 17 studies; 94%), with a single study from Iran (Ovla, 2026) [12]. Within India, Assam is the most common setting (four studies: Bhattacharya *et al*., 2025; Das, 2015; Dutta *et al*., 2026; Pegu, 2019) [1, 5, 6, 14], followed by Rajasthan (Mehra *et al*., 2019 [10]; Ojha & Mishra, 2013) [11]. Four studies adopt a national perspective, and the remainder are located in Punjab, Jammu and Kashmir, Uttarakhand, West Bengal and Andhra Pradesh, or span several states. Africa, Latin America, South-East Asia and Europe are absent, so findings should be generalised beyond South Asia only with caution.

In terms of method, 7 studies (41%) relied on quantitative surveys or enterprise and programme data, 5 (29%) took qualitative or case-study approaches, 2 used mixed methods, and one was a conceptual or policy review. Two abstracts did not report the method. Craft foci varied: handloom, khadi and weaving (five studies), embroidery, quilting and natural-dye textiles (three), pottery (two), bamboo (one), wooden crafts (one), and artisans or handicrafts generally (five). Only one study looked at named craft-based settlements (Bhattacharya *et al*., 2025) [1]. Economic outcomes featured in 16 of the 17 studies, institutional factors in 8, social factors in 6, and cultural and environmental dimensions in 3 each.

Thematic Synthesis - RQ2 to RQ4

Six themes emerged and are discussed in turn below. Table 7 summarises the opportunities and challenges across them

Theme 1: Employment, income and economic viability

The clearest finding is that handicraft and handloom work is a significant source of rural jobs. Only agriculture ranks above handlooms for employment in rural and semi-urban areas (Chakraborty *et al*., 2026) [4], and the sector creates direct and indirect work across rural regions (Ramachandran & Chandramohan, 2025) [16]. The job-creating potential of khadi institutions was examined directly, including projections of the spinners and weavers required (Busenna & Amarender Reddy, 2011) [3]. Crafts also feed local economies, as the pottery industry of Majuli illustrates (Pegu, 2019) [14].

The studies nonetheless show that having work does not guarantee adequate earnings. Rural artisan households in Punjab obtained just over half of their income from traditional occupations, yet incomes were low and maintaining a reasonable living standard was difficult (Sandhu & Toor, 2022) [17]. Research in Birbhum portrays artisan households as coping with poverty through non-farm work (Guha et al., 2025). At enterprise level, artisan-run natural dye units in Assam proved economically viable, with high margins and limited operating risk, though heavy labour costs dragged on performance (Dutta et al., 2026). On balance, craft work supplies jobs and a foundation for livelihoods, but returns depend on scale, technology and market links.

Theme 2: Poverty, public programmes and institutional performance

Several studies assess public interventions. Where improved toolkits were given to rural artisans, conditional and structural rigidities kept beneficiary households from escaping poverty, and the authors argued that governments lack clarity on how to reduce and alleviate poverty (Bhaumik & Banik, 2010) [2]. In Jammu and Kashmir, khadi and village industries performed strongly on cases sanctioned, funds released, production and sales, yet employment results were below expectations, and the authors call for financial and technical assistance, training, monitoring and marketing arrangements (Hussain *et al*., 2021) [8]. The policy review of the Indian handloom sector similarly identifies planning failures and regional disparities as having weakened livelihoods (Ramachandran & Chandramohan, 2025) [16]. Together these studies indicate that programme outputs such as loans, tools and sanctioned units do not necessarily become jobs, and that targeting and design are important.

Theme 3: Collective, Cluster and Enterprise-based approaches

Collective organisation is the intervention most frequently linked to favourable outcomes. A cluster development initiative in Assam strengthened rural artisan groups and was associated with higher income, asset creation, social capital, upgraded skills, product development and better backward and forward linkages (Das, 2015) [5]. In the Thar desert, women embroiderers who previously earned token wages from middlemen were brought into NGO-organised producer groups and trained in quality improvement, contemporary designs and fashion trends, creating a foundation for sustainable livelihoods (Ojha & Mishra, 2013) [11]. A social enterprise in Western Rajasthan applied a value-chain approach, a craft incubation centre and design education to raise the skills and livelihoods of rural artisans (Mehra et al., 2019). Most of these cases are descriptive, so causal conclusions require caution, but they repeatedly identify organisation, training and market access as enabling conditions.

Theme 4: Gender and women's livelihoods

Women figure prominently in the included studies, and the evidence shows both gains and constraints. In the Thar desert, women artisans became breadwinners and agents of change after receiving exposure, support and training (Ojha & Mishra, 2013) [11]. In Kalpourgan, Iran, women's pottery earnings contributed to household spending, children's education and marriage costs, but men largely retained decision-making authority, so income yielded only negotiated agency (Ovla, 2026) [12]. Among Godhadi craftswomen in three states, restrictive gender norms, information asymmetries and digital divides restricted the expansion of capabilities within the informal craft economy (Lakhani et al., 2026). Overall, craft income can increase women's economic contribution, but empowerment depends on parallel shifts in household norms, information access and institutional support.

Theme 5: Skills, knowledge transmission and digital capability

Skills and capabilities recur across the studies. Khadi institutions needed to upgrade the skills of artisans and supervisors (Busenna & Amarender Reddy, 2011) [3], and the Sahaj Crafts model paired skills training with design education (Mehra et al., 2019). Lakhani *et al*. (2026) identify weakening transmission of knowledge between generations as a critical barrier and suggest youth-led digital engagement and repositioning artisans as co-creators to revive crafts. Among 230 traditional wooden artisan enterprises in Andhra Pradesh, digital competence strongly influenced AI adoption and entrepreneurial orientation, which partly mediated the link between digital capability and sustainable livelihoods (Prince & Patnaik, 2026) [15]. Meanwhile, handloom weavers contend with decline and loss of identity under political and economic pressures (Chakraborty et al., 2026). Digital tools and skills thus look like a promising opening, although the evidence rests on a handful of recent studies.

Theme 6: Resources, space and environment

Physical and environmental conditions also influence employment prospects. In Uttarakhand, the bamboo resource base and the position of traditional bamboo artisans have worsened, and the authors point to trade bottlenecks and interventions that could bolster bamboo-based livelihoods (Sundriyal & Sundriyal, 2011) [18]. In Sualkuchi and Sarthebari, the move from traditional dwellings to reinforced concrete buildings adds durability but disrupts the combined living and working spaces on which artisanal livelihoods depend, and the authors recommend hybrid construction and community participation in planning (Bhattacharya *et al*., 2025) [1]. Geographic disparities also affect handloom livelihoods (Ramachandran & Chandramohan, 2025) [16], and natural dye enterprises tie economic viability to environmental sustainability (Dutta *et al*., 2026) [6]. Securing raw materials, suitable production space and regionally balanced planning is therefore necessary for sustaining craft employment.

Table 6: Opportunities and Challenges Identified in the Included Studies

Type	Item	Supporting studies
Opportunity	Organisation into clusters and producer groups	Das (2015) [5]; Ojha & Mishra (2013) [11]
Opportunity	Social enterprise, value-chain and incubation models	Mehra et al. (2019)
Opportunity	Skill upgrading, design and training	Busenna & Amarender Reddy (2011); Mehra *et al*. (2019) [3, 10]; Ojha & Mishra (2013) [11]
Opportunity	Digital capability and youth-led digital engagement	Lakhani *et al*. (2026) [9]; Prince & Patnaik (2026) [15]
Opportunity	Viable artisan-run enterprises (natural dyes)	Dutta et al. (2026)
Opportunity	Credit-linked and policy support, where well targeted	Hussain *et al*. (2021); Bhaumik & Banik (2010) [2, 8]; Ramachandran & Chandramohan (2025) [16]
Challenge	Low, unstable income; poverty traps	Sandhu & Toor (2022); Guha *et al*. (2025); Bhaumik & Banik (2010) [2]
Challenge	Middlemen and weak market links	Ojha & Mishra (2013); Mehra *et al*. (2019) [10, 11]
Challenge	Programme outputs that do not become employment	Hussain *et al*. (2021)
Challenge	Gender norms, information gaps and digital divides	Lakhani et al. (2026); Ovla (2026) [12]
Challenge	Weakening knowledge transmission across generations; decline and loss of identity	Lakhani et al. (2026); Chakraborty *et al*. (2026) [4]
Challenge	Resource decline, spatial disparities and shifting production space	Sundriyal & Sundriyal (2011) [18]; Ramachandran & Chandramohan (2025); Bhattacharya *et al*. (2025) [1]
Challenge	Ailing or declining craft industries; labour cost pressure	Pegu (2019) [14]; Dutta et al. (2026)

Theoretical Perspectives- RQ5

Studies are descriptive and state no theoretical framework. Four draw explicitly on theory (Table 7). The sustainable livelihoods framework appears most often and fits well with this review's focus on employment and income. These perspectives are best read as complementary rather than competing, each covering a different part of the question: the assets and capabilities artisans hold, how households escape poverty, how enterprises build capabilities, and how gender determines who benefits.

Table 7: Theories and Concepts Used in the Included Studies

Theory or concept	Used in	Application to handicraft employment
Sustainable livelihoods framework	Lakhani et al. (2026); Prince & Patnaik (2026) [15]	Presents craft work as a livelihood resting on assets, capabilities and institutions
Capability approach and bricolage theory	Lakhani et al. (2026)	Explains how women artisans widen their capabilities and improvise within gendered limits
Dynamic capability theory	Prince & Patnaik (2026) [15]	Connects digital capability and AI adoption to enterprise performance and livelihood resilience
Poverty traps, cargo nets and safety nets	Bhaumik & Banik (2010)	Explains why artisan households stay poor despite transfers of assets or tools
Feminist and postcolonial theory, including intersectionality	Ovla (2026) [12]	Reads craft as gendered labour, an economic strategy and negotiated agency

Integrative Synthesis and Intentions

The six themes point to a simple pathway. Handicrafts form a base of rural employment, but whether that base turns into decent, lasting livelihoods hinges on enabling conditions: collective organisation and market links, skills and digital capability, supportive and well-targeted institutions, access to resources and production space, and gender-sensitive norms in households and communities. Three propositions emerge for future empirical testing. P1: craft employment is more likely to lift household income where artisans are organised in clusters, producer groups or enterprises that lessen reliance on middlemen. P2: public support schemes are more likely to produce employment where targeting, training and marketing support come alongside finance or tools. P3: digital capability and skills among younger artisans are more likely to sustain craft livelihoods where knowledge transmission and resource access are preserved. These propositions derive from the reviewed studies and remain empirically untested.

Future Research Directions

The review points to the following research priorities.

- **Longitudinal and outcome-focused studies:** Most studies capture conditions at a single point in time. Future work should follow employment, income, apprenticeships and artisan numbers before and after interventions.
- **Craft villages and clusters as units of analysis:** Only one included study examined named craft settlements (Bhattacharya et al., 2025). Comparative work on craft villages and clusters could reveal how place-based organisation shapes employment.
- **Market demand and value chains:** Few studies look directly at consumer demand, pricing or the part played by middlemen. Research on demand and value chains would clarify how markets convert into artisan employment.
- **Gender and inclusion:** Women's income is reported to be important (Ojha & Mishra, 2013 [11]; Ovla, 2026) [12], but gaps between women and men in income, decision-making and workload are still little studied.
- **Digital and technological capability:** Evidence on digital tools and AI comes from only a few recent studies (Lakhani *et al*., 2026 [9]; Prince & Patnaik, 2026) [15]; outcomes for rural artisans with limited connectivity and digital skills need investigation.
- **Wider geographical coverage:** Nearly all included studies are Indian. Comparative studies in Africa, Latin America, South-East Asia and Europe would show whether the findings hold elsewhere.
- **Theory testing:** The propositions in Section 4.4 could be tested through mixed methods, structural modelling or qualitative comparative analysis.
- **Methodological improvements:** Later reviews could add Web of Science and grey literature, apply formal quality appraisal, and code full texts instead of relying chiefly on abstracts.

Limitations of the Review

This review has several limitations. First, it drew on a single database and only journal articles, so relevant work in other databases, other languages and grey literature may be missing. Second, studies published before 2010 were left out. Third, data were taken mainly from titles, abstracts and keywords instead of full texts, which restricted detail on methods and findings, and several abstracts did not state the method. Fourth, eligibility decisions at the title, abstract and report stages relied on the same limited information and might differ under full-text reading. Fifth, no formal quality appraisal was carried out, and the included studies range from large surveys to teaching cases and policy reviews. Finally, the evidence is concentrated in India and the sample is small, so the results should be read as a summary of available evidence and a foundation for further research.

Conclusion

This systematic review brought together 17 Scopus-indexed studies on how handicrafts promote rural employment. The evidence is largely recent, concentrated in India, and dominated by quantitative and case-based approaches. Handicraft and handloom work is reported as an important source of rural jobs and household income, but earnings are often low and public programmes deliver uneven employment effects.

Six themes were identified. Clusters, producer groups, enterprise-based models, upgraded skills and digital capability are linked to better outcomes, whereas middlemen, restrictive gender norms, weak knowledge transmission, resource decline and spatial disparities hold them back. The review offers three propositions for empirical testing.

For practitioners and policy-makers, the findings underline the value of organising artisans into clusters and groups, combining finance and tools with training and marketing, backing women and young artisans, safeguarding access to raw materials and production space, and building digital capability. Future research should supply longitudinal evidence, study craft villages and market demand directly, and extend the evidence base beyond India.

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