

CHAPTER 11

GST Reforms, Cultural Consumption Disruption, and the Erosion of Traditional Craft Markets in India: Evidence from the Apparel and Footwear Sectors

Samnit Singh and Aditya Jamuar***

ABSTRACT

Following India's post-1991 liberalisation, the apparel and footwear industries witnessed pronounced structural realignments. Global retail chains — H&M, Zara, and Nike among them — collectively command a sizeable share of the organised urban market in these segments (Retail Association of India, 2023), substantially redrawing consumer preference maps across urban and peri-urban demographics. The present study investigates the socioeconomic and cultural dimensions of this transformation, focusing on the well-documented contraction in demand for heritage craftwares — including Punjabi juttis and Kolhapuri chappals — alongside the attendant weakening of their cultural resonance. A convergent mixed-methods framework is employed, triangulating longitudinal trade-volume records, primary artisan-community testimonies, and cultural semiotics analysis. Comparative examination of H&M and Trent growth trajectories reveals sharply divergent revenue trends; appropriation controversies involving Western luxury houses briefly amplified demand for authentic traditional variants by several multiples. The GST rate differential — which, per GST Council circulars, extends a concessional levy to sub-INR 1,000 traditional footwear against a standard rate on premium Western footwear — is estimated to have contributed a modest yet measurable rebound in ethnic segment demand. Notwithstanding this partial success, the study concludes that the current price-point threshold design has not adequately protected the commercially most significant premium artisan segment. An integrated policy framework is advanced to reconcile global market pressures with cultural heritage preservation imperatives.

Keywords: GST reform; Cultural consumption; Traditional craft markets; Artisan economy; Apparel and footwear; Cultural symbolism; Trade liberalisation; Consumer behaviour.

1.0 Introduction

India's economic opening of 1991 stands as one of the most consequential policy

**Corresponding author; School of Economics and Commerce, Dr. Vishwanath Karad MIT World Peace University, Pune, Maharashtra, India (E-mail: samnit.singh@mitwpu.edu.in)*

***School of Economics and Commerce, Dr. Vishwanath Karad MIT World Peace University, Pune, Maharashtra, India (E-mail: aditya.jamuar@mitwpu.edu.in)*

ruptures in the country's post-independence trajectory. Dismantling import-licensing regimes and progressively reducing tariff barriers catalysed an inflow of foreign direct investment into the retail sector on a scale previously unseen. Within three decades, multinational apparel and footwear labels — H&M (India entry: 2015), Zara (2010), Nike (1995), and Adidas (1996) — had collectively secured roughly a third of the organised urban retail market in these product categories (Retail Association of India, 2023).

The rollout of the Goods and Services Tax (GST) in July 2017 constituted a second major policy discontinuity, one whose cultural and social ramifications remain insufficiently explored in scholarly literature. The GST regime imposed differential rates on traditional versus Western-format footwear, ostensibly to shield artisan producers from competitive pressure. Yet the architecture of these differentials — calibrated by price point rather than craft classification — has generated outcomes that frequently diverge from legislative intent. This paper situates the GST framework at the centre of a broader inquiry into how fiscal policy either attenuates or intensifies the cultural displacement of indigenous consumption practices.

Traditional Indian footwear — spanning Punjabi juttis, Kolhapuri chappals, Mojari sandals, and paduka wooden sandals — is not simply a product category; it constitutes a semiotic system through which regional identities, occupational distinctions, ritual functions, and spiritual meanings are encoded. The paduka, for instance, has historically occupied a sacred register in Hindu practice, embodying the guru's presence and the disciple's submission. Its displacement by Western athletic footwear as the aspirational choice among urban Indian youth signals not merely a preference shift but a reconfiguration of identity-making — one that GST policy is uniquely positioned to either accelerate or arrest.

This paper is structured as follows: Section 2 surveys the relevant literature; Section 3 states the research objectives; Section 4 describes the methodology; Section 5 presents findings; Section 6 discusses implications; Section 7 sets out policy recommendations; Section 8 offers concluding reflections.

2.0 Literature Review

2.1 Consumer behaviour, GST and cultural spending patterns

Hofstede's (1980) framework of cultural dimensions established that collectivist societies — of which India is a frequently cited example — display consumption behaviours strongly mediated by group identity, social hierarchy, and inherited tradition. Building on that foundation, Sheth (2011) demonstrated that post-liberalisation Indian consumers exhibit a distinctive value-seeking orientation blending aspirational Western preferences with price sensitivity rooted in domestic economic conditions.

The introduction of GST overlaid a fresh fiscal dimension upon this cultural calculus. Kumar and Sharma (2019) documented that the rate structure for footwear and apparel created measurable distortions in purchasing behaviour, with consumers near the INR 900–1,100 price band actively repositioning purchases to stay below the higher-rate threshold. This price-point bunching phenomenon carries particular significance for artisan producers whose premium handcrafted goods often exceed the INR 1,000 ceiling, inadvertently exposing them to the same tax treatment as mass-produced imports.

Varman and Belk (2009) traced how Indian consumers navigate the tension between nationalist sentiment and Western brand aspiration, introducing the concept of ‘nationalist resistance’ to characterise selective rejection of foreign brands during episodes of heightened cultural anxiety. Their longitudinal data indicate that this resistance is episodic rather than sustained. Industry surveys further suggest that a substantial majority of younger urban consumers in metropolitan areas prioritise international brand aesthetics over cultural authenticity when purchasing footwear — a finding with direct implications for whether fiscal incentives alone can redirect such deeply socialised preferences.

2.2 Adaptive branding, GST pass-through, and retail innovation

The entry of fast-fashion retailers into the Indian market required substantial category management adaptation. Zara’s India-specific approach — preserving global design DNA while incorporating kurta-inspired silhouettes — enabled strong revenue generation in the domestic market (Inditex Annual Report, 2023). H&M’s comparable localisation, reflected in a dedicated India Edit collection, underpinned consistent year-on-year revenue growth through the post-GST period. A critical yet understudied dimension of this competitive dynamic is the differential capacity of multinational versus artisan producers to absorb and transmit GST costs. Organised retailers equipped with sophisticated supply chains can optimise input tax credit recovery, effectively lowering their net tax burden. Artisan producers operating in the unorganised sector — where input costs are frequently unreceipted and GST registration compliance is sparse — are unable to access input tax credit mechanisms, bearing the full statutory rate whilst competing against effectively lower-net-tax organised alternatives. This structural asymmetry in GST incidence represents a significant policy design shortcoming that existing scholarship has not adequately theorised.

Trent Limited (Tata Group’s retail arm) presents the most instructive domestic comparison. Its Westside and Zudio formats pursued a counter-strategy centred on ethnic apparel as a premium everyday category, yielding substantial revenue growth in FY2023 (Trent Annual Report, 2023). Zudio’s deliberate sub-INR 999 price positioning — calibrated to remain below the higher GST threshold — exemplifies sophisticated exploitation of the fiscal architecture that was originally intended to shield those artisans from competition.

2.3 Market responses in crafts, textiles, and traditional segments

The handicrafts sector's susceptibility to liberalisation pressures has been extensively documented. The Office of the Development Commissioner for Handicrafts (2022) reported a 31 per cent decline in active jutti artisans in Punjab between 2010 and 2022, with registered craftspersons falling from approximately 45,000 to 31,000. Kolhapuri chappal production in Maharashtra experienced a parallel contraction, with the Kolhapur Leather Products Manufacturers Association (KLFMA) documenting a 38 per cent reduction in unit output between 2015 and 2023. Paradoxically, cultural appropriation controversies involving Western luxury brands have generated measurable demand spikes for traditional products. Prada's 2018 incorporation of jutti-inspired design elements, without acknowledgment of Indian craftsmanship origins, triggered a multi-fold sales increase for authentic jutti vendors on major e-commerce platforms within a six-week window (Kumar & Sharma, 2019; authors' field data). This controversy-driven cultural rebound — evidencing the potency of latent cultural nationalism as a demand driver — carries direct implications for cultural policy design.

2.4 Research gap

Notwithstanding this body of evidence, no existing study has simultaneously modelled the joint effects of GST policy differentials, social media-driven impulse purchasing, multinational brand penetration, and cultural symbolism shifts on traditional footwear demand. Prior studies examine GST incidence in isolation from cultural dynamics, or cultural shifts in isolation from fiscal architecture. This paper addresses that gap through a multi-method approach that integrates quantitative sales analytics with cultural semiotics and fiscal policy analysis, contributing directly to the conference theme of GST Reforms and Their Social and Cultural Impact.

3.0 Research Objectives

This study pursues four primary objectives.

The first is to map the market-share trajectory of foreign apparel and footwear brands within India's organised retail sector between 1991 and 2023, with focused attention on the post-2015 acceleration and on the way GST implementation shaped competitive dynamics. The second objective is to quantify and explain the 30–40 per cent decline in traditional jutti and Kolhapuri demand, disaggregating the relative contributions of brand competition, GST policy design, generational preference shifts, and cultural symbolism erosion. The third is to critically evaluate whether the GST differential between traditional and premium Western

footwear categories has functioned as an effective cultural preservation instrument, identifying specific structural deficiencies and proposing targeted corrections.

The fourth objective is to advance an evidence-based integrated policy framework — spanning GST redesign, Geographical Indication (GI) enforcement, artisan subsidies, and cultural policy — capable of converting episodic controversy-activated demand into sustained structural reorientation of the traditional craft market.

4.0 Methodology

4.1 Research design

This study employs a convergent mixed-methods design (Creswell & Plano Clark, 2018), weaving together quantitative sales data analysis, qualitative artisan interviews, GST incidence analysis, and cultural semiotics within a unified analytical structure. Triangulating these methodological strands enables cross-validation of findings and mitigates limitations inherent to any single-method approach.

4.2 Quantitative data sources

Primary quantitative evidence was drawn from three sources: (1) sector-level trade and production records from the Ministry of Textiles and the DC Handicrafts office; (2) HSN-disaggregated GST Council transaction records accessed through Right to Information (RTI) applications, isolating ethnic footwear (HSN 6405) from premium Western footwear (HSN 6402/6403/6404); and (3) publicly available quarterly seller summaries for jutti and Kolhapuri categories on major e-commerce platforms (2017–2023).

4.3 Qualitative data sources

Semi-structured interviews were conducted with 78 artisan producers across three clusters: the Patiala–Amritsar jutti cluster in Punjab (n=31), the Kolhapur leather district in Maharashtra (n=29), and Jaipur Mojari craftspersons in Rajasthan (n=18). Additionally, 12 key-informant interviews were carried out with retail buyers from Fabindia, Nykaa Fashion, and Craftsvilla. Interview transcripts were coded using ATLAS.ti software, guided by a primary coding scheme derived from the Cultural Consumption Disruption Framework (CCDF) developed for this study.

4.4 GST incidence analysis

A dedicated GST incidence analysis was conducted to gauge the differential tax burden borne by artisan producers relative to organised-sector competitors. The analysis modelled effective tax rates net of input tax credit recovery, compliance costs as a proportion

of revenue, and price-point bunching effects at the INR 1,000 threshold. It draws on GST filing data obtained in aggregated, anonymised form from the GSTN through official channels, supplemented by primary survey evidence from the 78 artisan interviews regarding registration status and compliance practices.

4.5 Cultural semiotics analysis

Drawing on Barthes' (1957) framework of myth and signification, and its application to consumer goods developed by McCracken (1986), this study analyses the semiotic transformation of footwear objects in Indian culture. Primary semiotic data comprise: analysis of 2,400 Instagram posts tagged #jutti, #Kolhapuri, #sneakers, and #streetwearIndia (2018–2023) using NVivo content analysis; a review of 340 Bollywood productions (2000–2023) coded for protagonist footwear type; and cultural-expert interviews (n=6) with folklorists and anthropologists specialising in Indian material culture.

4.6 Analytical framework

The integrated analysis employs a structural equation model (SEM) to test hypothesised causal pathways from liberalisation drivers to traditional demand outcomes. The SEM is complemented by a difference-in-differences (DiD) analysis exploiting the July 2017 GST rollout as a natural experiment, isolating its causal effect on traditional footwear demand from concurrent trends. An event study methodology applied to the 2018 Prada controversy isolates controversy-driven demand effects.

5.0 Analysis and Findings

5.1 Market share dynamics: Foreign versus domestic

Foreign brands held negligible organised retail presence prior to 2005; by 2023, H&M, Zara, Nike, and Adidas jointly held approximately 22.4 per cent of organised apparel and footwear retail by value, with the broader Western-style segment reaching an estimated 35.1 per cent (Retail Association of India, 2023). Table 1 presents key retailer performance benchmarks for FY2023.

The H&M versus Trent comparison is analytically instructive. H&M's 18.3 per cent growth reflects demand from upper-middle-class urban consumers aged 18–35, with average transaction values of INR 1,800–2,400. Trent's 43 per cent growth was driven primarily by Zudio's aggressive sub-INR 999 ethnic-Western fusion proposition — deliberately priced below the higher GST threshold — capturing a demographic previously served by unorganised artisan vendors. Crucially, Zudio's ethnic category grew at 31 per cent within the Trent portfolio overall, indicating that organised domestic retail is partially absorbing

artisan market displacement while simultaneously exploiting the fiscal architecture intended to protect those artisans.

Table 1: Key Retailer Performance Benchmarks, FY2023

Retailer	Entry Year	FY2023 Revenue (INR Cr)	YoY Growth	Category Focus
H&M India	2015	1,892	+18.3%	Fast Fashion, Apparel & Footwear
Zara (Inditex/Tata)	2010	1,540	+14.7%	Premium Fast Fashion
Nike India	1995	3,200 (est.)	+21.0%	Athletic Footwear & Apparel
Adidas India	1996	2,800 (est.)	+16.5%	Athletic Footwear & Apparel
Trent (Westside+Zudio)	Domestic	9,043	+43.0%	Ethnic + Western Hybrid
Fabindia	Domestic	1,683	+11.2%	Traditional/Ethnic Apparel

Sources: Company Annual Reports; Retail Association of India, 2023

5.2 Traditional footwear decline: Magnitude and drivers

Field surveys and trade ministry records confirm a decline of approximately 33.7 per cent in household expenditure allocated to traditional handcrafted footwear between 2015 and 2023 in urban settings, and roughly 19.2 per cent in rural settings. The Punjab jutti segment registered the steepest contraction: unit volumes fell from an estimated 12.4 million pairs annually (2015) to 7.9 million pairs (2023), a 36.3 per cent reduction. Table 2 summarises production volume changes across major product categories.

Table 2: Traditional Handcrafted Footwear Production Volumes, 2015 vs. 2023

Traditional Product	State	2015 Production (mn pairs)	2023 Production (mn pairs)	% Change
Jutti	Punjab	12.4	7.9	-36.3%
Kolhapuri Chappal	Maharashtra	8.7	5.4	-37.9%
Mojari	Rajasthan	4.2	3.1	-26.2%
Paduka (wooden)	Multiple	1.8	1.4	-22.2%
Total Traditional Handcraft	All India	~38.6	~25.9	-32.9%

Sources: DC Handicrafts, 2022; KLFMA, 2023; Authors' estimates

SEM results indicate that foreign brand penetration accounts for 41.2 per cent of the explained variance in traditional demand decline, followed by demographic preference shifts (28.7%), GST structural effects (18.4%), and social media displacement of traditional gifting norms (11.7%). While GST structural effects contribute the third-largest explanatory share, they are particularly susceptible to policy correction — rendering them disproportionately important from a reform standpoint despite their smaller relative magnitude.

5.3 GST policy effects: The 5% versus 12–18% differential

The GST Council's rate structure generates a paradoxical fiscal landscape for footwear consumption. Per GST Council notifications, traditional handcrafted footwear falling below INR 1,000 is classified under HSN 6405 and attracts the concessional 5 per cent rate, whereas premium imported and domestic Western-style footwear above that threshold — classified under HSN 6402/6403 — bears rates in the 12–18 per cent range. The DiD analysis, exploiting the July 2017 GST rollout as the treatment event, estimates a demand rebound of approximately 10–15 per cent for sub-INR 1,000 ethnic footwear attributable to this differential — partially offsetting underlying structural decline. This constitutes a genuine policy achievement: fiscal instruments have demonstrably influenced cultural consumption patterns in the intended direction.

However, this GST-driven rebound is confined to the mass-market segment and has not materially benefited premium artisan producers. Handcrafted juttis retailing above INR 1,200 — the segment generating roughly 73 per cent of artisan income — face the 12 per cent rate applicable to higher-value footwear, materially eroding their price competitiveness. The GST incidence analysis further reveals that artisan producers bear an effective tax rate approximately 4.2 percentage points higher than organised-sector competitors producing comparable price-point goods, once input tax credit recovery advantages are factored in.

This asymmetric incidence constitutes a structural policy failure with direct social and cultural consequences. The premium artisan segment — which sustains the most intricate traditional techniques, employs the most skilled craftspersons, and generates the most significant cultural heritage value — is precisely the segment that the GST framework most penalises. Moreover, the price-point threshold design means that low-value mass-produced footwear attracts the same concessional rate as handcrafted artisan products, eliminating any fiscal differentiation between cultural production and industrial manufacturing.

5.4 The sneaker era: Social media and Gen Z impulse buying

The period after 2015 has been marked by the consolidation of athletic footwear as the dominant footwear signifier among Indian urban youth. Nike's Air Jordan and React ranges, Adidas's Stan Smith and Ultraboost lines, and New Balance's 990 series collectively commanded the lion's share of premium footwear social media engagement in India between 2018 and 2023. Instagram Reels analysis reveals a statistically significant ($p < 0.01$) correlation ($r = 0.74$) between influencer sneaker content and purchase intent among respondents aged 18–26. E-commerce data indicate that a majority of sneaker purchases in this demographic occurred within 72 hours of social media exposure, meeting established definitional criteria for impulse buying (Rook, 1987). By contrast, traditional footwear content generated only a small fraction of footwear-category Instagram engagement despite

representing approximately 22 per cent of unit volumes sold nationally — a disproportion that platform algorithm incentives systematically perpetuate and that no current cultural policy instrument addresses.

5.5 Cultural symbolism shift: From Paduka to sneaker

Semiotic analysis of the Bollywood corpus reveals a statistically significant trend: protagonist footwear shifted from traditional types in 71 per cent of sampled productions from 2000–2005 to Western athletic and formal footwear in 68 per cent of sampled productions from 2018–2023. The Instagram content analysis confirms a parallel semiotic displacement: high-engagement #sneakers posts associate footwear with self-actualisation, individual achievement, and global belonging, while #jutti posts cluster around wedding rituals, regional heritage tourism, and nostalgia. The paduka appears in fewer than 0.5 per cent of footwear-related content, its symbolic register largely confined to temple contexts rather than everyday consumption discourse.

This semiotic marginalisation carries direct economic consequences: as traditional footwear loses its aspirational coding, it becomes recategorised as heritage or ceremonial rather than everyday consumption, fundamentally constraining demand volume. The cultural shift and the economic decline thus reinforce one another — a self-perpetuating dynamic that fiscal intervention alone cannot interrupt without complementary cultural policy measures.

5.6 Controversy-driven cultural rebound

Event study analysis of the Prada S/S 2018 controversy documents a marked increase in jutti searches on Google India in the two-week window immediately following the controversy, alongside a substantial sales spike for jutti listings on major e-commerce platforms over the subsequent six weeks. A comparable, though somewhat smaller, spike was documented following Gucci's 2019 incorporation of bandhani print motifs.

Critically, these spikes decay within 8–12 weeks, reverting to pre-controversy baselines — indicating that episodic cultural nationalism is insufficient to sustain structural demand recovery in the absence of complementary policy support. These findings simultaneously evidence the potency and the limits of cultural pride as a demand driver, underscoring the need for policy instruments capable of converting latent demand into durable purchasing behaviour.

6.0 Discussion

The findings collectively establish that India's apparel and footwear markets are undergoing a dual displacement: traditional craft producers are conceding ground to multinational brands capturing premium aspirational demand while organised domestic fast-

fashion retailers absorb the value segment. The artisan sector is thus squeezed from both above and below, with its most commercially significant segment receiving neither the fiscal relief of the sub-INR 1,000 GST concession nor the marketing reach of organised retail.

The GST framework's role in this process is simultaneously complex and paradoxical. On one side, the 5 per cent concessional rate for sub-INR 1,000 footwear has generated a measurable demand rebound in the mass-market ethnic segment — an authentic policy success demonstrating that fiscal instruments can meaningfully redirect cultural consumption. On the other, the framework's reliance on a price-point criterion rather than a craft-certification basis has produced a structural asymmetry that disproportionately penalises the premium artisan segment, the very segment most critical to cultural heritage preservation. This finding has broad implications for GST reform design: the classification criterion determining eligibility for concessional treatment matters more than the nominal rate itself.

The cultural symbolism shift documented here carries implications extending beyond the merely economic. As McCracken (1986) argues, consumer goods are cultural vessels through which societies encode and transmit meaning. The displacement of paduka spirituality by sneaker individualism represents a transformation in the self-concept of the aspirational Indian consumer — from an embedded social being defined by family, regional, and religious tradition toward a globally legible individual subject defined through brand affiliation and lifestyle signalling. GST policy, by shaping the relative price-competitiveness of traditional versus Western-format products, actively participates in this cultural transformation — a dimension entirely absent from GST Council deliberations.

The controversy-driven rebound phenomenon furnishes grounds for cautious optimism: cultural pride persists as a latent demand driver requiring only appropriate activation. The policy challenge lies in translating this latent demand into sustained market reorientation through instruments that address both fiscal disadvantage and cultural visibility simultaneously.

7.0 Policy Implications and Recommendations

7.1 GST reform: Craft-certification based classification

The most consequential reform available to the GST Council is a redesign of the eligibility criterion for concessional footwear rates. The existing INR 1,000 price threshold should be supplemented by a dual criterion: price below INR 1,000 OR verified handcraft status — whether through GI certification or a government-administered craft verification register — regardless of price point. This change would extend the 5 per cent rate to premium artisan products (the segment generating roughly 73 per cent of artisan income) while preserving the existing mass-market concession.

The study estimates this reform would entail approximately INR 340 crore in foregone revenue annually while preserving or generating around 45,000 artisan employment units — a cost-per-job-preserved ratio markedly superior to most industrial employment programmes. Revenue loss would be partially offset by formalisation-driven compliance improvements, as artisan producers gain incentive to register under GST in order to access the preferential rate. A simplified input tax credit mechanism for registered artisan producers — modelled on the composition scheme but calibrated to craft production realities — would further reduce the effective tax-rate asymmetry currently favouring organised competitors by approximately 4.2 percentage points.

7.2 GI tag enforcement and E-commerce integration

The Geographical Indication of Goods Act (1999) provides legal protection for traditional products including Kolhapuri chappals (GI No. 270). Yet field interviews reveal that a substantial proportion of artisan respondents were unaware that their products carried GI protection, and none had initiated GI-based legal proceedings despite documented design appropriation. An enhanced enforcement regime — encompassing mandatory GI labelling for e-commerce listings, dedicated IP enforcement cells within the DC Handicrafts office, and bilateral trade provisions targeting craft intellectual property — is urgently required. Linking GI certification to the proposed revised GST concessional rate would simultaneously strengthen GI uptake and reinforce the fiscal incentive for formal craft classification.

7.3 Digital Artisan fund

Existing programmes — the Ambedkar Hastshilp Vikas Yojana and PM Vishwakarma Scheme — provide modest craft subsidies but are not calibrated to address e-commerce penetration or social media marketing imperatives. A restructured Digital Artisan Fund is recommended, providing:

- (a) INR 50,000 per artisan for digital literacy and e-commerce onboarding;
- (b) matching grants for social media marketing up to INR 25,000 annually; and
- (c) collective branding support for GI-certified craft clusters.

At full coverage of 200,000 registered artisans, the projected cost — approximately INR 1,500 crore — represents less than 1 per cent of the Ministry of Textiles' FY2024 budget.

7.4 Cultural and curriculum policy

Beyond direct market intervention, the cultural symbolism shift documented here calls for integration of traditional craft heritage into school curricula (specifically Classes VI–VIII social science), investment in craft-themed cultural tourism infrastructure, and public procurement mandates directing government gifting and official hospitality toward GI-

certified traditional products. These measures address demand-side cultural devaluation that economic instruments alone cannot reverse. Cultivating intergenerational cultural literacy regarding the spiritual registers of paduka and the regional identity functions of juttis and Kolhapuris would sustain latent demand into adulthood, converting cultural pride from episodic response into a durable consumption orientation.

8.0 Conclusion

This paper has documented, quantified, and explained the mechanisms through which post-1991 trade liberalisation — amplified by social media-driven aspirational consumption and inadequately designed GST policy — has eroded both the economic viability and the cultural significance of India's traditional apparel and footwear artisan sector. The 30–40 per cent decline in jutti and Kolhapuri production volumes, the semiotic displacement of paduka spirituality by sneaker individualism, and the concentration of market growth in multinational and fast-fashion domestic brands collectively constitute a material-cultural transformation with implications for national heritage and identity.

The paper's central contribution to the conference theme of GST Reforms and Their Social and Cultural Impact is the demonstration that the current GST rate structure — ostensibly designed to protect traditional producers — generates a structural asymmetry penalising the premium artisan segment while benefiting organised-sector competitors through input tax credit advantages. This finding positions GST reform not merely as a fiscal instrument but as a cultural policy instrument with direct consequences for India's living craft traditions. The findings also disclose grounds for cautious optimism: the 10–15 per cent GST-driven ethnic demand rebound in the mass-market segment, the multi-fold controversy-activated sales spikes, and Trent's 43 per cent growth partly driven by ethnic categories all confirm that traditional craft consumption retains significant latent demand. The critical challenge is to translate episodic, controversy-reactive demand into sustained structural reorientation through the integrated framework proposed: craft-certification-based GST reform, GI enforcement, a Digital Artisan Fund, and cultural policy integration. Future research should extend this framework to the handloom textile sector and investigate the generational dynamics of cultural identity formation among post-liberalisation Indian consumers.

9.0 Limitations

Several limitations warrant acknowledgment. First, market-share and production-volume data for the unorganised artisan sector draw on official DC Handicrafts estimates that may undercount informal production. Second, the social media semiotic analysis is confined

to Instagram and may not capture dynamics on YouTube, ShareChat, or regional-language platforms. Third, the study's geographic scope — Punjab, Maharashtra, and Rajasthan — excludes significant craft traditions in Andhra Pradesh, West Bengal, and the Northeast. Fourth, the SEM model presupposes temporal stability in causal relationships that may vary across economic cycles. Fifth, the GST incidence analysis relies on aggregated GSTN data and cannot capture firm-level variation in input tax credit recovery. These constraints suggest directions for future panel studies with broader geographic coverage and firm-level fiscal data.

References

1. Barthes, R. (1957). *Mythologies*. Éditions du Seuil.
2. Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and Conducting Mixed Methods Research* (3rd ed.). SAGE Publications.
3. Development Commissioner for Handicrafts. (2022). *Annual Report on India's Handicrafts Sector*. Ministry of Textiles, Government of India. <https://handicrafts.nic.in/>
4. GST Council of India. (2017–2023). HSN-disaggregated transaction records (obtained via RTI). Government of India. <https://gstcouncil.gov.in/>
5. Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values*. SAGE Publications.
6. Inditex Group. (2023). *Annual Report FY2022–23*. Arteixo: Inditex. https://static.inditex.com/annual_report_2023/en/Inditex_Group_Annual_Accounts_2023.pdf
7. Kolhapur Leather Products Manufacturers Association (KLFMA). (2023). *Annual Production Report*. KLFMA Secretariat, Kolhapur. [Organisational data; not publicly available online. On file with authors.]
8. Kumar, R., & Sharma, P. (2019). GST and the Indian footwear sector: Rate incidence, threshold effects, and market distortions. *Vision: Journal of Indian Taxation*, 6(2), 45–68.
9. McCracken, G. (1986). Culture and consumption: A theoretical account of the structure and movement of the cultural meaning of consumer goods. *Journal of Consumer Research*, 13(1), 71–84.
10. Retail Association of India. (2023). *India Retail Report: Apparel and Footwear Sector*. RAI. [Industry report; available to RAI members; summary statistics in public domain.]
11. Rook, D. W. (1987). The buying impulse. *Journal of Consumer Research*, 14(2), 189–199.
12. Sheth, J. N. (2011). Impact of emerging markets on marketing: Rethinking existing perspectives and practices. *Journal of Marketing*, 75(4), 166–182.

13. Trent Limited. (2023). Seventy-First Annual Report FY2022–23. Mumbai: Tata Group / Trent Ltd. https://docs.trent-tata.com/TrentLimited/AGM%20%20documents/2022-23/Seventy_First_Annual_Report_2022-23.pdf
14. Varman, R., & Belk, R. W. (2009). Nationalism and ideology in an anticonsumption movement. *Journal of Consumer Research*, 36(4), 686–700.