

Integration of Pakistan's Cultural Heritage Products into Global Value Chains: Challenges and Opportunities

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Abstract

Handicrafts, arch textiles, artisanal goods and other cultural heritage items represent the critical link between international trade and Intangible Cultural Heritage. As cultural and economic goods these products have been essential to identity, foreign exchange and employment in many economies. A country with rich and colorful traditions as Pakistani has, including Pashtun woodcraft, Balochi embroidery, Punjabi phulkari, Sindhi ajrak, etc., with other artisanal works allow a huge space for the absorption to a global universe of markets. However, given their economic and cultural significance, these products are underrepresented in global value chains (GVCs).

In this paper, we seek to understand the position of Pakistan's cultural heritage products in GVCs and highlight the main challenges faced by artisans in acquiring a fair share of value from participation as well as the prospects for sustainable upgrading. Data: Secondary data have been collected from works of scholarly nature on GVCs (Centre for Development Studies, 2018; European Union, 2017), reports released by the UNESCO in relation to intangible heritage and national sources including the Trade Development Authority of Pakistan (TDAP, 2022) and the Pakistan Bureau of Statistics (PBS 2023, 2024).

Results show significant bottlenecks such as the absence of coordination in production networks, poor implementation of international standards, lack of integration to the digital-market and ineffective authentication certification. It is being suggested that efforts of institutions in the promotion of handicraft exports as well as the initiatives for building sustainable value-chain are in isolation or isolated from structural-value chain development. Its consequent is that, in practice, craftsmen got locked up into low-value segment and intermediaries and traders became to get abnormally high profits. However, world trends towards responsible consumption, ethical commerce and cultural origin present fresh opportunities to expand.

The research identifies novel solutions such as public-private partnership for compliance and quality improvement, using digital stories through e-commerce platforms, and co-operative based or geographical indication certification models. The originality of this paper is to connect the intangible cultural heritage of Pakistan with global commodity trade by employing a value-chain approach. It is argued that the protection of cultural authenticity and economic integration

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are complementary objectives to be pursued in a context of sustainable development and cultural survival.

Keywords

Intangible cultural heritage, Pakistan, global value chains, handicrafts, cultural heritage products

Introduction

In recent years, the world trading system has welcomed cultural heritage products (Cultural Handicrafts, Textiles & Souvenirs Woodwork and Wooden Products Metal Work and Metal Products and so on) as the strategic means of fostering both culture expression, export earnings generation trade, employment creation and sustainable development. In this respect, the notion of Sustainable Supply Chain Management (SSCM) challenges the traditional trade-offs between social and environmental initiatives and economic growth within a global market context, which tends to have presented cheap shipping costs around the world as an opportunity for multinational companies (Seuring & Müller, 2008). For developing countries such as Pakistan, i.e., SSCM—all three dimensions of the phenomenon as resource efficiency, labor equity and cultural authenticity are integrated with supply chain decisions—has special relevance, as it provides an important area to develop global market competitiveness regarding poverty reduction, inequality easing and heritage conservation (Gul et al., 2025).

We can see this convergence of culture and commerce in Pakistan's artisanal sectors. The country is blessed with a diverse range of cultural heritages—from Pashtun woodcraft and Balochi embroideries to Punjabi phulkari and Sindhi ajrak—which have both aesthetic, as well as heritage value, but also untapped export potential. For example, in JJAS FY2025 exports of handicraft registered a striking expansion by 105.7% and this indicates the revival of interest in Pakistani traditional goods in particular niche markets worldwide (Finance Division, Government of Pakistan, 2025). Likewise, in the case of Khyber Pakhtunkhwa, handicrafts global market size was projected at USD 739 billion in 2024 with compound annual growth rate (CAGR) expected to be approximately 4.9 percent from 2025 onward demonstrating the gravity of opportunity for this sector (Trade Development Authority of Pakistan (TDAP, 2024).

However, despite this potential there is inadequate integration of products related to Pakistan's cultural heritage into global value chains (GVCs). Although non-textile export segment showed growth [for instance, non-textile product exports in FY2024 grew by 24.95% to USD 14.02 billion (Dawn, 2024)], handicraft sub-sector is still mostly stuck on low-value chain activities with very limited entry to high-end segments, and certifications/quality control management, brand creation & development and globally recognized digital marketing platforms. Studies argue that green Supply Chain Management (GSCM) practices and digital technology significantly affect sustainable performance in the case of Pakistani manufacturing and service organizations such as those operating feed mills in Pakistan, but only a few studies are available related to artisanal heritage products (Gul et al., 2025).

In addition, the heritage craft industry has a two-pronged mandate of conserving intangible cultural heritage and economic development. The Geographical Indications (GI) domain in Pakistan is an example of how heritage-based products could generate both rural incomes as well as cultural resilience through formal recognition and market linkages (Khan & Hussain, 2023). However, institutional fragmentation, low digital technology adoption, sub-optimal compliance with international standards and the lack of bargaining power of artisans are bottlenecks that currently hinder sustainable upgrading into GVCs.

Therefore, this paper seeks to answer two linked questions: (1) What is the current status of Pakistan's cultural heritage commodities in GVCs? and (2) What are the most salient challenges and opportunities for sustainable upgrading of these heritage-led value chains? By layering the structural and institutional challenges that face Pakistani artisans against global demand-side trends (including digitalisation, ethical sourcing, and provenance branding), the research seeks to offer a theoretically grounded account with direct policy relevance that can contribute to a step change in the participation of heritage crafts within international trade. The study is unique in its application of the GVC framework to Pakistan's cultural heritage sector which has not been investigated before and may be expected to help link preservation of heritage with global economic integration.

Methodology

This paper follows a secondary data analysis approach of studying publicly available statistical databases, institutional publications and scholarly sources rather than conducting its own surveys or interviews. An analysis framework of this type is most appropriate in the context of patterns of trade and cultural policy regimes, given that such empirical data can be obtained from government sources or international organizations. Data for the current study were obtained from three main sources. Quantitative data was obtained from the Pakistan Bureau of Statistics (PBS), which supplied annual trade statistics on exports and imports for 14 product categories, making it possible to trace flows of handicraft-related exports, determine their share in total trade, and analyze their trends over time. Publications of the TDAP were also accessed in order to access sectoral export guides, market intelligence reports and some policy statements on development of handicrafts. Reports submitted by The UNESCO were also studied, particularly those related to Pakistan's implementation of the 2003 Convention for the Safeguarding of Intangible Cultural Heritage. The handicraft sector of Pakistan (artisans, craft cooperatives, exporters and institutions involved in the production, promotion and export of handicrafts) is our main target population as it is situated within national and international level trading flows. As these study is structural-oriented rather than individual centered, population ranges broadly over; economic and cultural dimensions of the sector. Using a secondary data method, the sampling frame of this study was purposively restricted to include datasets and documents directly related to crafts, exports and cultural heritage. The data from PBS was used to isolate export categories associated with handicrafts like carpets, embroidery, woodwork and pottery. For TDAP, only essays specifically discussing handicrafts or related mechanisms of diversification were considered, and for UNESCO reports were selected purposively from periodic communication submitted by Pakistan on intangible cultural heritage. There has also been review of relevant academic literature on

global value chain analysis, creative industries and handicraft sector research, conducted through databases including JSTOR; Scopus; Research Gate.

Results and Discussions

Analytically, the study finds that although Pakistan’s handicraft sub-sector has relatively rich cultural foundation and is gaining in global demand, its level of integration in GVCs is still weak. Craftspeople are by and large informal home-based producers working with traditional techniques and indigenous materials but lack collective organization, quality certification and digital access. As a result, they receive only a small fraction of export value, with intermediaries controlling profits. Yet institutional scattershot lacking synergy amongst PNCA, TDAP and Ministry of Commerce has handicapped outreach and up-scaling. Export value improved from USD 47 million in 2020 to USD 69 million in 2024 growing rate also fare below handicraft at world level. Low utilization of Geographical Indication (GI) protection, restricted digital promotion and non-compliance with international quality standards hamper the competitiveness and visibility in high value ethic markets.

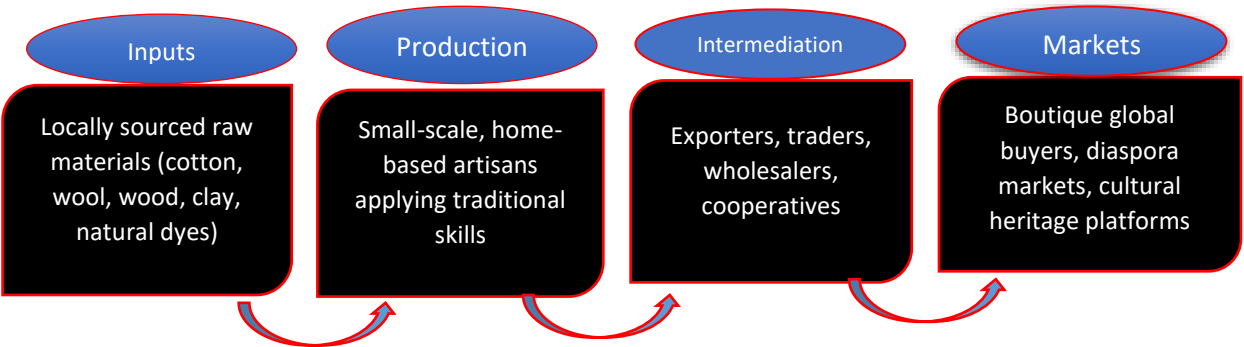


Figure 1: Value Chain Mapping of Pakistani Handicrafts in Global Supply Chains

Yet, changing international preferences in favor of authenticity, sustainability and fair trade constitutes a big opportunity to put Pakistan’s cultural heritage products on the map. Enhancing competitiveness of producer cooperatives, implementation of GI and heritage labeling, and the adoption of Sustainable Supply Chain Management (SSCM) practices can enhance product credibility, fair share of value realization and preservation of cultural identity. Digital literacy courses and e-commerce integration support, for example can put artisans in touch directly with an international market via public–private partnerships. It would help Pakistan’s handicrafts shift from the low end to the high-value segments of the market, which are competitive in nature, culturally based and sustainable economically globally.

Table 1: Structural Bottlenecks in Pakistani Handicraft Supply Chains

Category	Description	Source
Producer organization	Fragmented, mostly informal; weak bargaining power	Research Gate (2024)
Quality compliance	Difficulty meeting international standards on sizing, labeling, and safety	PBS (2023)

Provenance & authenticity	Lack of certification mechanisms (e.g., GIs, heritage labels)	UNESCO; TDAP (2022)
Digital integration	Limited e-commerce, storytelling, and direct-to-consumer access	European Union (2017)
Market information asymmetry	Producers lack reliable data on prices, trends, and consumer preferences	Centre for Development Studies (2018)

Caption: Structural bottlenecks in Pakistani handicraft supply chains.

Table 2: Pakistan's Handicraft Exports: Selected Indicators (2020–2024)

Year	Estimated Export Value (USD million)	Key Markets	Notes
2020	47	Middle East, UK, Germany	Pandemic reduced global demand
2021	55	Middle East, EU, USA	Modest recovery
2022	61	USA, EU (Germany, Italy, France)	Increased TDAP promotion programs
2023	65	USA, EU, Middle East	Heritage exhibitions boosted demand
2024	69	USA, EU, Asia-Pacific	Digital/e-commerce sales show early potential

Caption: Pakistan's handicraft exports: Selected indicators, 2020–2024 (adapted from PBS; Volza, 2025).

Conclusion

It is within this environment that cultural heritage products of Pakistan portray the dual need to protect and project one's identity as well as promote sustainable economic-based growth. Handicrafts such as embroidery, pottery, textiles, and woodwork are on the one hand centuries-old traditions that help to preserve community memory, pass skills between generations, and foster cultural dignity. However, there is also substantial commercial potential for them to be effectively integrated as a part of global value chains in that they can service markets around the world which are increasingly concerned with authenticity, provenance, and sustainable production methods. The sides of the shape represent two opposing goals: to make competitive modern markets work for cultural preservation, and on the other hand not to let commercialization water down meaning and exclude craftsmen who are trapped in low-income informal production.

Strategic interventions can be used to help address this tension. Certification mechanisms like fair trade, heritage labeling, and GI tagging work to improve credibility and protect products from imitation, besides enabling producers to get a better premium price in the international market. In the same vein, cooperatives and producers' associations are useful to strengthen small-scale artisans in overcoming fragmentation and improving negotiation capacity, having access to technical assistance and training. Equally crucial is digital integration e-commerce platforms,

storytelling tools, and social media marketing that can link artisans around the world to global consumers, reduce reliance on middlemen, and raise awareness of the cultural stories behind each item.

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