

An Economic Analysis of Goldsmith in Madurai City

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Abstract

Goldsmithing is one of the oldest traditional crafts in India, deeply embedded in the country's cultural, religious, and economic history. From ancient civilizations to the modern era, goldsmiths have played a crucial role in producing jewellery, ceremonial objects, and other precious artifacts. In Tamil Nadu, particularly in Madurai city, traditional goldsmiths were once socially respected artisans who enjoyed stable livelihoods through custom-made jewellery for families and retail outlets. However, since the late 1990s, the withdrawal of the Gold Control Act, the introduction of imported jewellery-making machines, and the rapid growth of organised jewellery showrooms have significantly transformed the industry. The rise of machine-made jewellery, changing consumer preferences, and reduced demand for handcrafted ornaments have led to unemployment, low wages, and occupational displacement among traditional goldsmiths. Many skilled artisans are now compelled to seek alternative employment for survival. This study aims to analyse the socio-economic background of goldsmiths in Madurai city, highlighting the challenges they face in the contemporary period and emphasising the need for institutional support, skill development, and effective policy interventions to sustain this traditional occupation.

Keywords: Jewellery, Gold Control Act, Jewellery manufacturing process, problems of goldsmiths

Introduction

Goldsmithing has long been an important traditional craft in Madurai district, reflecting both artistic mastery and cultural significance. Historically, local Thattans (goldsmiths) earned their livelihoods through handcrafted jewellery and ceremonial ornaments, serving families during weddings, festivals, and community rituals. Over the decades, these artisans developed

intricate design skills passed down through generations, forming close client relationships that sustained their workshops (pattarai). However, in recent years—particularly up to 2025—the goldsmithing sector in Madurai has undergone profound structural changes. The rise of mechanised production, mass-produced jewellery, and the growing dominance of organised jewellery chains has shifted consumer preferences away from traditional, custom-made pieces. This transition, accelerated by urbanisation and changing lifestyles, has reduced the demand for handcrafted goldwork, leading to declining incomes and financial instability among many local artisans.

In response to these challenges, government and institutional interventions have begun to emerge. Initiatives by entities such as the Micro, Small and Medium Enterprises Development Institute (MSME-DI) and cooperative banks aim to provide credit, skill training, and market access to help traditional goldsmiths adapt to contemporary design demands and expand their economic opportunities. Despite these efforts, many skilled artisans continue to face challenges due to limited access to formal markets, technological adoption, and sustainable incomes. This evolving context underscores the need for further support mechanisms to preserve goldsmithing as a viable cultural craft and livelihood in Madurai.

Review of the Literature

Z. Ismail et al. (2009) The study used multiple regression models to predict gold prices. To better simulate market conditions, it employed data from a proprietary research firm, including the future index, foreign exchange rate, inflation rate, money supply, New York Stock Exchange index, and S&P 500. The analysis indicated that the four factors with the greatest impact on gold prices are the CRB index, inflation rate, exchange rate, and money supply.

Cigdem Corek (2011) A study titled “*Is Jewelry Still a Craft? The Role of Trust and Work Ethics in the Jewelry Sector – The Case of Istanbul Grand Bazaar*” was conducted to analyze the effects of trust, work ethics, and obedience on craftsmanship in the jewellery sector. The findings revealed that every craftsman should possess qualities such as desire, patience, aesthetic sense, ethics, and trust. Additionally, customers tend to trust craftsmen who demonstrate obedience to their masters. However, the study does not address the issue of craftsmen being exploited by their masters.

The Hindu (2012) highlights the vulnerable situation of traditional jewellery craftsmen in Thrissur District, attributing their declining status to technological advancements and mechanization. The introduction of machinery has allowed non-traditional workers, including migrants, to enter the sector. Notably, Thrissur alone has approximately 6,000 Bengali migrant workers engaged in the gems and jewellery industry. This influx has led to a significant decline in wage rates for traditional artisans, who now earn wages comparable to those of unskilled workers, both migrants and locals. The study emphasizes the challenges faced by traditional goldsmiths as mechanization disrupts their livelihoods.

Ahamed Raza Bilal and colleagues (2013) study was conducted comparing gold prices in Karachi and Bombay with the Karachi Stock Exchange (KSE) and the Bombay Stock Exchange (BSE). The findings indicated that KSE stock indices have no long-term relationship with gold prices, whereas BSE stock indices exhibit a long-term relationship with gold prices. Additionally, the Granger causality test revealed no causal relationship between gold prices and the stock indices of either BSE or KSE.

Dr. Nandkishor Soni and Ajay Parashar (2015) the study concluded that gold demand does not have a significant long-term relationship with stock market returns. The Granger Causality test indicated that the demand for gold does not directly influence gold prices, nor do gold prices impact demand. However, the study found that gold remains a crucial factor in predicting inflation trends, particularly in developed countries that follow inflation-targeting policies.

Krishnan and Nandhini (2017) the study found that advertisements emphasizing purity and quality generated more word-of-mouth publicity, whereas those focusing on celebrity endorsements and brand recognition attracted more buyers to gold jewellery. It also revealed that, for working women, investment was the primary motivator for purchasing gold jewellery, highlighting the dual role of jewellery as both an adornment and a financial asset.

Subhashis Sahu, Biswajit Roy, and Subhabrata Moitra (2022) A study was conducted to assess the lung function status of goldsmiths working in India's unorganized sector. The study aimed to determine whether occupational exposure to fumes and gases affects lung function. Primary data were collected from 184 goldsmiths across various locations in India.

Using ANOVA and regression analyses, the study found that prolonged exposure to these pollutants significantly increased the risk of pulmonary issues. However, the study focused solely on health aspects and did not consider the economic or social factors affecting goldsmiths.

Significance of Goldsmiths in India

Goldsmiths occupy a significant position in India's cultural, social, and economic life. They play a vital role in preserving traditional craftsmanship by producing gold jewellery, ornaments, and ceremonial objects used in weddings, festivals, and religious rituals. In Indian society, gold symbolizes wealth, purity, and prosperity, and goldsmiths help sustain these values through their skilled workmanship. Goldsmithing provides livelihoods to several traditional artisan communities, such as **Sunars, Vishwakarma (Viswabrahmins/Acharis), Daivadnya Brahmins, and Thattans**, who have practiced this craft for generations. Economically, goldsmiths support local markets and small-scale industries, while culturally they help preserve regional designs and artistic traditions. Despite challenges from mechanisation and mass production, goldsmiths continue to contribute to India's rich heritage of handcrafted jewellery and indigenous art forms.

Statement of the Problem

Goldsmiths once led comfortable lives, making jewellery for established retail outlets and taking orders from families during weddings and other functions. However, this changed in the late 1990s with the introduction of imported jewellery-making machines and the withdrawal of the Gold Control Act in 1990. Customers increasingly began visiting jewellery showrooms rather than placing orders directly with goldsmiths. The wide variety of ready-made jewellery with attractive and intricate designs offered by jewellery shops has encouraged consumers to prefer jewellery marts over traditional goldsmiths. The growing popularity of machine-made gold jewellery has had a detrimental effect on goldsmiths. The lack of sufficient work and low wages has forced many highly skilled second- and third-generation goldsmiths to seek alternative employment. At this juncture, an attempt has been made to study the socio-economic background of goldsmiths in Madurai City.

Objectives

- To study the social background of goldsmiths in the study area.
- To identify Income, Expenditures and savings of goldsmith.

- To analyze the problems faced by goldsmiths in the study area.
- To suggest the appropriate measures to improve the efficiency of goldsmith in Madurai City.

Limitations

- The study is limited to a particular street.
- The information is biased due to interview schedule.
- There is no comparative study.

Research and Methodology

Research adopted for this study is descriptive and analytical in nature. It basically seeks to extract information regarding gold smiths in Madurai City.

Area of the Study: The area of the study refers to Madurai City.

Sources of data: The study is based on primary as well as secondary data. Primary data has been collected through Personal Interview Schedule from the area of study. The secondary data mainly comprises of data from published records, journals, web sites and publications

Sample Design: For the purpose of the study, 55 questionnaires were collected from the traditional gold smith in Madurai City. Random sampling method is administered in this study.

Tools for Analysis: Simple Percentage Analysis is used to analyses the collected information.

Analysis and Interpretation:

TABLE 1.1: Age - Wise Distribution in Gold Smith

Sl.No	Age	No. of. Respondents	Percentage
1	25-35	5	10.00
2	35-45	10	20.00
3	46-55	30	60.00
4	Above 55	10	20.00
Total		55	100.00

Source: Primary Data

Table 1.1 shows the age distribution of the respondents. Among them, 60% were in the age group of 46–55 years, 20% were in the age group of 36–45 years, and 10% were in the age group of 25–35 years.

Chart No : 1.1
Age Wise Distribution in Gold Smith

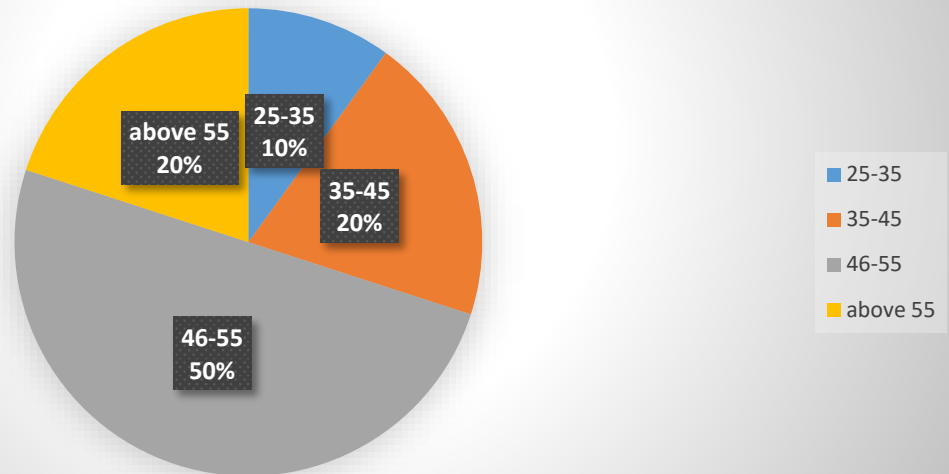


Table 1.2 : Education of the Respondents

Sl.No	Education	No.of. Respondents	Percentage
1	Primary	12	24.00
2	Secondary	25	50.00
3	HSC	15	20.00
4	Graduates	3	06.00
Total		55	100.00

Source:PrimaryData

Table 1.2 shows the educational qualifications of the respondents. Among them, 50% had completed secondary education, 24% had completed primary education, 20% had completed Higher Secondary Certificate (HSC), and 6% were graduates.

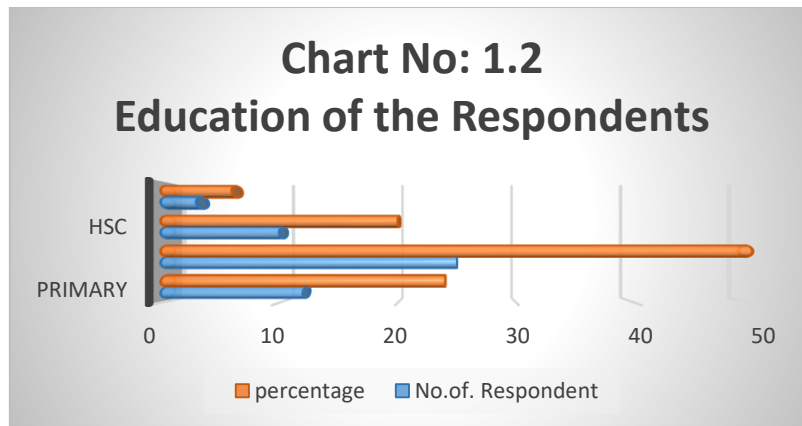


Table. 1.3: Size of the Family Based on the Members of Respondent Family

Sl.No	Family Size	No.of. Respondents	Percentage
1	1 to 3	30	60.00
1	4 to 6	20	40.00
3	7 or more	5	10.00
Total		55	100.00

Source: Primary Data

Table 1.3 shows the family size of the respondents. Out of 50 respondents, 60% had 1 to 3 family members, 40% had 4 to 6 family members, and 10% had more than 7 members in their family.

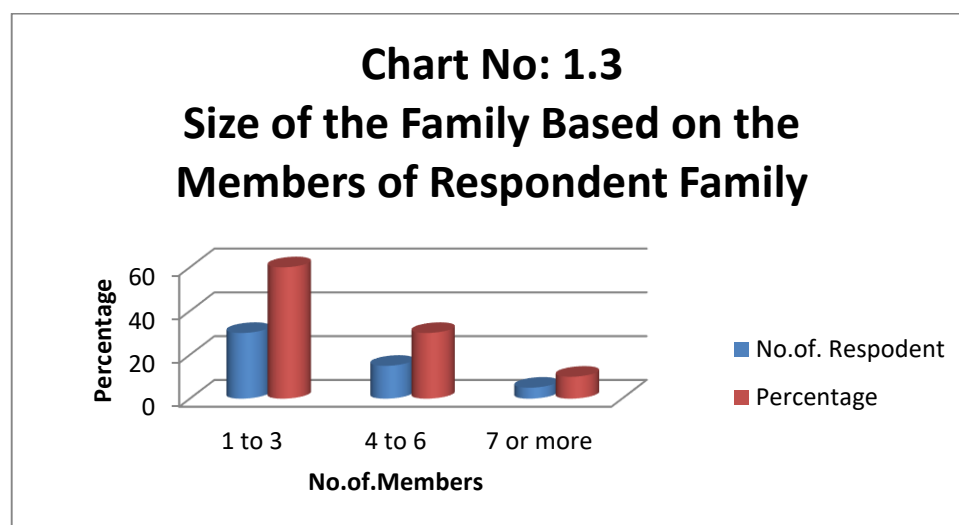
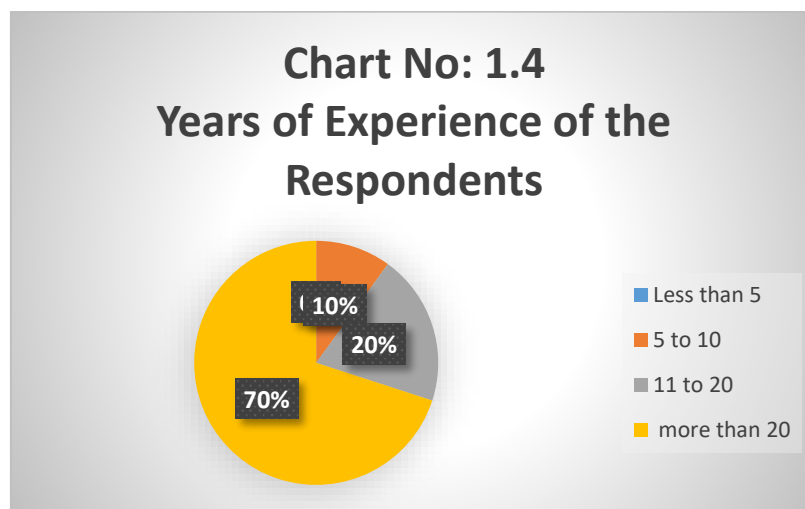


Table. 1.4: Years of Experience of the Respondents

Sl.No	Years of Experience	No. of. Respondents	Percentage
1	5 - 10 Years	2	04.00
2	10- 20 Years	5	10.00
3	20 - 30 Years	40	80.00
4	More than 30 Years	8	16.00
Total		55	100.00

Source: Primary Data

The survey highlights that this art is dominated by expert artisans with extensive experience in goldsmithing. About 4% of the respondents have been in this field for 5 to 10 years, while 16% have 20 to 30 years of experience in jewellery making. The remaining 80% have been engaged in jewellery making for more than 30 years. Thus, it can be concluded that 86% of the respondents have been practicing this art for over three decades.

**Table. 1.5: Number of jobs undertaken in a month of the Respondents**

Sl.No	Types of Jewellery Making	No. of Respondents	Percentage
1	Small pieces (Earrings, rings, and short chains)	30	55.00
2	Medium Pieces (chains, bangles, bracelets)	20	36.00
3	Large Pieces (Mallai)	5	09.00
Total		55	100.00

Source : Primary Data

Table 1.5, The survey found that, on average, goldsmiths primarily make small pieces such as earrings, rings, and chains, which constitute 55 % of their work. Medium-sized pieces like bangles and bracelets account for approximately 36 %, while large pieces such as necklaces, maalaai, and bridal jewellery like Ottiyanam and Vanki Kaapu constitute the remaining 09 %. Thus, it can be concluded that goldsmiths mostly focus on making small ornaments. In addition to producing small ornaments, they also undertake repairing and polishing work for jewellery shops and individual consumers.

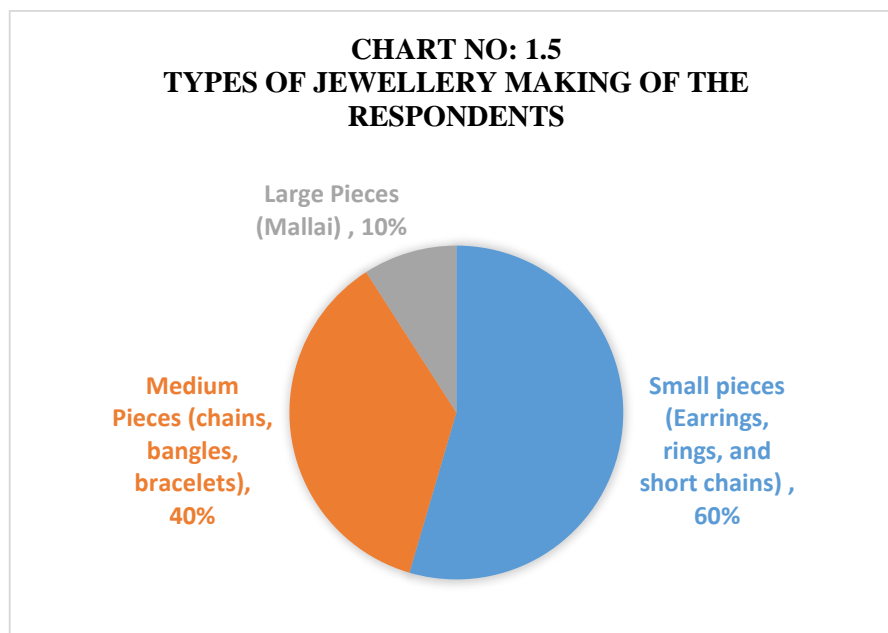


Table. 1.6: Work arrangement of the Respondents

Sl.No	Work Arrangements	No. of. Respondent	Percentage
1	Self Employed	8	16.00
2	Employed by store	2	4.00
3	Family Business	45	80.00
TOTAL		55	100.00

Source : Primary Data

Table 1.6 shows the work arrangements of the respondents. Out of 55 respondents, 80% were engaged in jewellery making as a family business, 16% were self-employed, and 4% were employed in a store.

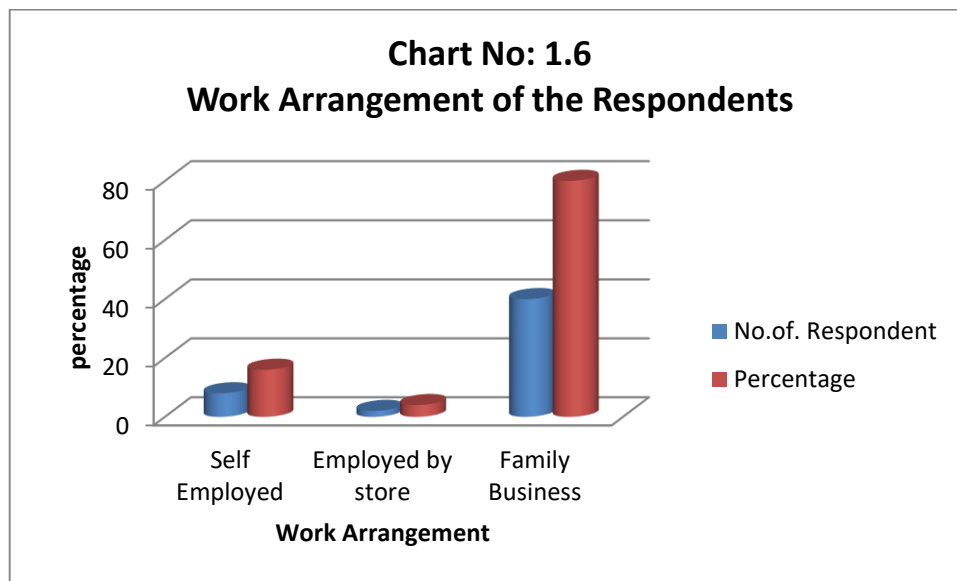


Table. 1.7 : Monthly Income of the Respondents

Sl.No	Income	No. of. Respondent	Percentage
1	10,000 to 20,000	7	12.73
2	21,000 to 30,000	40	72.72
3	30,000 and above	8	14.55
Total		55	100.00

Source: Primary Data

It is observed from Table 1.7 that the majority of the surveyed goldsmiths (72.72%) earn a monthly income ranging from ₹21,000 to ₹30,000 from jewellery making. About 14.55% of the respondents earn below ₹30,000 per month, while only 12.73% earn between ₹10,000 and ₹20,000 per month from jewellery making. The survey also reveals that none of the goldsmiths earn more than ₹40,000 per month from this occupation. It is further found that, on average, a goldsmith earns a monthly income of ₹20,000 from jewellery making. Fewer orders from consumers and jewellery shops are the main reasons for the moderate level of income earned from this occupation.

Chart No: 1.7
Monthly Income of The Respondents

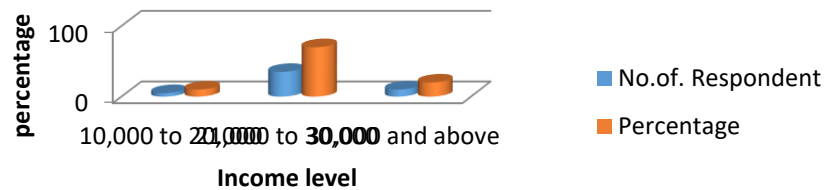


Table. 1.8: Working Hours Per day of the Respondents

Sl.No	Working Hours Per Day	No.of. Respondents	Percentage
1	less than 5 hours	8	14.55
2	5 -8 hours	45	81.81
3	9-12 hours	2	03.64
Total		55	100.00

Source: Primary Data

Table 1.8 shows the working hours of the respondents. Out of 50 respondents, 81.81% worked for 5 to 8 hours per day, 14.55% worked for less than 5 hours per day, and 3.64% worked for 9 to 12 hours per day.

Chart No: 1.8
Working Hours Per Day of the Respondents

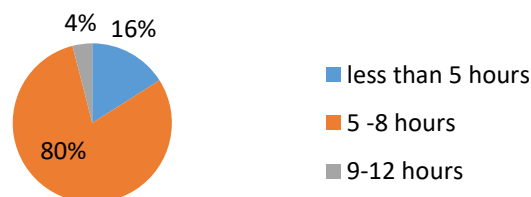


TABLE. 1.9 Economic Challenges Faced by the Goldsmiths

SI No	Economic Challenges Faced By the Goldsmiths	No of respondents	Percentage
1	Lack of assistance from younger generation	5	10.00
2	Lack of support from the government	6	12.00
3	Difficult to get financial assistance from banks	20	30.00
4	Difficulty to get BIS hallmark	10	20.00
5	Competition from jewellery marts	9	18.00
6	Mechanization in jewellery making	5	10.00
	Total	55	100.00

Source: Primary Data

It is observed from Table 1.9 that 20 respondents stated that it is very difficult to obtain financial assistance from banks and other financial institutions. 10 respondents reported that it is difficult to obtain BIS hallmark certification for the ornaments made by goldsmiths. 05 respondents stated that they do not receive adequate support from the younger generation, who show disinterest in this occupation. 09 respondents expressed the opinion that they face strong competition from jewellery marts. Nowadays, the majority of consumers prefer jewellery marts over traditional goldsmiths when purchasing gold jewellery. This preference is mainly due to the availability of a wide range of ready-made ornaments with attractive designs and machine-made modern designer jewellery in jewellery marts.

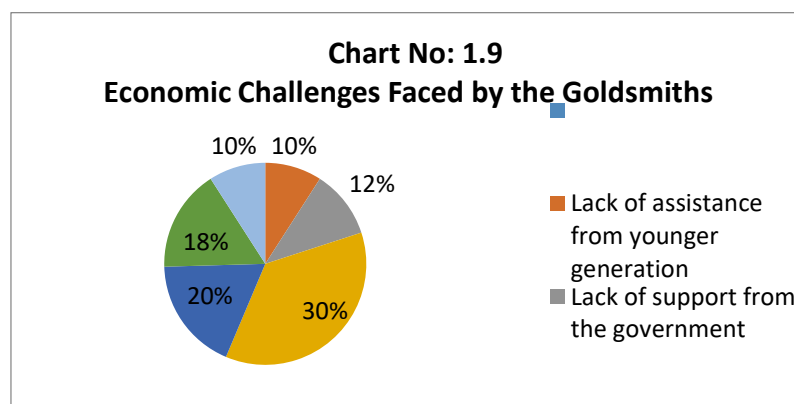


Table. 1.10 : Health Problems Faced by Gold Smiths

Sl No	Health problems	No. of respondents	% of respondents
1	Eye problem	15	30.00
2	Musculoskeletal disorder (pain in the back/neck/shoulders/knees)	25	40.00
3	Nerve disorder	7	14.00
4	Stomach pain	2	04.00
5	Respiratory problem	2	04.00
6	Skin allergies	4	08.00
	Total	55	100.00

Source: Primary Data

Each of the surveyed master goldsmiths reported at least one health problem, as presented in Table 1.10. Musculoskeletal disorders—such as pain in the back, neck, shoulders, and knees—were the major health problems reported by 40% of the ornament makers. These disorders are caused by prolonged sitting on the floor in a cross-legged posture during most of their working hours. Another major occupational hazard reported by jewellery makers was eye-related problems, including near-vision and distance-vision difficulties, eye strain, itching, burning sensation, watering of the eyes, and headaches, reported by 30% of the respondents. Working with small objects at close distances for long periods in workshops with inadequate lighting has contributed significantly to these vision problems. Additionally, 4% of the ornament makers faced respiratory problems. They reported that exposure to fumes from various metals, acids, and gases was the main cause of respiratory issues, as well as skin allergies and nervous disorders.

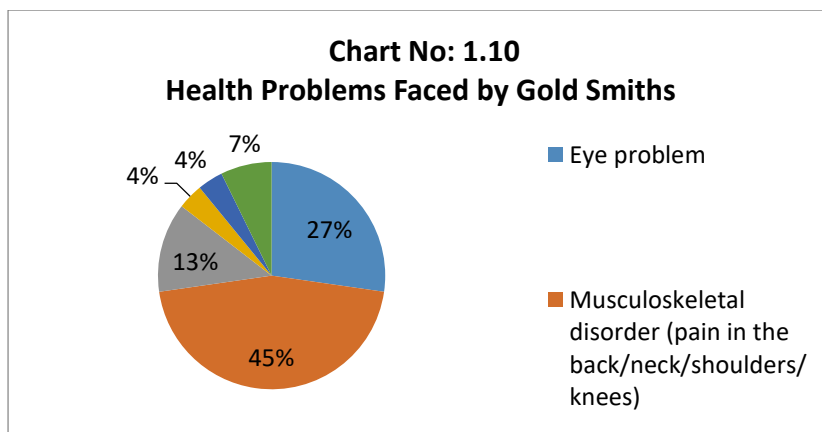
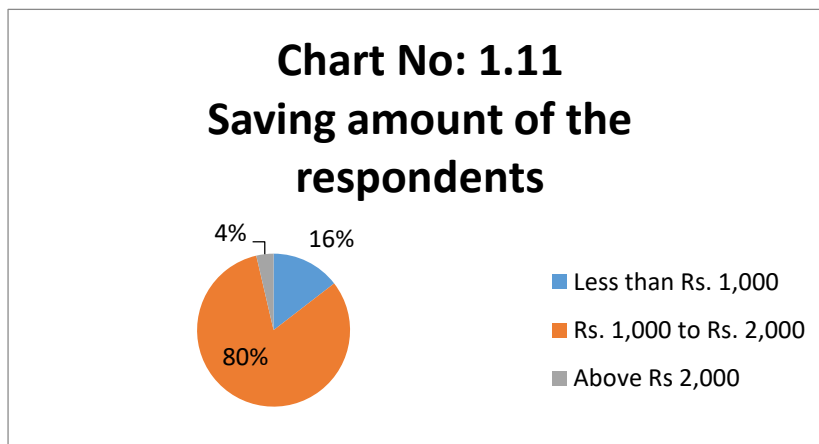


Table. 1.11: Savings of the Respondents for a Month

Sl.No	Saving amounts	No.of. Respondent	Percentage
1	Less than Rs.1,000	8	16.00
2	Rs 1,000 to Rs. 2,000	45	80.00
3	Above Rs 2,000	2	04.00
Total		55	100.00

Source Primary data

It is observed from Table 1.11 that, out of 55 goldsmiths, 16% saved less than ₹1,000 per month. The majority, accounting for 80%, saved up to ₹2,000 per month. Only 4% of the master goldsmiths saved more than ₹2,000 per month.



Findings

- The study shows that 60% of the respondents belonged to the age group of 46 to 55 years.
- Regarding educational qualifications, the study reveals that 50% of the respondents had completed secondary education, while 6% were graduates.
- With respect to family size, out of 55 respondents, 60% had one to three family members, while 40% had four to six family members.
- The study indicates that 80% of the respondents had more than 30 years of work experience.

- The study reveals that, in terms of the type of jewellery making, 55% of the respondents were engaged in making small ornaments such as earrings, rings, and chains. In addition to making small ornaments, they also undertook repairing and polishing work for jewellery shops and consumers.
- The study demonstrates the work arrangements of the respondents and shows that, out of 50 respondents, 80% were involved in jewellery making as a family business.
- The study shows that 72% of the respondents earned a monthly income ranging from ₹21,000 to ₹30,000.
- Regarding working hours, the study reveals that 82% of the respondents worked for 5 to 8 hours per day, while 4% worked for 9 to 12 hours per day.
- The study identifies the major economic challenges faced by goldsmiths and shows that 30% of the respondents had difficulty obtaining financial assistance from banks.
- The data indicate that 40% of the respondents suffered from musculoskeletal disorders.
- The study shows that 80% of the respondents saved between ₹1,000 and ₹2,000 per month.

Suggestions

- The government and other financial institutions should introduce various financial assistance schemes to support goldsmiths financially.
- Goldsmith associations should function effectively to ensure that their demands are fulfilled by the government and other local authorities.
- Training in advanced jewellery-making techniques, CAD (Computer-Aided Design), and new technologies should be provided to help goldsmiths remain competitive.
- Government- or NGO-led programs can organize workshops to enhance craftsmanship and improve efficiency.
- Goldsmiths should be encouraged to sell their products online through platforms such as Amazon, Etsy, or dedicated artisan marketplaces.
- Government subsidies and digital literacy training can help them expand their customer base beyond local markets.
- Policies should be implemented to ensure fair wages, healthcare benefits, and retirement schemes for goldsmiths.
- Government support for health insurance and pension schemes can provide long-term financial security.

- Training institutes should be established in all districts, and the art of goldsmithing should be offered as a vocational education course by universities in Tamil Nadu.

Conclusion

The study revealed that the lives of goldsmiths have become miserable due to the influence of modern technology in jewellery making. Many goldsmiths still produce handmade jewellery only because of their renowned craftsmanship. However, they face several health issues, as they sit in the same position and work continuously throughout the day. They mostly receive orders for small pieces of ornaments, and these orders mainly come from jewellery shops rather than individual consumers. As a result, they earn only a moderate income from jewellery making. The increased cost of living has forced almost all goldsmiths to borrow loans, mainly to meet their personal requirements. This study suggests that goldsmiths should adopt and switch to technological methods, as this would improve their well-being in society. It also recommends that the government provide technological training to the upcoming generation to ensure sustainability in the jewellery-making business.

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