BRIEFING PAPER

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Geographical Indications in India
A Case Study of Kota Doria

Overview

Rajasthan is home to a wide range of ethnic handicrafts and textiles, including hand spun fabrics and handloom products. One of the most prominent handloom clusters in Rajasthan is the *Kota Doria* cluster, where over 1,000 weaver families are reportedly engaged in producing *Kota Doria* fabric for *saris* as well as other types of clothing and products such as home furnishings. These weavers, 80 percent of whom are women, are primarily located in villages concentrated in Kota district, though a few still pursue their craft in Bundi and Baran districts.

Kota Doria fabric consists of cotton and silk yarn woven in different combinations in warp and weft, so that they produce square check patterns. This check pattern is popularly known as *khat*, and is the defining feature of the fabric which gives it a transparent look. This unique characteristic of the Doria fabric produced on handloom prompted the Kota Doria Development Hadauti Foundation (KDHF) to apply for a Geographical Indication (GI) with the help of United Nations Industrial Development Organisation (UNIDO). The application was successful and *Kota Doria* was granted a G.I. in July 2005 under the Geographical Registration Act 1999.

However, in spite of a GI being awarded to this product, the manufacture of an almost visually identical fabric using power looms, especially in Uttar Pradesh, is still quite common. The power loom fabric also sells on the market as *Kota Doria* but for a much lower price, thus driving down the demand for authentic *Kota Doria*, a label which should by law only be used for the mentioned hand made fabric from Kota.

The competition from power looms has led to weavers of authentic *Kota Doria* to move to other professions as they are not assured of a consistent income. This shift is particularly apparent among the youth from these weaver families who are opting instead for employment opportunities under the National Rural Employment Guarantee Scheme (NREGS). Female weavers have also started to move to other professions such as *beedi-making*. The aggregate number of weaver families has declined from 10,000 some decades ago to 1,100 weaver families at present. A significant decline in production of this fabric has therefore taken place. This has led to fears that the age-old tradition of weaving *Kota Doria* will soon disappear.

In this context, we look more closely at the value chain for *Kota Doria* in order to assess possible areas of intervention and ways to add value for participants in this value chain. Of particular interest are leverage points in which the National Foreign Trade Policy (NFTP) or other policy measures might better assist this traditional sector and ensure its future sustainability. Our results are preliminary ones based on advocacy meetings and field work interviews carried out in Kota during April 2010.

Value Chains for *Kota Doria*

Kota Doria is traditionally rooted in villages in and around Kota. It has a particular culture and gender dimension to production, with about 70 percent of those involved in the chain practicing Islam, and mostly belong to the Ansari weaver's community. As noted earlier, over three-quarters of weavers are women, though there are important gender relationships that underpin the governance structure in the value chain. Education levels in the sector are relatively low, with many weavers not completing Class 8.

The production of *Kota Doria* is entirely household and artisanal-based. Households involved in the sector typically own one handloom, with 2-3 people in the household engaged in production. Production is low-input, low-output. Handlooms can only utilise one 30-meter bundle of yarn at a time, which is enough to produce 5 *saris*. Production takes 20-25 days to weave this total bundle of yarn into simple fabric or *saris* and up to 30 days to produce more elaborate patterns. Prices in Kaithun for simple patterns are '1500 (30 m, 5 *saris*), and '2000 for elaborate ones, while those in Sultanpur are about half these values. The main inputs for *Kota Doria* fabric include cotton, silk, and zari (fine gold threads used for embroidery).

The cotton used in production is bought from Ahmedabad, Gujarat and Mumbai, Maharashtra; the silk is bought from Bangalore, Karnataka; and the zari is purchased from Surat, Gujarat. Poor quality inputs were cited as a problem among weavers in Sultanpur. Subsidies were once provided on raw materials, but these have since been removed.

Figure 1 illustrates the value chain for *Kota Doria*, based on field interviews in Kaithun and Sultanpur. In Kaithun, there is significantly more production, with some 2700 weavers engaged in the sector. Traditional weavers are beholden to what are known as "master weavers" who control orders and liaise between producers and end-buyers.

The relationship between master weavers and weavers is quite complex, with master weavers overwhelmingly male and who tightly control activities within the chain. All information and instruction to traditional weavers is given top-down from master weavers, who hold monopsony buying power in the village for *Kota Doria*.

In Sultanpur, there are much fewer numbers of weavers (about 50) who also rely solely on the master weavers found in Kaithun for sales. Governance relationships in Sultanpur are particularly tenuous because of the relatively fewer numbers of weavers there compared to Kaithun, which allows master weavers to offer Sultanpur-based weavers a much lower price for their product.

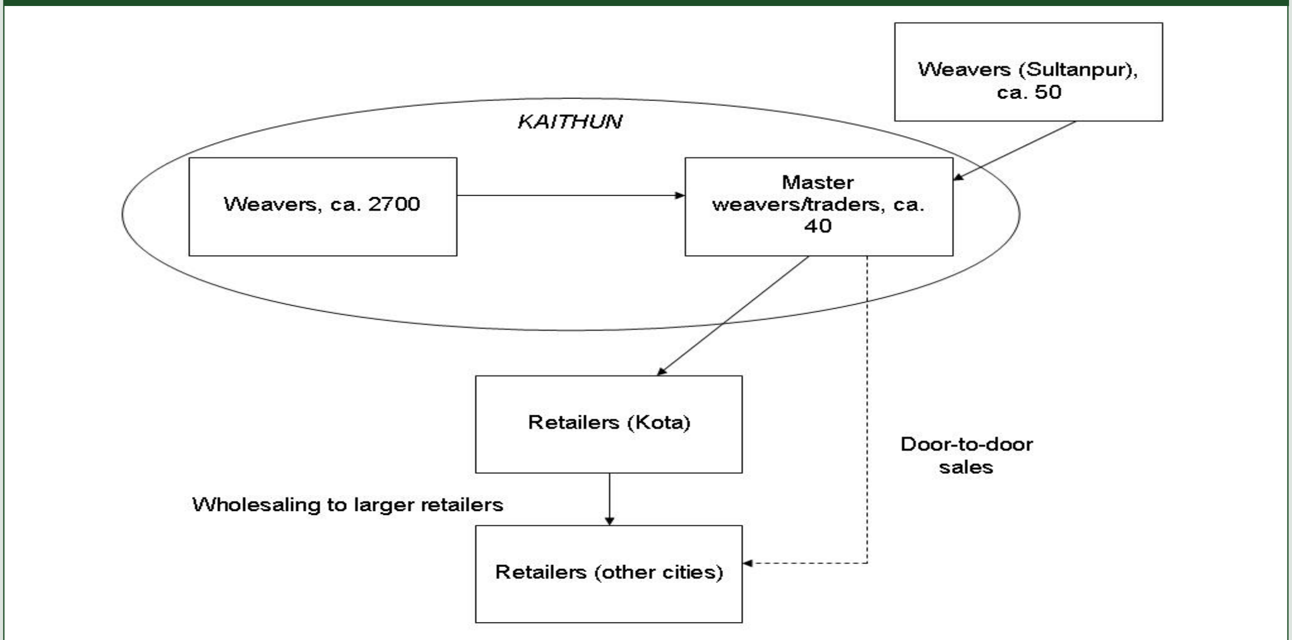
Master weavers will sell products in one of two ways. First, some will sell directly to retailers and wholesalers in Kota, who will either sell products in Kota or will wholesale to more distant markets.

Second, some sales are made door-to-door by master weavers directly to retailers in other cities. However, sales of *Kota Doria* seem to be opportunistic and lack coordination between master weavers and retailers. That is, retailers do not contract or establish orders with master weavers directly; rather, it is supply-pushed into the market rather than demand-pulled. This means that master weavers are often unable to sell all supplies at any given time, and this percolates down to the individual weaver, who will not be paid for any unsold production.

Exports of *Kota Doria*, where they take place, are undertaken by larger retailers such as Anokhi, but no information was available on the scale of such foreign sales.

Upgrading and innovation in the sector is relatively limited. Weavers, by virtue of little to no bargaining power in the chain, have little incentive to invest in new or innovative practices. Indeed, there is a trend in the market for plain saris over the elaborate varieties, which has caused some exit from the market as weavers are paid less to weave plain saris. Innovation in the traditional sector is further limited by the presence of power loom *Kota Doria* from Uttar Pradesh that sell at a discount in the market, further depressing traditional sales.

Figure 1: Value Chain for *Kota Doria*



The establishment of a GI on *Kota Doria* is one type of upgrading practice that could potentially add value in the value chain, but to date has failed to protect the traditional market.

The GI law was established in India in 1999 (and enacted in 2003) through the Geographical Indications of Goods (Registration and Protection) Act. The idea of the law is to protect goods with a specific reputation based on manufacture or production in an identified geographic area.[2] The law is in the spirit of Articles 22 and 23 of the Trade Related Aspects of Intellectual Property Rights (TRIPs) agreement of the WTO that prevent the false representation of GI products in a market; Article 23 more strictly covers protection for wines and spirits. An interesting aspect of the Indian law is that protection is provided for a period of 10 years, after which registration can be renewed. While protection of the infringement of GI's is enshrined in the law, anecdotal evidence suggests that there has been reluctance among many GI holders to seek legal action. In some instances, there has been more attention directed through media sources than specific legal remedies (e.g., *Pochampally Ikat*).[3]

While regulatory issues concerning the enforcement of the GI stymie such value-adding efforts, a more pressing constraint in the chain concerns the tight, near feudalistic governance relationships between weavers and master weavers that promote confrontation and mistrust instead of cooperation.

Associations that exist for *Kota Doria*, such as the Kota Doria Hadauti Foundation (KHDF), are largely powerless and serve more of a social role than one shepherding the interests of the sector. Coordination between buyers and producers is absent, failing to transmit any novel input between designers and producers in the creation of new products.

Public Policy and *Kota Doria*

An important policy issue in the *Kota Doria* chain is empowering actors in the sector to improve the organisation of chain in a way that adds value for all participants. A critical bottleneck is breaking the dependence of the chain on the tight control of master weavers, whose buying and marketing practices stifle innovation over and beyond the presence of cheap, imitation products. These types of cultural relationships cannot be remedied overnight, but remain a key leverage point to address and overcome.

One possible chain solution to improve the sector would be a reorganisation of the chain to one that is more buyer-driven rather than producer-driven1. Buyer-driven chains are those in which end-buyers (typically retailers or supermarkets) establish particular standards and practices for their suppliers and products, and organise the distribution channel accordingly to meet those specifications.

High-end retailers such as FabIndia and Anokhi could play an important chain organisation role by working directly with weavers to supply their stores with high-quality, made-to-order products. Such products could be marketed and promoted under a Fair Trade type scheme and/or as part of each company's corporate social responsibility (CSR) policy that could both add value for buyers and producers alike.

At the same time, NGOs and other civil society groups have an important role to play in this process. Trust relationships in the chain are quite low, and will require some sort of "honest broker" to facilitate transactions and also smooth over cultural sensitivities that could arise as chains are organised more efficiently. Particular efforts will be needed to determine roles for master weavers in any reorganised chain. Clearly, master weavers have an expertise role that can be enhanced, but breaking down centuries-old power dynamics will be a major challenge.

Endnote

1 Dolan, C., Humphrey, J., 2000. Governance and trade in fresh vegetables: The impact of UK supermarkets on the African horticulture industry, J. Dev. Stud. 37(2), 147-176.

2 http://ipindia.nic.in/girindia/.

3 http://www.thehindubusinessline.com/2009/10/03/stories/2009100350030600.htm

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