



INDIA  
GOLD POLICY  
CENTRE

# CONSUMER BEHAVIOUR / MARKET SENTIMENTS ANALYSIS WITH RESPECT TO GOLD

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**ALL THAT GLITTERS ALSO HAS A SHADOW--** An Exploratory research in the lives of Gold Karigars in India and Sustainable solution based on Middlemen perspective in the sector.

# Introduction

## Exploring the Shadow...

This paper has taken into account the literature related to the working conditions of the karigars and the health hazards faced by them and the probable solutions have been looked into while taking into account the SDG Goals.

The market sentiments have been analyzed from the middlemen perspective by taking them as a sample and trying to find out what is wrong in the system and what remedial steps can be taken. The research is exploratory in nature and takes into account the available literature and present market sentiments and working conditions of the Karigars.



# Litreature Review

- (Tirthankar Gosh 2015) The goldsmiths are exposed to compromising work postures which affect their heath. Ergonomic work tables, proper lighting at their work station and rest pauses during work hours can be an answer to the problem.
- (Khan et al. 2023) The goldsmiths of Bangadesh were found to have unhealthy lifestyle where 70% were alcoholic and 50% were smokers. Their live expectancy was much less as compaired average Bangladeshis. It was found that 35% of the workers died an early death due to cardiovascular diseases. A healthy lifestyle needs to be promoted.
- (Bond and Bruce, 2001) This longitudinal study proves that if workers are recognized for their work, it increases their efficiency. This factor should be taken into consideration and should be applied for the good of the organization and the people working in it.
- (Bera et al. 2024) Over the years Indian goldsmiths have practiced their craft in challenging conditions, leading to negative consequences of musculoskeletal disorder. More favorable working conditions need to be created with ergonomic enhancements.

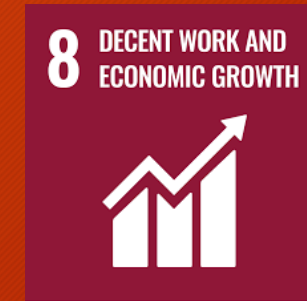
# Literature Review Continued

- (Gosh and Gangopadhyay, 2012) One of the major activities of goldsmiths is blowing pipe which causes respiratory disorder and fatigue of face muscle. Ergonomic intervention can bring much relief to Goldsmiths.
- (Jukaria and Singh, 2018) The work of Goldsmith is unsystematic and marginal with very less pay and they face occupational disease. The study recommended the ergonomics interventions, health education on common postural change, implementation and monitoring of laws among industries to take down morbidity due to musculoskeletal disorders.
- India Gold Policy Center funded report on “HRM Practices, Working Conditions and Labour Engagement in the Indian Gold Jewellery Manufacturing Sector” 2022 gives insights in the working conditions of goldsmiths in India and a very informative case study on Ankur Hati Karigar park West Bengal.

# SDG Goals Taken Into Consideration

The following SDG Goals have been taken into consideration:

- SDG goals 3 -Good health and wellbeing
- SDG goal 8 -Decent work and economic growth
- SDG goal 9 -Industry innovation and infrastructure
- SDG Goal 12 -Responsible consumption and production
- SDG Goal 17 -Partnership for the goals



# Research Methodology

The research can be divided into two parts. The first comprising of review of literature and study of all existing alternatives available with respect to sustainable development goals as well. The second part comprised of conducting telephonic interviews of a convenience sample of 170 people involved in manufacturing, wholeselling and retailing of gold jewelry. The respondents were majorly from northern and western part of India. A questionnaire comprising of 10 questions was prepared and the last question was on recommendations which gave vital information and majorly served the purpose of this paper. An analysis of other questions was done and conclusions were drawn. Since the number of respondents in the whole sample was very less it can be considered as a pilot study based on which further intensive research can be done.

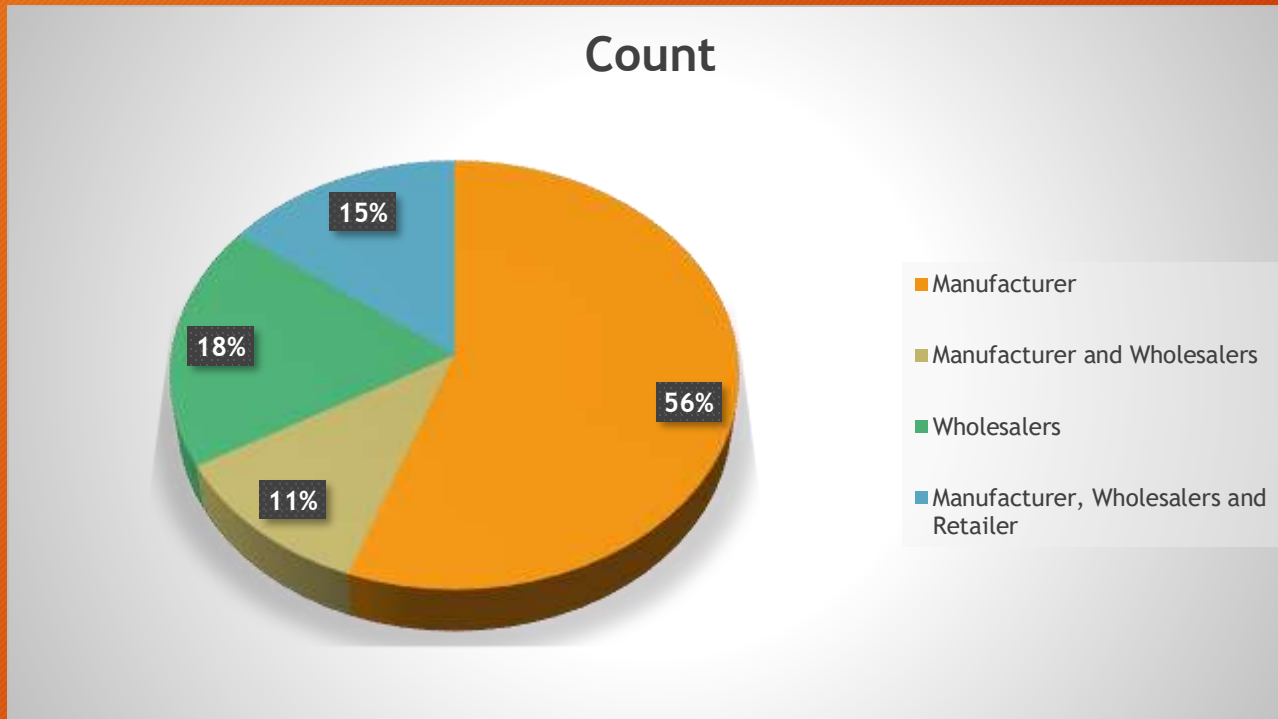


Q1. Name.

MY Gratitude to those who participated in the survey...

- Lokesh Garg , Parth Soni , Jayant Soni , Yash , Prateek, Pankaj , Shivani , Ashutosh , Raju , Surbhi kumari , B K Verma , Harsh Patel , Manish , Pankaj , Usha , Sunny , Tushar , Yogesh , Aditya , Ashish, Vinod , Ankush , Uttesh , Kulbhushan , Prashant , Rakesh , Anil .
- In a convenience sample set of around 170 only 27 people participated in the survey.
- Major reasons for not participating was lack of time and trust.

## Q2. Occupation Retail – Wholesale- Manufacturing - Other Specify

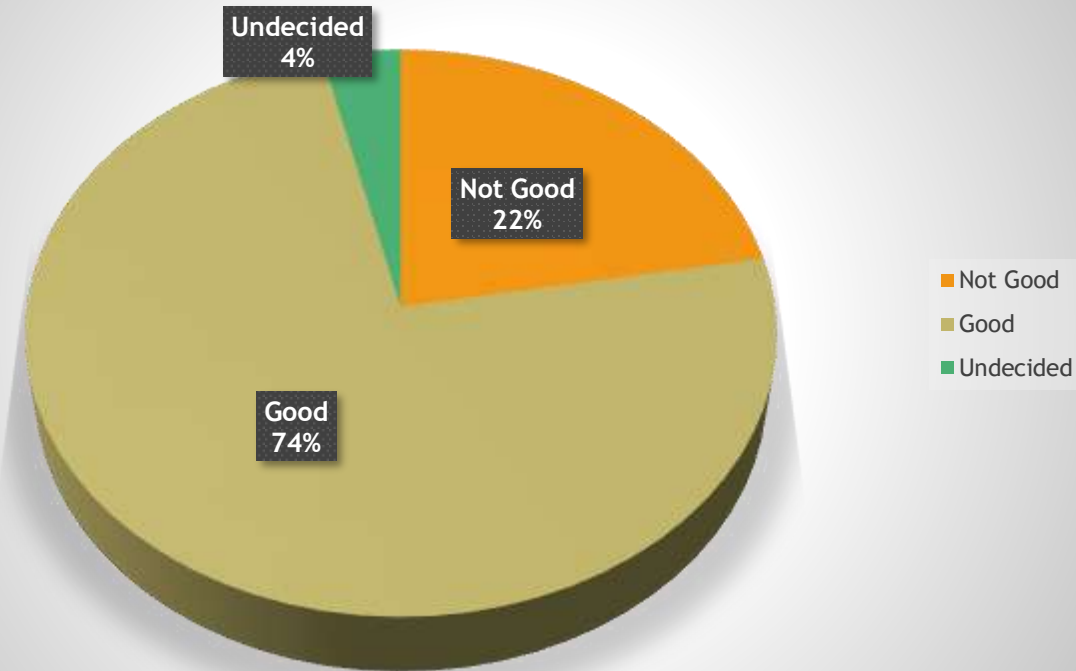


The number of manufacturers was 15, that of manufacturer and wholesalers was 3 while that of wholesalers was 5 and that of a combination of all three was 4 amongst the 27 people who participated in the survey.

They were all related to the Gold Jewelry sector.

Most of them belonged to western and northern part of India.

Q3. Do you think the present working condition of Karigars is good? Yes/no

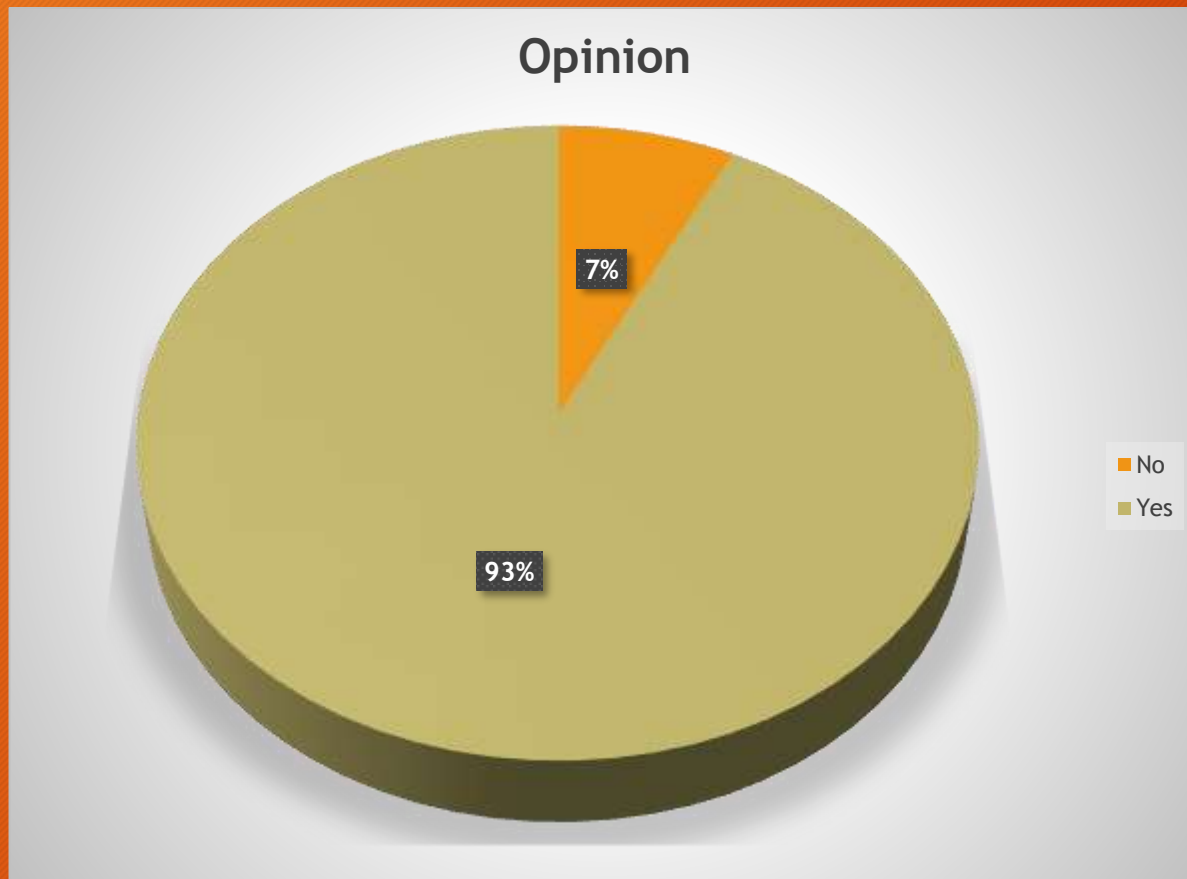


Most of the respondents said that the working conditions of Karigars are good.

The main reason behind the thinking process is that they are earning better now because of the high gold rate. They get 1% of the jewelry cost as making charge.

Few facts pointed out in this direction are that the head karigar takes away the major portions of the earnings

Q4. Should the working condition of Karigars be improved? yes/no

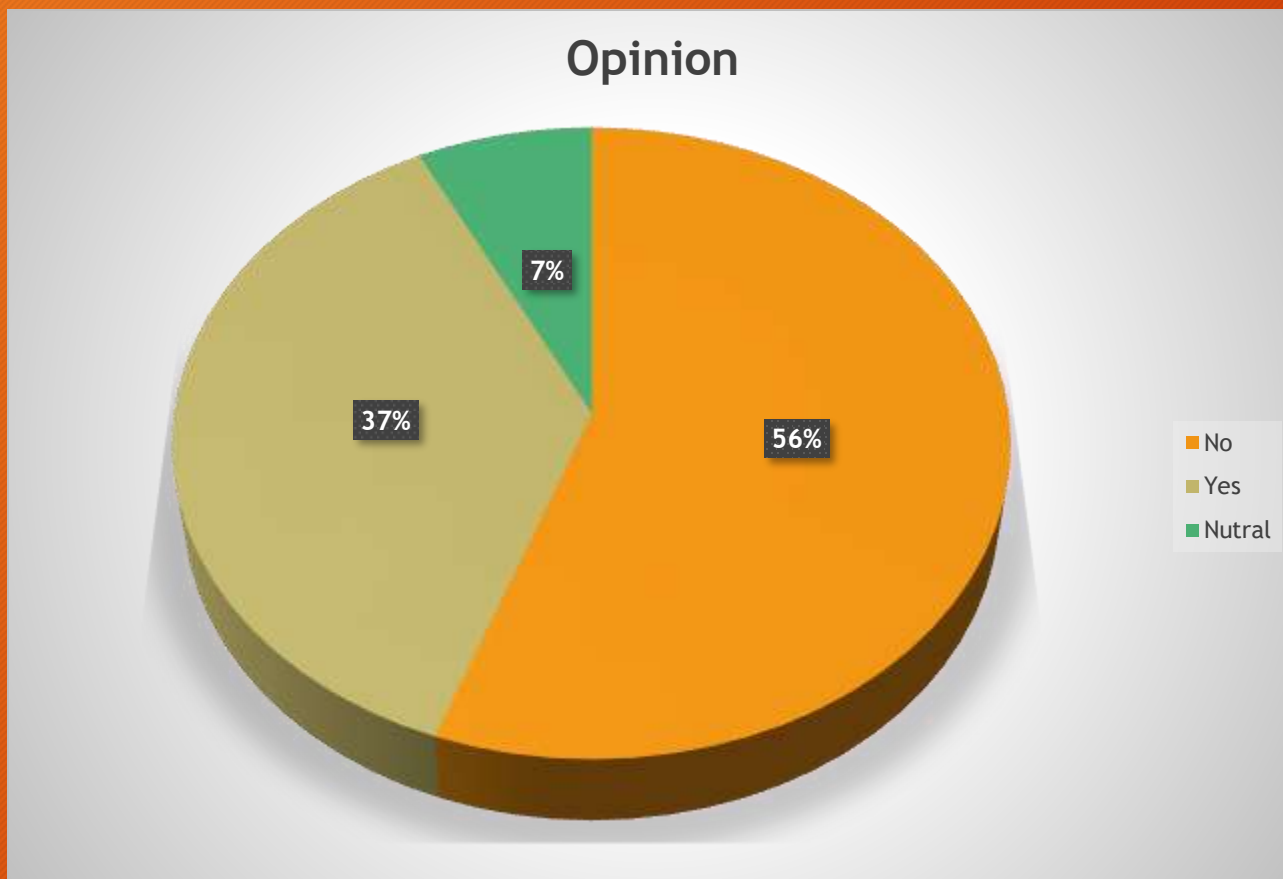


Most of the respondents said that the working conditions of Karigars should be improved.

The main reason behind the thinking process is that there is always a scope of improvement.

Some even pointed out that developed countries it is much better.

Q5. Are customers willing to pay higher making charge? Yes/no



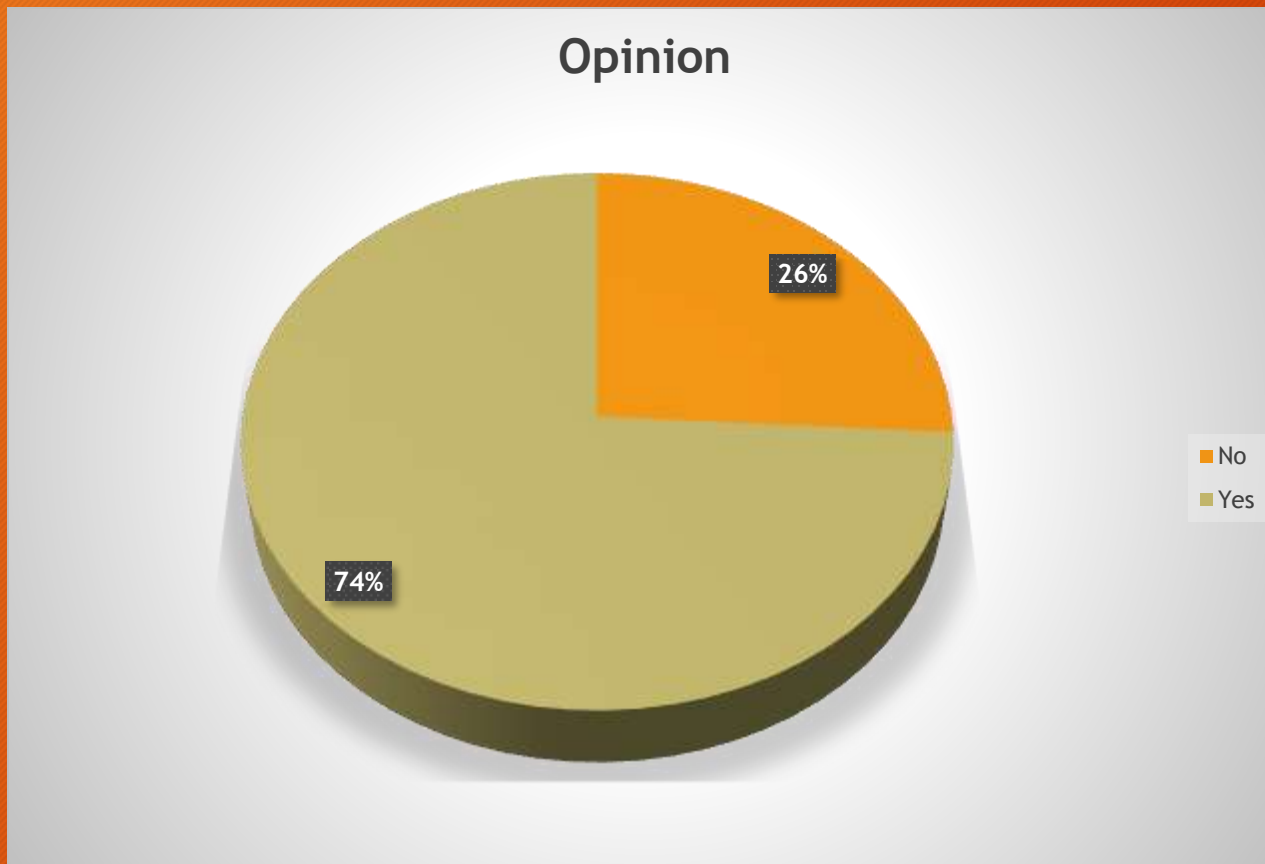
Most of the respondents said that the customers in general are not willing to pay higher making charge a major 56% of them.

Some said they might pay a higher making charge-37%.

While 7% were undecided.

Thus, it would be difficult to raise the making charge of jewelry to improve the conditions of karigars.

Q6. Is the GST rate of 3% on gold jewelry justified as per customers? Yes/no

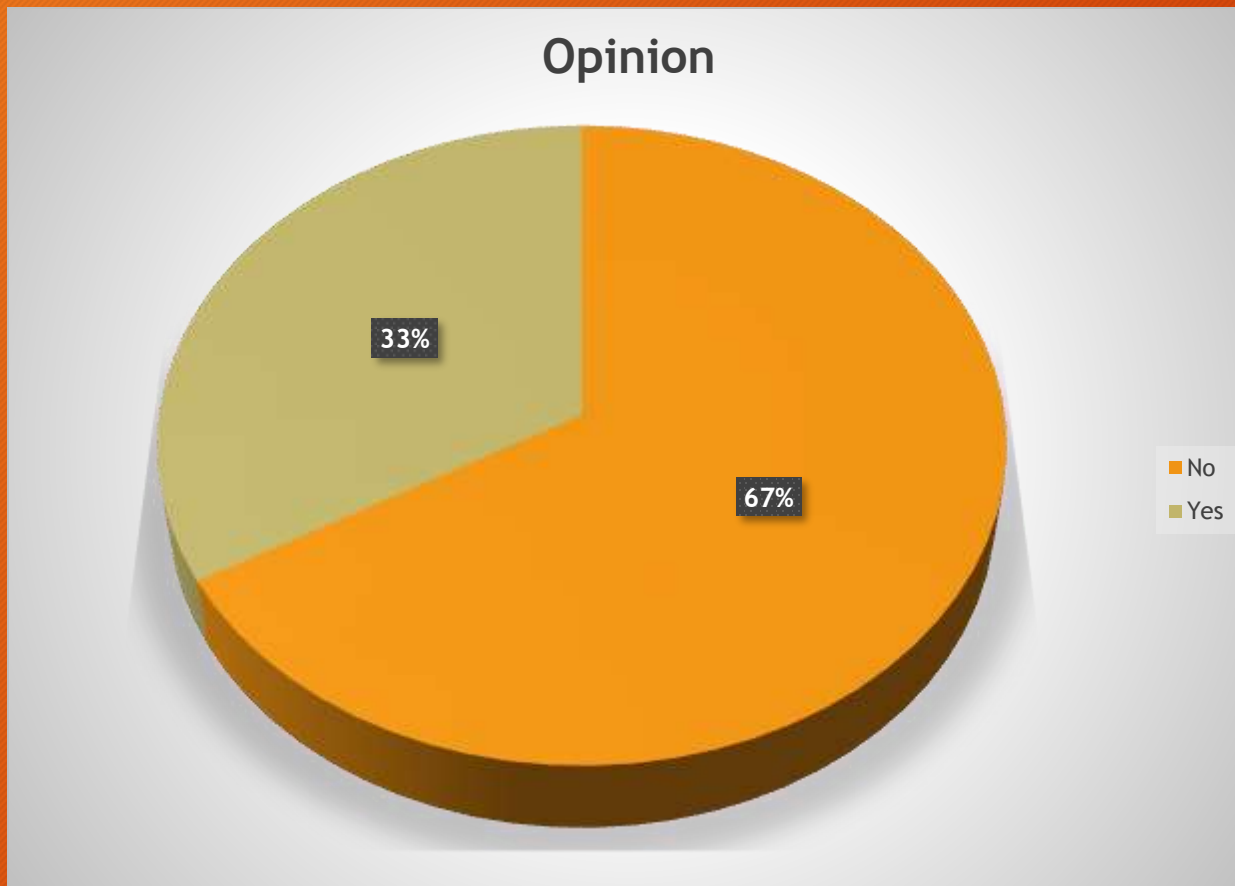


Most of the respondents said that the GST of 3% on Gold Jewelry was justified.

74% said yes while 26% said no to the GST being justified.

With a higher number of people calling the GST rate justified there is room for exploring the probability of increasing the GST charges.

Q7. Can a developmental tax for Karigars be charged on gold jewelry? Yes/no

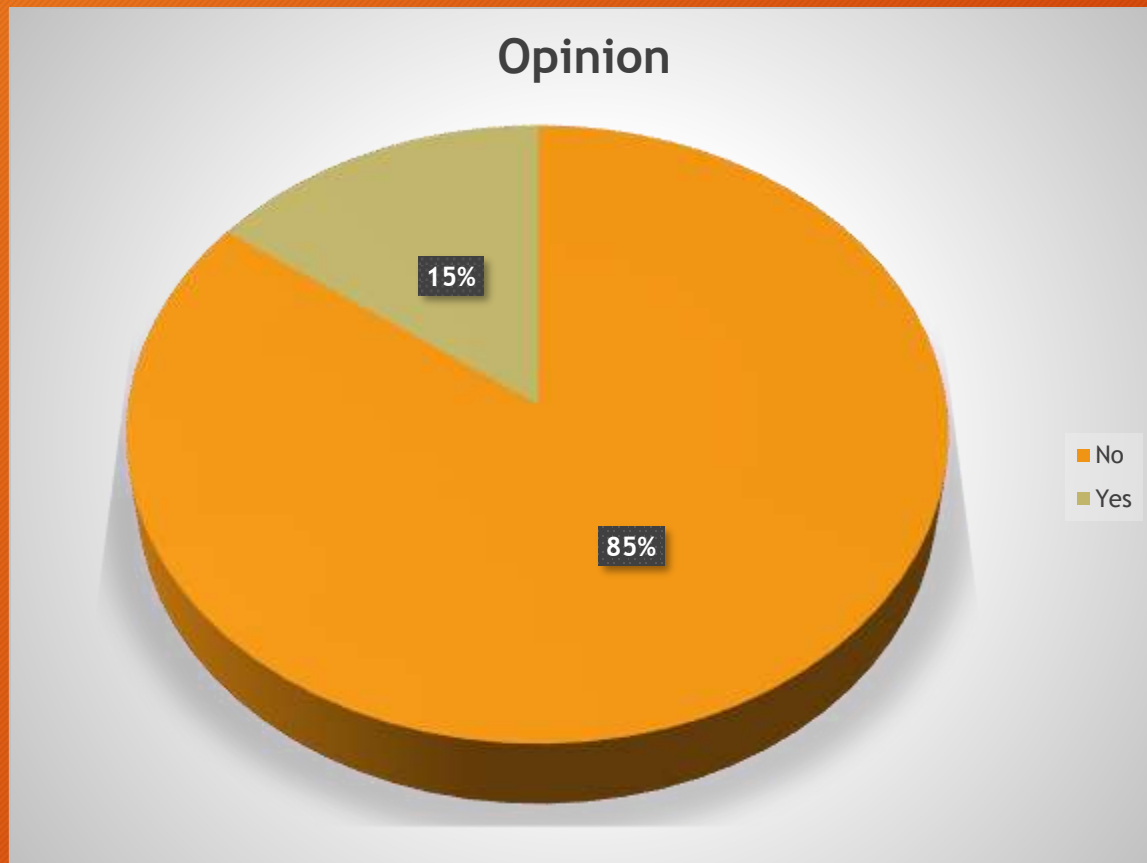


Most of the respondents said that a developmental tax for karigars cannot be charged.

The percentage of people saying yes was 33% and those saying no was 67%.

Thus, another head of Tax is not a very good idea.

Q8. Have you heard of Ankur Hati? yes/no



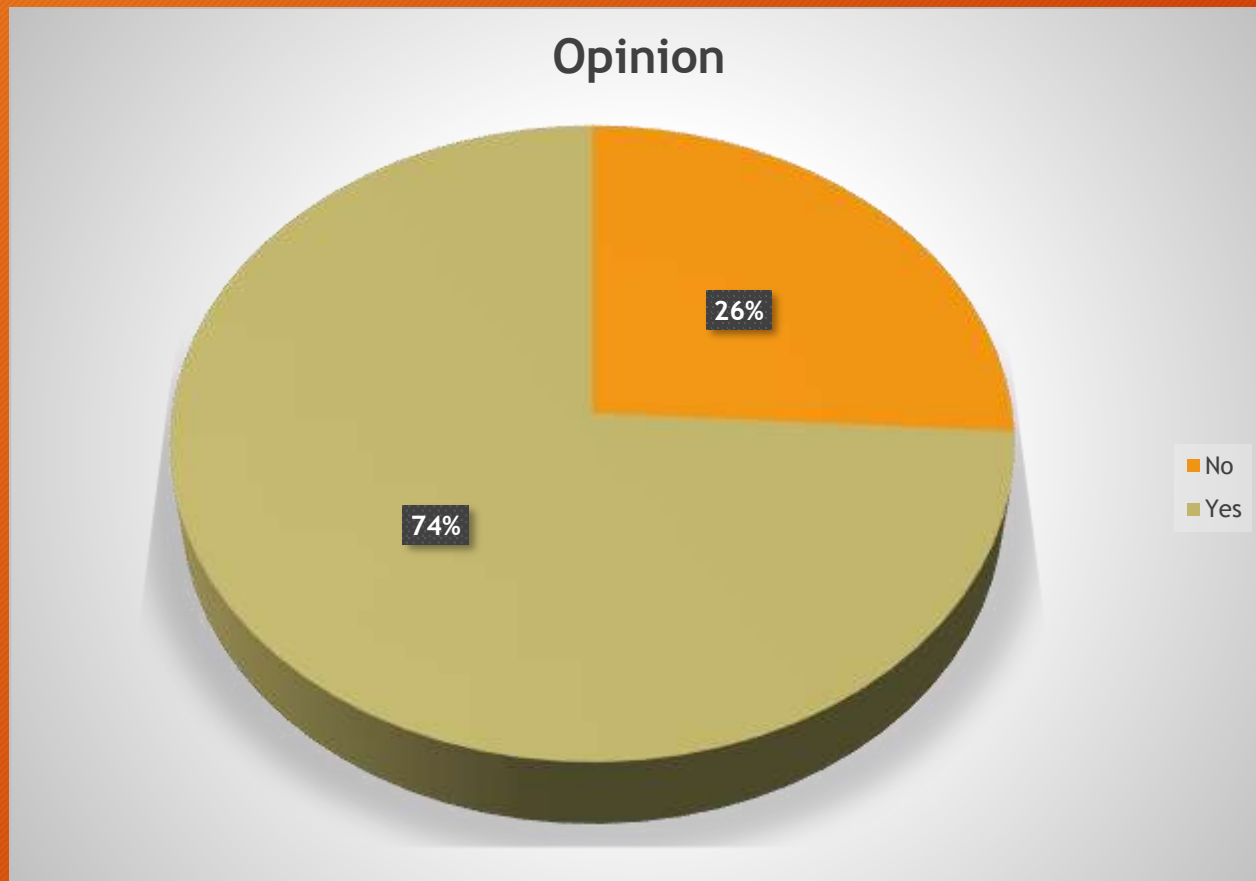
Most of the respondents have not heard about the gold manufacturing hub Ankur Hati.

Most of the respondents were from northern and western part of the country and were not aware of this hub.

85% of the respondents were unaware while another 15% were aware.

This calls for higher awareness of organized method of working.

Q9. Should there be Government intervention for the upliftment of the lives of Karigars? Yes/ no



Most of the respondents said that there should be government intervention in improving the lives of Karigars.

A major section of respondents 74% said yes while 26% said no.

Those who were not in favor of government intervention had a very pessimistic outlook and felt nothing good can be done.

## Q10. What is your suggestion in this direction?

- Karigars should be made more aware about the various schemes of Government.
- Government should provide good working condition to people.
- Reducing GST and charging the difference as gold karigar development tax should not be done.
- Gst can be made 5% from 3 and government is taking all right steps in this direction.
- Identification Cards for gold karigars
- Gold rate should be less
- Handmade jewellery has become a dying art it should be revived.
- Organizations should be responsible towards the karigars.
- Better facilities tools and medical benefits from govt.
- Jewellery making is an art. It should be promoted and preserved like an Art.
- Access to new technology should be made easy. Purchase of machines at subsidised rates.
- Better technology innovation simplified manufacturing and optimized production can help.
- Karigars should be registered only then government can help them.
- Competition is high there are less karigars so something should be done in this direction.
- Proper working conditions should be provided.
- Reduce the GST, inter state taxes and inta transaction charges should be reduced.
- Minimum loan for machinery purchase, less interest and subsidized amount can help.
- Mediclaim for eye problems and special insurance policy.
- Worker Associations and fixed salary.

# Final Recommendations

- Identification for Karigars in the form of work ID cards
- Mediclaim for eye problems and health insurance policies to be developed by the government.
- Education and spread of awareness among Karigars related to ergonomic methods of working as the SDG3 states that prevention is better than cure and brings down medical expenses.
- Development of Gold manufacturing hubs all over India with stress on sustainable infrastructure.
- Handmade Jewelry should be given the status of art and craft and tourism should be developed around the same.
- Subsidies and easy availability of loans by the government for purchase of modern machinery.
- Access to new technology should be made easy in the form of AI driven Technology, 3D printing, CAD CAM machines, new alloys and sustainable production methods.
- Research and innovation in this direction should be promoted.
- Skill Development centers should be opened by the Government for youths to join this profession.
- Worker Associations should be formed and there should be fixed salary for karigars.
- Sustainable Economic growth is only possible when things get organized and transparent.
- Sustainable reporting should be done to reduce waste and effective use of resources.
- India-EFTA Trade and Economic Partnership Agreement is an ideal example of International agreements which should be formed in this direction.

# Scope For Future Research

Since most of the respondents said that 3% GST is justified and one respondent said that it can be increased to 5%. Further research can be done to judge the possibility of the same. So that the extra amount gathered in taxes can be diverted towards the development of this sector in the form of the following:

1. Gold Manufacturing Hub
2. Skill Development centers
3. Health Benefits to Karigars
4. Subsidies on purchase of machinery
5. Easy availability of loans to karigars at a low rate
6. Creation of Identification System for Karigars so that they can avail the benefits given by Govt.



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