

Original Paper

Research on the Development of Traditional Handicraft Industry in Heqing County Based on the SWOT-PESTEL Model

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Abstract

The traditional handicraft industry in Heqing County embodies rich ethnic culture and history, particularly the art of silver jewelry craftsmanship, which has been recognized as a national-level intangible cultural heritage, holding significant cultural and economic value. Nevertheless, the industry still faces challenges brought about by modernization and globalization, such as the disruption of skill inheritance, fluctuating market demand, and intensified market competition. This study employs the SWOT-PESTEL model to analyze the strengths of Heqing County's handicraft industry in terms of policy support, cultural resources, and geographical advantages, while also identifying weaknesses including insufficient technological innovation, low industrial concentration, and a shortage of talent. To promote sustainable development, it is recommended to enhance policy implementation, cultivate leading enterprises, drive technological innovation, deepen the integration of cultural tourism, strengthen talent development, and raise environmental awareness. These strategies aim to provide theoretical support and practical guidance for the development of the traditional handicraft industry not only in Heqing County but also in other regions, thereby promoting the inheritance and innovation of Local traditional handicraft culture.

Keywords

Traditional handicraft, SWOT-PESTEL Model, Industrial development, Heqing County, Sustainable development

1. Introduction

Traditional handicrafts, as an important carrier of the long history and splendid culture, not only bear rich cultural connotations and artistic value but also play multiple roles in modern society, such as cultural inheritance, economic development, and social identity. However, with the acceleration of the

modernization process and the deepening of globalization, the traditional handicraft industry faces numerous challenges and dilemmas, such as the disruption of skill inheritance, changes in market demand, and intensified market competition. Therefore, how to promote the sustainable development of the traditional handicraft industry has become an urgent issue that needs to be addressed.

Heqing County in Yunnan Province is renowned for its unique geographical location, rich cultural resources, and exquisite traditional handicraft skills. In particular, the silver jewelry craftsmanship of Heqing County has been listed as a national-level intangible cultural heritage project, holding high honor and influence across the country. The traditional handicrafts of Heqing County not only carry a profound historical and cultural heritage but also, through generational inheritance and innovative development, have formed a unique local industry. However, current research on the development of Heqing County's traditional handicraft industry is relatively scarce, lacking comprehensive and in-depth analysis and strategic recommendations.

To explore the development path and strategies for Heqing County's traditional handicraft industry, this paper employs the SWOT-PESTEL model to conduct a comprehensive analysis of the internal and external environments and key elements of the traditional handicraft industry in Heqing County. The SWOT-PESTEL model combines the strengths of SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) and PESTEL analysis (Political, Economic, Social, Technological, Environmental, Legal) to provide a thorough strategic assessment of Heqing County's traditional handicraft industry. Through this model, we aim to identify the strengths and weaknesses of the traditional handicraft industry in Heqing County, analyze the opportunities and threats faced by the industry, and propose targeted industrial development recommendations.

The objectives of this study are to:

- ✧ Analyze the current status and challenges of the traditional handicraft industry development in Heqing County.
- ✧ Conduct a comprehensive analysis of the traditional handicraft industry in Heqing County using the SWOT-PESTEL model.
- ✧ Propose suggestions for promoting the sustainable development of the traditional handicraft industry in Heqing County.

The significance of this study lies in:

- Providing theoretical references and practical guidance for the development of the traditional handicraft industry in Heqing County.
- Offering lessons learned for the development of the traditional handicraft industry in other regions.
- Promoting the inheritance and innovation of traditional Chinese handicraft culture.

2. Literature Review

Currently, research on the traditional handicraft industry in China can be categorized into several areas. The first category focuses on the inheritance and innovation of traditional handicrafts, emphasizing the

importance of these aspects for the development of the traditional handicraft industry. For instance, Xu Yiyi (2018) argued that innovation and creation in traditional handicrafts should revitalize the craft, adapt it to modern life, maintain core techniques during innovation, and digest traditional handicrafts by retaining their essence and discarding the dross. Yao Zhiwei et al. (2020) considered the innovation of traditional handicrafts to be a persistent research focus and practical challenge, noting that during periods of social transformation, innovation is a passive response chosen by the practicing subjects, and it is essential to innovate while maintaining inheritance. In the era of digital media, Zhang Aihong et al. (2023) believed that the modern inheritance and innovation of traditional handicrafts should be based on a symbiotic mechanism constructed between digital media and the modern inheritance of traditional handicrafts, involving dialectical cognition and reflection for the creative transformation and innovative development of excellent traditional Chinese culture. Abisuga et al. (2023) explored the fundamental factors affecting the innovation and development needs of entrepreneurs in traditional handicraft enterprises, advocating for urgent intervention in traditional handicraft enterprise entrepreneurs to achieve industry innovation and sustainable development. Roy et al. (2023) examined the ternary relationship between culture, creativity, and innovation from different backgrounds, suggesting that innovation influences the market and that there is an inverse relationship between innovation and creativity.

The second category of research involves the “recreation” of traditional handicrafts from a design perspective to promote the development of the traditional handicraft industry. For example, Luo Jingyan et al. (2018) studied the “living” development model of tourism from a holistic protection perspective, aiming to achieve the regeneration of traditional handicrafts through modern product design methods. Yang et al. (2019) emphasized user experience and “living” inheritance, researching the relationship between user experience and contemporary design, as well as their impact on contemporary design and cultural inheritance. Additionally, Wang Huan (2020) believed that applying contemporary design to traditional handicrafts can lead to qualitative changes in the crafts, serving as an effective means to promote the inheritance and development of traditional handicrafts. Chen Guoying et al. (2019) developed an interaction model and design principles for traditional handicraft-related apps based on cognitive schemas, offering new design ideas for traditional handicrafts and promoting the traditional Chinese handicraft culture through enhanced customer recognition and learning. Yu An (2022) used modern cultural and creative products as a vehicle for the redesign of traditional handicraft products to facilitate the development of the traditional handicraft industry.

Other studies have focused on the protection and practice of the traditional handicraft industry, as well as the dissemination paths, providing development suggestions with referential significance for the traditional handicraft industry.

In summary, existing research primarily concentrates on the inheritance, design, and development of the traditional handicraft industry. While there have been studies on the current state of the traditional handicraft industry, they lack depth and comprehensiveness. Moreover, few scholars have analyzed the

current state of the traditional handicraft industry in Heqing County, Yunnan Province. The silver jewelry craftsmanship of Heqing County has been listed as a national-level intangible cultural heritage project, which holds high honor and influence across the country and is an indispensable local case in the study of the traditional handicraft industry. Based on this, this study attempts to use the SWOT-PESTEL model to identify the strengths and weaknesses of the traditional handicraft industry in Heqing County and to propose targeted industrial development suggestions.

3. Explanation of the SWOT-PESTEL Model

The SWOT analysis was developed by Professor Heinz Weihrich of the University of San Francisco in the 1980s. This analytical method is beneficial for organizations to more effectively assess their market environment, thereby accurately grasping the competitive advantages and opportunities in the market. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

In 1967, Francis J. Aguilar introduced the concept of PEST analysis in his book “Scanning the Business Environment” and used it to describe the political, economic, sociocultural, and technological macro-environment that an organization faces. With the development and refinement of the theory, environmental and legal factors were later added, resulting in the PESTEL analysis. The PESTEL analysis model is a macro-environmental analysis tool used to describe the internal and external macro-environment of an organization and the impact of various factors on its development (Liu, 2021; Han, 2014).

The SWOT-PESTEL model is a situational analysis method that comprehensively lists and analyzes the key elements of an organization’s internal and external macro-environment (political, economic, social, technological, environmental, and legal) to provide constructive strategies for the future development of the organization. It combines the political, economic, social, technological, environmental, and legal factors of the organization with the strengths, weaknesses, opportunities, and threats of its overall macro-environment to conduct a strategic analysis of the organization’s development and propose recommendations. This is an easy-to-operate and effective matrix analysis model (as shown in Figure 1).

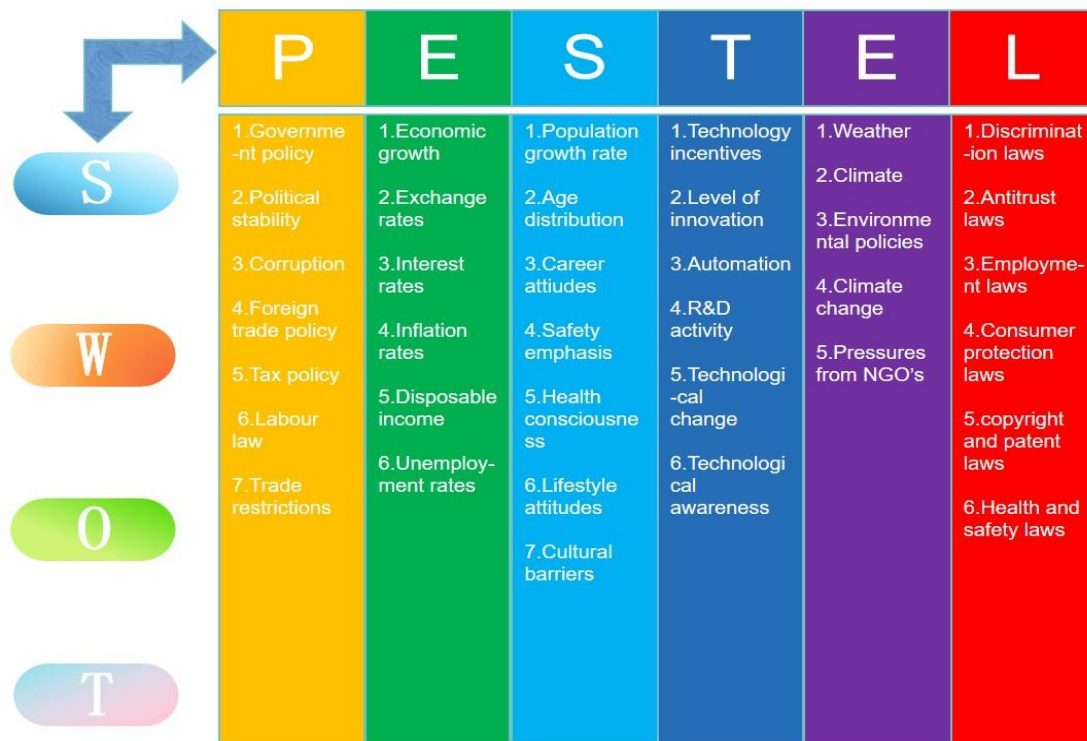


Figure 1. SWOT-PESTEL Analysis Model

4. SWOT-PESTEL Analysis of the Development of the Traditional Handicraft Industry in Heqing County

4.1 Political Aspect

(1) Strengths. Heqing County adheres to the principles of “priority to protection, emergency rescue first, rational utilization, and inheritance for development,” and has formulated a series of policies and measures, such as the “Heqing County Intangible Cultural Heritage Project Protection and Management Measures” and the “Heqing County Intangible Cultural Heritage Project Representative Inheritor Identification and Management Measures,” which have strengthened the protection and inheritance of traditional handicrafts. The government allocates special funds annually for the inheritance protection of intangible cultural heritage, the construction of public cultural facilities, and the development of tourism infrastructure, providing strong financial support for the handicraft industry. Moreover, through the guidance of the party and government, Heqing County promotes the construction of rural public cultural services, strengthens the protection of intangible cultural heritage, and constructs an “Intangible Cultural Heritage +” model of integrated development, providing a favorable environment for the growth of the handicraft industry. The government has also established multiple bases and centers for the inheritance and protection of intangible cultural heritage, such as the Dali Traditional Craft Workstation Heqing Base in Xinhua Village and the Nanpo Baiyi Cultural Practice Center, providing a platform for learning and exchange for handicraft practitioners.

(2) Weaknesses. Despite the numerous supports at the policy level, there may be issues such as inconsistent enforcement and unequal resource distribution in the implementation process, leading to some handicraft practitioners not fully benefiting from policy advantages. There is a lack of unified coordination and organization among handicraft practitioners in Heqing County, resulting in issues like fragmented operations and cutthroat price competition, which negatively impact the overall development of the industry. Additionally, Heqing County has a high population density with limited land resources, which somewhat restricts the scale of development for the handicraft industry. At the same time, some handicraft practitioners face land and resource constraints when operating outside the county, such as the repeated relocations of handicraft practitioners in Lhasa.

(3) Opportunities. With the continuous development of the tourism industry, Heqing County can leverage its rich intangible cultural heritage resources to promote the integration of cultural and tourism development, attract more tourists to experience traditional handicrafts, and drive industry growth. The government encourages the specialization and branding of handicrafts, cultivating traditional craft products and brands with ethnic and regional characteristics. Through brand building, the added value of handicraft products can be enhanced, improving their market competitiveness. As the strategy for rural revitalization is further implemented, the government's support for the traditional handicraft industry is expected to increase, providing more policy support and financial guarantees for industry development.

(4) Threats. Adjustments to the national macroeconomic policy may lead to changes in the level of support for the cultural industry and the handicraft industry. If relevant policies are tightened or support is reduced, it may affect the treatment of the traditional handicraft industry in Heqing County in terms of fund acquisition and tax incentives. Furthermore, the laws and regulations related to intellectual property rights, quality standards, and environmental protection that pertain to the handicraft industry may be adjusted over time. If enterprises fail to adapt to these changes promptly, they may face legal disputes and compliance risks.

4.2 Economic Aspect

(1) Strengths. Heqing County is known as the "Silver Capital of Water Towns," with Xinhua Village particularly renowned as the "Silver Capital" worldwide, and its silver jewelry craftsmanship is listed as a national-level intangible cultural heritage inheritance project. Additionally, traditional crafts like Dianan embroidery have a long history and rich cultural connotations, providing a profound cultural foundation and abundant creative resources for the development of the traditional handicraft industry in Heqing County. Located in the northwest of Yunnan Province, between the historical and cultural cities of Dali and Lijiang, Heqing County is a cultural hub on the ancient Tea Horse Road. Its convenient transportation, with Lijiang Airport only 12 kilometers away, the Dali-Lijiang Railway passing through the county, and several highways under construction or already built, facilitates the transport and market expansion of handicraft products. The metal craft industry in Heqing County has reached a certain scale, with several well-known enterprises and rich production experience. At the same time, traditional crafts

like embroidery have a broad mass base and deep technical inheritance, laying a solid foundation for further industry development.

(2) Weaknesses. Although the traditional handicraft industry in Heqing County has a certain scale, the overall industry concentration is low, lacking leading enterprises to drive scale effects and brand influence. Some traditional handicraft enterprises have insufficient investment in technological innovation, with product design and production processes relatively outdated, struggling to meet the diverse needs of modern consumers. Due to its relatively remote location, traditional handicraft enterprises in Heqing County face difficulties in market expansion, especially in terms of experience and resources for international market development. The aging of traditional craft skill inheritors is becoming a more severe issue, with the younger generation showing less interest and involvement in traditional handicrafts, leading to a talent shortage that constrains industry development.

(3) Opportunities. With the integration of cultural and tourism industries, Heqing County, as a cultural center and scenic tourist area, has the potential for its traditional handicraft industry to deeply integrate with tourism, achieving industrial upgrading and transformation through the creation of handicraft experience tours and cultural tourism products. As residents' income levels rise and consumption concepts change, the demand for handicrafts with cultural connotations and unique value is increasing, providing a broad market space for the development of Heqing County's traditional handicraft industry.

(4) Threats. As the traditional handicraft industry continues to develop, market competition is intensifying. The traditional handicraft industry in Heqing County needs to continuously improve product quality and innovation capabilities to cope with competitive pressure from other regions. Changes in consumer demand and market trends may impact the traditional handicraft industry in Heqing County. Enterprises must closely monitor market dynamics and adjust their product structures and market strategies in a timely manner. The traditional handicraft industry is highly dependent on raw materials, and the stability of raw material supplies directly affects industry development. The traditional handicraft industry in Heqing County needs to strengthen cooperation with raw material suppliers to ensure a stable supply of raw materials.

4.3 Social Aspect

(1) Strengths. Traditional handicrafts in Heqing County are an integral part of local community culture, carrying rich historical and cultural connotations. They strengthen community connections and interactions through family and apprenticeship transmission, enhancing community cohesion. Moreover, the transmission of handicrafts promotes the inheritance and development of local culture. Traditional handicrafts in Heqing County are often closely linked with family and community education, fostering interest and a sense of identity in traditional culture among the younger generation and providing them with practical skills and employment opportunities. Additionally, the government and social organizations regularly organize handicraft training sessions to enhance the skills and cultural literacy of local residents. The diverse and distinctive traditional handicrafts in Heqing County add color to local cultural diversity. These unique handicrafts also attract a large number of tourists for viewing and

purchase, becoming an important part of the local tourism industry and promoting cultural exchange and local economic development.

(2) Weaknesses. With the acceleration of modernization, many young people's interest in traditional handicrafts is gradually diminishing, leading them to leave their hometowns for education or work, causing difficulties in skill transmission. At the same time, some elderly craftsmen are unable to continue handicraft production due to age and health reasons, making skill transmission even more challenging. Although traditional handicrafts in Heqing County have unique cultural and artistic value, their reputation and influence in modern society are still limited. This leads to some excellent handicrafts not being adequately showcased and promoted, restricting the development of the industry.

(3) Opportunities. In recent years, the state and local governments have paid increasing attention and support to the protection and inheritance of traditional culture. Through the introduction of relevant policies and provision of financial support, a favorable policy environment and financial guarantees have been provided for the development of the traditional handicraft industry in Heqing County. With the rise of cultural tourism, Heqing County can fully utilize its rich natural resources and cultural heritage to combine traditional handicrafts with tourism, creating local cultural tourism products. This not only enhances the reputation and influence of traditional handicrafts but also promotes the development of the local tourism industry.

(4) Threats. With the acceleration of globalization, the impact of foreign cultures on local traditional culture is intensifying. Some young people may prefer to accept the influence of foreign cultures and neglect the inheritance and development of traditional culture, leading to the risk of traditional handicrafts being lost. As society progresses and people's lifestyles change, some traditional handicrafts may gradually lose their original market demand and survival space. For example, with the prevalence of electronic products, some traditional handicrafts may gradually be phased out or marginalized. This poses a threat to the sustainable development of the traditional handicraft industry in Heqing County.

4.4 Technological Aspect

(1) Strengths. Traditional handicrafts in Heqing County, such as silverware forging and embroidery, have a long history and exquisite skills. These skills, passed down through generations and continuously innovated, have formed unique artistic styles and craft characteristics, providing a solid technical foundation for industrial development. Heqing County has a group of skilled craftsmen who are not only familiar with the production processes of traditional crafts but also possess rich practical experience and innovation capabilities. These talents are important supports for the development of the traditional handicraft industry in Heqing County. With the development of modern technology, the traditional handicraft industry in Heqing County has also begun to integrate modern technological elements into traditional crafts. For example, the use of computer-aided design (CAD) and computer-aided manufacturing (CAM) technologies to improve the accuracy and production efficiency of product design has brought new opportunities for industrial development.

(2) Weaknesses. Although the traditional handicraft industry in Heqing County has accumulated some technological expertise, compared with modern industrial technology, its technological update speed is relatively backward. This may lead to products that are difficult to meet the needs of modern consumers in terms of function and appearance. Due to limitations in funding and talent, the investment in technological innovation in the traditional handicraft industry in Heqing County is relatively insufficient. This restricts the introduction and application of new technologies and new processes, affecting the upgrading and development of the industry. Some craftsmen have a weak awareness of intellectual property protection, resulting in traditional crafts and innovative achievements not being effectively protected. This is not conducive to the continuous development of technological innovation and the long-term planning of the industry.

(3) Opportunities. With the increasing emphasis and support from the state for traditional culture, the traditional handicraft industry in Heqing County is expected to receive more policy support and financial investment. This will provide strong guarantees for technological innovation and industrial upgrading. With the deepening of globalization, the traditional handicraft industry in Heqing County can strengthen cooperation and exchange with the international market. By introducing foreign advanced technologies and management experiences, the overall competitiveness of the industry can be enhanced.

(4) Threats. With the intensification of market competition, the traditional handicraft industry in Heqing County faces pressure from similar products at home and abroad. If it cannot maintain the advantages of technological innovation and product quality, it will be difficult to establish a foothold in the market. As modern technology continues to advance, some traditional crafts may face the risk of being replaced by modern technology. If they cannot adapt to the trend of technological change in time, it may lead to industry decline. Due to factors such as rapid technological updates and market competition pressure, the traditional handicraft industry in Heqing County may face the risk of talent loss. If it cannot retain and attract outstanding technical and management talents, it will affect the sustainable development of the industry. The SWOT-PESTEL analysis of the traditional handicraft industry in Heqing County is shown in Table 1.

Table 1. SWOT-PESTEL Analysis of the Traditional Handicraft Industry in Heqing County

SWOT		PESTEL					
		Political Factors (P)	Economic Factors (E)	Social Factors (S)	Technological Factors (T)	Environmental Factors (E)	Legal Factors (L)
Internal Factors	Strengths (S)	● Policy Support Party and Government Guidance	● Rich Cultural Resources	● Community Cohesion and Cultural Identity	● Exquisite Traditional Skills	● Natural Ecological Advantages	● Policy and Legal Support
		● Organizational Development	● Geographic and Transportation Advantages	● Skill Inheritance and Talent Cultivation	● Handicraft Talent Reserve Potential for Technological Innovation	● Geographic Location and Transportation Benefits	● Awareness of Intellectual Property Protection
			● Solid Industrial Foundation	● Cultural Diversity and Tourism Attractiveness		● Policy Support and Protection	● Improvement of Legal Service System

External Factors	Weaknesses (W)	<ul style="list-style-type: none"> ● Inconsistent Policy Enforcement ● Insufficient Internal Coordination and Resource Constraints 	<ul style="list-style-type: none"> ● Low Industrial Concentration ● Insufficient Technological Innovation Capability ● Limited Market Development Ability ● Talent Shortage 	<ul style="list-style-type: none"> ● Talent Drain and Aging Issues ● Insufficient Skill Inheritance and Innovation ● Lack of Social Recognition 	<ul style="list-style-type: none"> ● Lagging Technological Updates ● Insufficient Investment in Technological Innovation ● Weak Awareness of Intellectual Property Protection 	<ul style="list-style-type: none"> ● Environmental Pollution Issues ● Resource Consumption and Land Occupation 	<ul style="list-style-type: none"> ● Incomplete Legal Regulations ● Difficulty in Intellectual Property Protection ● Insufficient Legal Enforcement
	Opportunities (O)	<ul style="list-style-type: none"> ■ Integration of Cultural Tourism Development Brand Building Increased Policy Support 	<ul style="list-style-type: none"> ■ Integration of Cultural Tourism Development Consumption Upgrade 	<ul style="list-style-type: none"> ■ Integration of Cultural Tourism Development Policy Support and Financial Injection 	<ul style="list-style-type: none"> ■ Government Support and Financial Investment Diversification of Market Demand International Cooperation and Exchange 	<ul style="list-style-type: none"> ■ Integration of Eco-tourism and Cultural Industry Green Transformation and Technological Innovation 	<ul style="list-style-type: none"> ■ Improvement of Legal Environment International Cooperation and Exchange Innovation in Legal Services
	Threats (T)	<ul style="list-style-type: none"> ■ Changes in Industrial Policy Support ■ Tightening of Environmental Protection Policies 	<ul style="list-style-type: none"> ■ Intensified Market Competition ■ Changes in Market Demand ■ Risks in Raw Material Supply 	<ul style="list-style-type: none"> ■ Impact of Foreign Cultures ■ Social Changes and Lifestyle Transformation 	<ul style="list-style-type: none"> ■ Intense Market Competition ■ Risk of Technological Substitution ■ Risk of Talent Drain 	<ul style="list-style-type: none"> ■ Environmental Regulation Pressure ■ Natural Disasters and Climate Change ■ Intensified Market Competition 	<ul style="list-style-type: none"> ■ Increase in Legal Disputes ■ Uncertainty of International Legal Environment ■ Risks in Legal Execution

4.5 Environmental Aspects

(1) Strengths. Heqing County, situated between Dali and Lijiang, boasts a picturesque plateau water town scenery, providing a unique natural environment for the traditional handicraft industry. This natural beauty not only attracts a large number of tourists but also offers a rich source of inspiration for the creation of handicrafts. The existence of natural landscapes such as the Caohai Wetland provides possibilities for the ecological packaging and green marketing of handicrafts, which is conducive to enhancing the added value of products. Heqing County is located on the “Golden Tourism Corridor” of the northwestern Dian circuit, only 20 minutes’ drive from Lijiang Sanyi Airport, with a significant location advantage. The convenient transportation conditions provide great convenience for the sale of handicrafts and the purchase of raw materials. The local government’s emphasis on environmental protection and the development of the handicraft industry has introduced a series of policies and measures, such as increasing the protection of Caohai Wetland, promoting the integration of “wetland ecology +

cultural tourism,” providing a good policy environment for the sustainable development of the handicraft industry.

(2) Weaknesses. The traditional handicraft industry, especially the metal processing industry, may produce pollutants such as waste metal slag and silver plating water during the production process, which have a certain impact on the atmosphere and water bodies. Although the government has strictly defined emission standards, the large scale of the industry still poses pressure on the environment. Some small processing plants have issues with resource waste and environmental pollution in the raw material processing stage, affecting the green image of the overall industry. Handicraft industries such as metal processing require a large consumption of raw materials and land resources. With the expansion of production scale, the tension of land resources and the pressure of environmental carrying capacity are increasingly prominent.

(3) Opportunities. Heqing County can leverage its rich natural ecological resources and unique cultural heritage to promote the deep integration of the handicraft industry with ecological tourism and cultural industries. By creating tourist attractions that integrate natural education, scientific research studies, and wetland sightseeing, more tourists can be attracted to experience the culture of handicrafts and promote the sale of handicraft products. With the increasing awareness of environmental protection and continuous technological progress, the traditional handicraft industry can reduce pollution and improve resource utilization through green transformation and technological innovation. For example, using more environmentally friendly raw materials and production processes, developing green packaging, etc.

(4) Threats. With the national government’s increased efforts in environmental protection and the public’s heightened awareness of environmental issues, the traditional handicraft industry faces stricter environmental regulatory pressures. If it cannot effectively control pollution and save resources, it may face the risk of being restricted in development or even being shut down. The impact of natural disasters and climate change on the traditional handicraft industry cannot be ignored. For instance, natural disasters such as floods and droughts may damage the supply of raw materials and production facilities; climate change may lead to a decline in the quality of raw materials or a reduction in output, thereby affecting the quality of handicrafts and market supply.

4.6 Legal Aspects

(1) Strengths. Heqing County and the higher-level government place a high emphasis on the protection and inheritance of intangible cultural heritage, having introduced a series of relevant policies and legal documents, such as the “Chinese Traditional Crafts Revival Plan,” providing legal protection and policy support for the traditional handicraft industry. Local governments have strengthened the protection of intellectual property rights for traditional handicrafts through legislative means, such as the establishment of the “Silversmith Mediation Room” by the Heqing County People’s Court, which offers legal services and dispute resolution mechanisms for artisans. With the deepening of legal publicity and education, artisans’ awareness of intellectual property protection is gradually increasing. They are beginning to focus on applying for patents, trademarks, and other intellectual property rights to protect their creativity

and skills and prevent infringement. Heqing County and the surrounding areas have a relatively comprehensive legal service system, including law firms and legal aid institutions, providing legal consultation, litigation agency, and other legal services for artisans, helping them resolve legal disputes and protect their legitimate rights and interests.

(2) Weaknesses. Although the national level has introduced some legal documents to protect intangible cultural heritage and handicrafts, the laws and regulations for specific regions and industries are still not comprehensive enough, with certain gaps and loopholes. This may lead to artisans facing unclear legal application and difficulties in evidence collection during the rights protection process. Traditional handicrafts often have unique skills and creativity, but these skills and creativity are often difficult to effectively protect through traditional intellectual property systems. For example, some traditional patterns and styles may be considered “public domain” knowledge and are difficult to obtain patent or copyright protection. In some areas, due to limited law enforcement resources or insufficient enforcement strength, some infringements are not promptly and effectively combated. This may discourage artisans’ enthusiasm for innovation and affect the healthy development of the industry.

(3) Opportunities. With the national government’s increased efforts in the protection of intangible cultural heritage and the advancement of the rule of law, the legal environment will continue to improve. More specialized legal documents for the traditional handicraft industry may be introduced in the future, providing a more solid legal guarantee for the industry’s development. Against the backdrop of globalization, international cooperation and exchange in the protection of intangible cultural heritage are increasing. Heqing County can take this opportunity to learn from advanced legal systems and protection experiences abroad to enhance its own level of legal protection. With the development of the internet and big data technology, the field of legal services will also usher in innovation. For example, using blockchain technology to record the creative process and ownership information of handicrafts, providing new technical means for the protection of intellectual property.

(4) Threats. With the rapid development of the traditional handicraft industry and the intensification of market competition, legal disputes may gradually increase. Artisans need to face various legal risks such as infringement and breach of contract. Under the backdrop of globalization, the uncertainty of the international legal environment may affect the traditional handicraft industry of Heqing County. For instance, international trade frictions and changes in intellectual property protection standards may have adverse effects on the industry’s development. Although the legal environment is gradually improving, there are still certain risks in the law enforcement process. For example, issues such as unfair law enforcement and judicial corruption may infringe upon the legitimate rights and interests of artisans.

5. Development Suggestions for the Traditional Handicraft Industry in Heqing County

Based on the SWOT-PESTEL analysis model, the traditional handicraft industry in Heqing County has rich cultural resources, geographical advantages, and policy support, but it also faces challenges such as low industry concentration, insufficient technological innovation, and talent shortage. To promote the

sustainable development of the traditional handicraft industry in Heqing County, the following six development suggestions are proposed:

- (1) Strengthen policy enforcement and equitable resource allocation. Heqing County should further enhance the enforcement of policies to ensure that various support measures can be fairly and effectively covered by all handicraft practitioners. At the same time, establish a unified coordination organization to resolve internal competitive issues and promote harmonious development within the industry. By optimizing resource allocation and improving the efficiency of resource use, create conditions for the scaling and intensive development of the handicraft industry.
- (2) Cultivate leading enterprises and build brands. Encourage and support handicraft enterprises with potential to grow into industry leaders, using the demonstration effect of leading enterprises to drive the upgrade of the entire industry. Strengthen brand awareness and create handicraft brands with regional and ethnic characteristics to enhance product added value and market competitiveness. Utilize modern marketing methods, such as social media and e-commerce platforms, to expand brand influence.
- (3) Promote technological innovation and process upgrading. Increase investment in technological innovation for traditional handicrafts, encourage the adoption of modern technologies such as CAD and CAM, to improve the precision and efficiency of product design and production. At the same time, focus on the protection of intellectual property rights to motivate artisans to innovate technologically, ensuring that their innovative results are effectively protected and avoiding the loss of technology.
- (4) Deepen the integration of culture and tourism, and expand market channels. Relying on the rich cultural and tourism resources of Heqing County, develop cultural tourism products and experience projects themed on traditional handicrafts to attract tourists to participate and experience. Through the promotion of cultural tourism, enhance the market recognition of handicrafts, expand domestic and international market channels, and improve the market competitiveness of products.
- (5) Strengthen talent cultivation and skill inheritance. Faced with the aging of skill inheritors and the low participation of the younger generation, a talent cultivation system should be established and improved to attract young people to join the handicraft industry. Through various means such as school education, apprenticeship, and community education, strengthen the education and popularization of traditional handicrafts to ensure effective inheritance of skills.
- (6) Enhance environmental awareness and achieve green development. In view of the potential environmental issues in the production process of the handicraft industry, Heqing County should strengthen the promotion and education of environmental protection regulations, guide handicraft enterprises to use environmentally friendly materials and processes, and reduce pollution in the production process. At the same time, develop ecological packaging and green marketing strategies to enhance the environmental value of products and meet the market demand for green products.

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