

State Level workshop Report

Grassroots Reachout & Networking in India on Trade & Economics (GRANITE) Phase II

Kota, Rajasthan, April 20, 2010

Background

CUTS Centre for International Trade, Economics & Environment (CITEE), Jaipur with the support of the Royal Norwegian Embassy, New Delhi and Novib (Oxfam, The Netherlands) is implementing a three-year project entitled, *Grassroots Reachout & Networking in India on Trade & Economics (GRANITE) Phase II*. Among others, one of the primary objectives of this project is to foster equality and accountability in the economic governance system in India and ensure better economic literacy to generate a more coherent civil society voice on economic governance in the country *vis-à-vis* effects of globalisation on the livelihoods of the poor, particularly the marginalised and women. The project broadly aims towards articulating policy coherence between WTO guidelines and national development policies to reduce poverty levels and adopt distinct methodologies and focus areas.

The GRANITE Phase II was conceptualised on the basis of important lessons learnt during the first phase which was implemented during 2005-07. The second phase spans a period of three years, i.e. during 2007-10. It is implemented in eight states, viz. Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal, in partnership with civil society organisations (CSOs) working at the grassroots on issues such as agriculture, horticulture and textiles from India (given their role in generating employment in India).

Context

In Rajasthan, CUTS CITEE conducted a case study on *Kota Doria*. Primary focus of the case study was to find answer to the following questions:

- Whether as a result of National Foreign Trade Policy (NFTP), exports of specific products (*Kota Doria* in case of Rajasthan) have increased?
- What has been the impact of the increase (*or, no increase*) in *Kota Doria* export on the various stakeholders in a *Kota Doria* economy?
- What are the channels through which the benefits of the NFTP percolate down to the grassroots?
- What can be done to better integrate International Trade and Human Development at the grassroots?

State Level Workshop

The State Level Workshop for Phase II was held on April 20, 2010 in Kota, Rajasthan. The workshop provided a platform to share research findings as well as to take inputs from the invitees to make further improvements in future course of action. The objectives of the workshop were to:

- present the research findings;
- share views on how to make the NFTP more pro poor;
- share views and opinions as to what could be done to increase exports of *Kota Doria* from Rajasthan; and
- areas of further research

Participants

More than 80 participants comprising weavers, master weavers, government officials, media and grassroots level CSOs participated in the meeting.

Proceedings

Siddhartha Mitra, Head CUTS CITEE, inaugurated the workshop by providing a brief overview of the project's objectives and activities. He explained the purpose of the workshop and introduced the key speakers to the participants. He also talked about CUTS CITEE's work on *Kota Doria* and the case study on the mentioned product. He stated that the workshop will help identify various channels through which benefits of international trade could reach the grassroots. Further, he gave a brief introduction of NFIP and the schemes available under the NFIP 2009-14.

Anutosh Biswas, Programme Officer, CUTS CITEE made a detailed presentation on the findings of the field study conducted by CUTS on *Kota Doria* in Rajasthan. He mentioned that the field study has been conducted in the villages of *Kailbun*, *Siswali*, *Mangrol*, *Roteda* and *Sultanpur* and more than 100 respondents from different groups such as weavers, master weavers and government representatives were interviewed during the field study.

Further, Anutosh talked about the schemes available under the NFIP 2009-14. He informed that there are specific funds earmarked under Market Access Initiative (MAI) scheme for promoting exports of handloom products. Under the scheme, financial assistance is provided for export promotion activities on focus country, focus product basis.

He added that there are also specific funds earmarked under Market Development Assistance (MDA) scheme. Under the scheme, financial assistance is provided for a range of export promotion activities implemented by the Handloom Export Promotion Council (HEPC). He said that new towns of export excellence with a threshold limit of Rs 150 crore would be notified and recognised in order to maximise their potential and help them to move higher in the value chain and tap new markets.

During his presentation Anutosh outlined the major findings on *Kota Doria* in Rajasthan:

General Findings

- Around 70 percent of people engaged in making/selling of *Kota Doria* are Muslims, belonging mostly to the Ansari weavers' community.
- Approximately three quarters of the weavers are woman, with production based mostly in homes.
- There are only 1,100 weavers left in the region (down from 10,000 some years ago) and this is the main source of livelihood for their families. Each household has one handloom and generally 2-3 people from each family are dedicated to work in the loom.
- Each handloom accommodates one 'bundle' of yarn at a time. The 'bundle' of yarn is 30 yards long and makes five *saris*. It generally takes 20-25 days to weave 30 yards of plain or simple *Kota Doria* fabric or *saris* and up to 30 days to weave 30 yards of elaborate fabric or *saris*.
- The education level among weavers is quite low, with some not even completing Class 8.
- The main inputs for *Kota Doria* fabric are cotton, silk and *zari* (fine gold threads used for embroidery). The cotton is bought from Ahmedabad, Gujarat and Mumbai, Maharashtra; the silk is bought from Bangalore, Karnataka; and the *zari* is purchased from Surat, Gujarat.
- There used to be a subsidy provided on raw materials earlier, but has now been removed.
- The master weavers get the product from the weavers and then travel to various cities to sell it to private buyers as well as large clothing retailers. However, selling all products is not guaranteed as it depends on the demand in the market at particular time. This means that a weaver will not get paid for *saris* or fabric that has not been sold, which means there is no certainty of a constant flow of income.
- Master weavers do not engage in exporting *Kota Doria* directly. This is mainly done by big retailers like *Anokhi*.

- Plain *Kota Doria* fabric is exported because the demand for elaborate *saris* in particular is low. Once the fabric goes there, it is made into different types of clothing and household products.
- Even domestically, plain *Kota Doria* fabric or *saris* seem to be preferred to the more elaborate *saris*. As a result, many weavers have left the profession because they get paid less to weave plain cloth.
- An even bigger problem is the duplication of *Kota Doria* fabric and *saris* on power loom (particularly in Uttar Pradesh). These non-genuine products are sold in the market as *Kota Doria* for a price much lower than genuine *Kota Doria* products, which are hurting the *Kota Doria* weavers. The comparatively lower price for power loom *Doria* products has led to a decrease in demand for the original product, subsequent decrease in its production and the shifting of its weavers to other professions.
- It was mostly felt that the Geographical Indication (GI) has not been implemented effectively by the Kota Doria Hadauti Foundation (KDHF) and as result the industry has to compete with (illegal) power loom fabric and *saris*, which it is not able to do.
- The master weavers knew a little bit about the schemes available to the handloom sector, but they were not sure whether these were through the Foreign Trade Policy (FTP) or other policies. The weavers however, are not aware of the schemes available to them.

While talking about the bottlenecks, he said the following:

- GI implementation to protect *Kota Doria* from power loom products has been poor and resulted in a decline in demand and production, and has forced weavers to move to other professions. This has led to concerns over the future of an age-old industry.
- Uncertainty of sales coupled with dwindling demand is adversely affecting the livelihoods of the weavers who are already receiving low wages.
- There is a lack of awareness regarding schemes that are available to the handloom industry through the FTP or other policies.
- There is a lack of information among weavers about the market conditions because they are not directly linked to it.
- Self Help Groups (SHGs) do not seem to be having the intended positive impact because they are not functioning properly, especially in the smaller villages.

R B Phanda, General Manager, National Bank for Agricultural and Rural Development (NABARD) Kota, Rajasthan thanked CUTS for taking up *Kota Doria* as the focus product from Rajasthan. He also congratulated CUTS team for their field study on the mentioned product.

He talked about the history of *Kota Doria* in Rajasthan and informed about the raw materials used in making *Kota Doria saris*. He added that *Kota Doria* fabric consists of cotton and silk yarn weaved in different combinations in warp and weft, so that they produce square check patterns. He also informed that KDHF had applied for a GI with the help of United Nations Industrial Development Organisation (UNIDO) and granted a GI in July 2005 under the Geographical Registration Act 1999.

While talking about various channels to promote *Kota Doria* in Rajasthan he said that market studies/surveys are important. He also added that setting up of showrooms, participation in trade fairs, displays in international departmental stores, publicity campaigns, and brand promotion are some of the vital ways that *Kota Doria* can be promoted.

Floor Discussion

Asgar Ali, Member, KDHF, said that the major concern and threat to *Kota Doria* is high competition from power loom *Doria* products. He added that due to power looms the demand of original hand made *Kota Doria* is decreasing and due to this, weavers are moving to other professions. He also mentioned that mostly the older generations are weaving, while the new

generation prefers to adopt other professions for better wages. He expressed his fear that in the coming years there will be no weavers left.

Abid Hussain, Master Weaver, Kaithun, Kota, said that *Kota Doria* needs more marketing around the country for demand to pick up. He added that the focus should be on the domestic market rather than the international, because the decreasing numbers of weavers are unable to meet export demand due to high quality standards and time constraints.

Shiraz Ahmad, Member, KDHF and Master Weaver expressed the uncertainty of sales when master weavers went to different cities. He urged the state government to arrange for supply of raw materials directly to the weavers and buy directly from the master weavers.

Rumana Anjum, Weaver, Kaithun, Kota said that the dyes used in *Kota Doria saris* are not colour-fast and may be one of the reasons for decreasing demand for the *saris*. She informed that colour-fast dyes are expensive and not readily available, which is why preferred not to use them.

Tahira Bano, Weaver, Mangrol, Kota said that because they all worked out of their homes, there were no health or safety regulations in place for them.

Nargis, Weaver, Sultanpur, Kota informed about the poor working conditions in most of the houses in Sultanpur. The houses are poorly built; with rainwater seepage being a major problem and such poor working conditions affects the production.

Sehnaz, Weaver, Mangrol, said that there is always a communication gap between the weavers, master weavers and KDHF officials. Weavers from other villages complained that the members of KDHF only promote Kaithun's *Kota Doria* and did not provide help to any of concerned villages.

Concluding Session

At the end of the consultation, a few recommendations were put forth and are as follows:

- The Government of Rajasthan need to put in place pro-active measures to protect *Kota Doria* from duplicate power loom products.
- There should be proper information dissemination regarding the importance and effective implementation of GI.
- HEPC should be more pro-active with respect to *Kota Doria* and arrange regular buyer-seller meets for better market linkages. They should also play a major role in showcasing *Kota Doria* to the international market, so as to utilise the product's export potential.
- Weavers should be paid higher wages for their work to entice young people to get into/or stay in the weaving profession.
- The media (both print and electronic) should take it upon themselves to inform the wider community of the plight of the *Kota Doria* industry.
- SHGs should understand the pivotal role they can play in improving the conditions of the weavers.

Vote of Thanks

Siddhartha Mitra concluded the workshop on by thanking all the audience for their active participation in the workshop.