

The Master Weaver with a Difference

A case study on Rehwa Society, Maheshwar

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Introduction

Maheshwar is a small historic town situated around 100 kilometers south of Indore, in the prosperous Nimar region of southeastern Madhya Pradesh. The town is situated on the banks of the majestic river Narmada and is also site of one of the dams of the controversial Sardar Sarovar Project. It is also the bastion of the royal Holkar family, whose most famous monarch is Queen Ahilya bai Holkar, 18th century. For the past few years however Maheshwar is best known for revival of traditional handloom cloth, led by the Rehwa Society.

INCEPTION OF REHWA SOCIETY

The history of handloom weaving in Maheshwar dates back to the 19th century. Queen Ahilya bai Holkar is said to have brought weavers from Surat. She is also credited with helping the weavers them evolve a distinct, sometimes rather austere, style of cloth, which came to be known as Maheshwari.

Post independence, Maheshwar suffered together with other handloom weaving clusters across the country. This was largely a result of government's well intentioned but extremely shortsighted policies. For example, while the markets of handlooms were being eaten away by mechanized looms in the 1960's, the government propagated the concept of 'janta dhoti and sarees'. Through subsidies on raw material like yarn, handloom weavers were encouraged (?) to weave dhotis and sarees of rather inferior quality, which were in turn purchased by the government. A kind of buy back arrangement; one that had disastrous consequences. The government could not sustain the subsidies as they could hardly sell any material produced and as a result the program came to a halt. Unfortunately weavers by then, lulled by the doles, had almost abandoned their traditional styles of weaving and had neglected their markets.

Naturally weaving as a livelihood was not lucrative enough and there was an exodus of sorts, particularly by the youth, leaving many a 'cluster' shadows of their past vibrancy. Apart from such 'welfare' oriented policies, poor infrastructure, lack of support services like credit and risk mitigation, poor linkages with markets, also played their part in the decline of the handloom sector.

Maheshwar weaving cluster was in the throes of a similar crisis. By mid 1970s there were only 50 odd functional looms in all of Maheshwar. Even these did not find enough business to keep them occupied for a substantial part of the year. It was around this time when the royal couple, Richard Shivajirao and Sally Holkar, set up the **Rehwa Society** with objective of reviving the traditional livelihood option as well as the dying

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art/craft form. (Aptly christened after the Sanskrit name of lifeline of the region, river Narmada).

INTERVENTIONS

What started as a modest training and production center with 12 women and 6 looms in 1978 has grown into a phenomenon. Maheshwari cloth is a well-known, desirable product, particularly for the elite segment of the market. The Society today boasts of 120 functional looms with an equal number of weavers. It also employs a staff of 75 across its handloom production and social welfare activities. They have a constantly evolving product range. The annual production of the Society is around 50,000 mts leading to a turnover in the range of Rs. 1.3 - Rs. 1.4 crores. Their products command a premium in the market due to the quality of the products and also due to the legacy and tradition of Maheshwar.

Apart from the Society, Maheshwar town followed the direction showed by Rehwa to grow into a full-fledged handloom cluster supporting 1500 looms and 3000 weavers. According to some estimates, the combined annual turnover of these looms is around 6 crores. Master weavers, suppliers of yarn, dyes and other material, dyers, transporters, and bankers, are some of the other major categories of employment/enterprises that the cluster now supports.

All this has been made possible due to sustained efforts on multiple fronts of the weaving trade. These efforts can be classified into three broad domains; streamlining production, making the trade attractive for the weavers, and most importantly by engaging with markets and associated forces. However, it needs to be mentioned here that the approach of Rehwa grew organically with a gut feel defining the next step. Like most pioneering institutions, strategies at Rehwa evolved over time in an iterative manner. In development parlance, one would refer to this loosely as the contingency approach, wherein there are several points of intervention in the entire value chain but spread across time based on priority so as to optimally utilize the given, limited resources.

Streamlining production process

The entire production system was in shambles and the weaver motivation so low that it was difficult to work with them as 'producers'. Therefore, the Society chose to organize the production process by having in-house looms, with piece-rate wages paid weavers working them. The investment for purchasing all inputs is made by the Society and it is responsible for selling the output. This is very much like any other manufacturing

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industry or, in handloom parlance, like a master weaver. This has taken the risk away from the weavers and is possibly the primary reason for the return of many a weaver back to their traditional livelihood. Since 1987, the weavers are also being provided benefits such as the Provident Fund.

The piece-rate varies with the complexity of the design to be executed. There is a system of incentives where weavers are rewarded for producing quality products within specified timeframes, for example producing a warp without any errors. This is designed to generate a spirit of competitiveness among the weavers, which spurs them to produce good quality material at a faster rate. Strict qualities check protocol is followed that comprises of supervision and checking by the unit supervisor and then by the production manager. The general manager of Rehwa is finally responsible for the production.

The primary raw material, the fine count cotton yarn and the silk, is not available locally, which calls for a high order of inventory and working capital management. Rehwa has handled this by maintaining a very close watch on the production scheduling, which is carried out by a stores manager. Dyeing is another critical area that makes or breaks the product but is as difficult to deal with. Not because dyes are not available but because skilled dye masters are extremely rare to find, within the financial constraints of the organization. Rehwa has tried to deal with this by incubating dyers at their facility at Maheshwar. Though the dye master is not very cooperative, they have managed to add his brother to the dyeing team. Also they have been innovating with the looms and other equipment to increase the speed of production and enhance the quality of the cloth produced.

Welfare projects for weavers and their families

One of the key initiatives adopted by Rehwa right from day one were the various social welfare activities for the weavers and their families. Born out of a genuine concern to uplift their standard of living, this has played a vital role in building a positive relationship between the management of the Society and the weavers. A school was established specially for the children of the weavers. This school also supported the children after regular hours, a role their parents should have but could not play due to their own struggles of earning their livelihoods. A medical facility was setup where the weavers and their families could receive treatment free of cost initially and later on payment of some nominal charges. Various programs were introduced that cumulatively over the years have contributed towards improving health and sanitation conditions and habits of the weavers.

The housing project an initiative that was essentially welfare oriented, contributed

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immensely in increasing the scale of production. A model house was built on land taken on lease from the government. The community approved the houses and 42 such units have been constructed and handed over to the weavers. The cost of the houses has been recovered from the weavers in weekly installments. The masterstroke here was that the Society provided an additional loom to weavers free of cost with every house. This helped in increasing the number of looms working with Rehwa, together with providing additional source of income to weavers and their families.

Marketing initiatives

Over the years Rehwa Society evolved a clear marketing strategy after closely considering their inherent strengths as well as their limitations. They believe that their quality protocols as well as their cost structure makes their product expensive, and the market segment that appreciates the attributes of their product and is willing to pay comprises primarily of the upper classes. Also, the their higher prices makes it impossible for Rehwa's products to compete with cheaper versions of similar products at the same retailer. Considering the above, solitary and group exhibitions have emerged as the primary mode of sales for Rehwa Society. These strategies are discussed in detail in the next section of the case.

Apart from these strategic initiatives, the absolute commitment of the Holkar couple towards the objectives of the Society was a vital factor that held together and drove the activities. They started with getting a first hand experience of working the looms themselves for a period of six months to understand the complexity of designing and weaving handloom cloth. Subsequently they actively sought inputs from designers, innovators, and other like-minded individuals and institutions to strengthen the activities of the Society. Their 'royal' charisma played its part in seeking such support and collaborations. It is also to their credit that they always sought to build the capabilities of the staff and weavers that joined the Society by and by. This helped tremendously in building the institution that Rehwa is today.

ENGAGING WITH THE MARKET

Rehwa Society's success has in a sense been one of the driving forces of the handloom's survival in the market, at least in this part of the country. They have clearly demonstrated that it is possible for the seemingly 'uncompetitive' traditional forms of craft and livelihoods to successfully engage with the market forces. While the Society has sometimes adapted to the market, often they have contributed to redefining the structure of market itself.

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Rehwa's marketing strategies have evolved around two key attributes, high quality and high style. Creating a worth for these attributes in the minds of the consumers has been a result of sustained efforts and innovative strategies. The attempt at revival of a dying traditional art/craft form also whipped up the sentiment of the consumer and the society in general. The Holkar's charisma and associations definitely helped Rehwa gain a foothold; that the market of handlooms in general and Maheshwari cloth in particular grew almost simultaneously also helped the cause.

Pricing

Rehwa's products have always been priced significantly higher than similar products available in the market. On first glance one is tempted to 'blame' this on lack of efficiency and professional rampart in the not for profit sector. However a closer look reveals that this is in fact a strategic decision. Not only is Rehwa able to recover its production, development, marketing, and social welfare costs, it also able to convey a sense of high quality often associated with high prices. This decision is pivotal and defines other market related decisions and initiatives.

Segment

At the time Rehwa was established, the Maheshwari cloth had lost whatever little local base it may have had earlier. The weavers had little wherewithal to handle competition from the cheaper power loom products. On the other hand the Holkar's had access to the high-end market through their associations. As a result Rehwa started its operations with this segment in focus and continue to do so till today. They have apparently made few attempts to build the local market, citing slow speed and high cost of production as the primary bottlenecks. The high price of the products essentially reflects this sentiment at the Society.

One of the defining features of this segment is that demands exclusive products and is willing to pay for it. This necessitates a continuous need to innovate in designs and patterns as these tend to get outdated faster. However, the Society has risen to the challenge and has set up specific systems to monitor trends and preferences, including custom made software that helps them analyze previous sales and other data. The Society also engages frequently with designers across the country, sometimes even designers from abroad, who help them in evolve their products and product ranges as per the latest trends. A specific cadre at the Society, the unit supervisors, supports the weavers in quickly adapting new designs and techniques, as well as in monitoring the quality of the production. Two expert weavers specialize in such research and development activities.

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All of this has helped the Society in sustaining the interest of this otherwise notoriously fickle segment. Of course all of this has its costs, which has its implications on the rice at which the products can be finally offered.

Products

Rehwa Society's evolving production line is a classic example of value addition to a traditional form of weaving by continuous innovation, two seemingly contradictory phenomena. The Society started with producing fine count cotton and china silk blended sarees, something that the weavers were used to and the market was familiar with. Dress material especially for salwar kurta was soon added, particularly for the urban and the north Indian market. The product range presently includes sarees, dress material, shawls, duppattas, stoles, and scarves. A student from the National Institute of Design, Ahmedabad worked with the designers and weavers of the Society to evolve a range of table linen that will be launched in the market soon. Rehwa believes that this could be the product that would help them tap the international market in a big way. The experiment with wool and silk blend shawls has been quite successful. The shawls found an eager audience in the international market and the entire collection of the previous year was sold out despite its high prices.

Zari, other varieties of silk like Kosa and Tasar, and wool were also included in the repertoire. The Society also experimented with different counts of the yarn and also with different types of weaves. The designers of Rehwa also in a sense collaborated with the block-printing cluster at nearby Bagh, to add value to their products including sarees, dress material, and duppatta.

Sales strategies

Initially Rehwa tried to market and sell their products through the traditional channels. However after considering the margins of the various players in the channel like the wholesalers and the retailers they realized that the price of their products would go beyond the consumer's 'willingness to pay'. They therefore chose direct sales strategies like exhibitions, home based retailers, and bulk institutional orders.

Exhibitions by far account for the largest share (60-65%) of the total turnover of Rehwa. The designers draw up an annual calendar of exhibitions, which identifies the product mix for every location. This is based on a scientific analysis of regional preferences, trends, and previous sales experience. This plan gets refined and concretized every quarter. These exhibitions accord Rehwa the flexibility to reach out to their prospective customers wherever they are. Theme based 'collections' have been lately included to

add value to the exhibitions.

15-20% of the turnover comes through retailing, not at regular counters but individuals, particularly women, from their customer base, selling from their homes. This number has grown lately to 6 distributed in Delhi, Mumbai, and Indore. The rest of the turnover is made up by bulk orders from buying houses that usually further process the fabric. This is however not accorded priority at Rehwa as it disturbs their production planning done according to the exhibition schedules.

Marketing management team

Two designers, based in Delhi and Mumbai, lead the marketing initiatives of the Society. Both designers work full time with the Society and are responsible for assessing the market situation across their respective defined territories. Based on their analysis they then create saleable designs and ranges, and guide the production unit at Maheshwar to produce accordingly. Of course Richard Shivajirao Holkar is still deeply involved, particularly in this function of the Society. The weavers at the production unit are also divided amongst the two designers. While both these designers are on the rolls of Rehwa, their remuneration structure is a combination of flat monthly payment and incentives for specific deliverables.

CHALLENGES FOR FUTURE

Clash of objectives

The Society by mandate has to provide for the welfare of the weavers. At the same time it is under tremendous pressure to remain competitive as other players in Maheshwar are beginning to offer products of almost similar quality at much lower prices. This has actually begun to reflect in the expenditure that the Society incurs on social welfare activities, as can be seen in annexure 1 where the indirect expenses are decreasing every year. It is likely that certain hard decisions would be taken in future to deal with this issue.

Stagnant Sales

While Rehwa Society's achievements are tremendous, their turnover has been stagnating around the Rs. 1.2 - Rs. 1.3 crore mark for the past 7-8 years (see annexure 1). Dyeing capacity has been identified as the key bottleneck that has to be released in order to increase production. The Society is also making special efforts towards increasing the per metre price of the material produced by them, so that the turnover can be increased

without increasing the production. Whether the market will accept more expensive products is the question? Also, what would be the sustainability of such a product line?

Alternative markets and segments

As has been mentioned earlier, Rehwa caters to an exclusive segment only. How long will they be able to survive on only this one segment? Is there a need to evolve a cheaper product line that will cater to the local market? How do you serve distant markets such as the international market from a limited facility? These are some of the questions that Rehwa may have to find answers in the near future.

Organizing the producers

The number of producers in Maheshwar has apparently crossed the carrying capacity. In a sense that what used to be a producer's market is quickly morphing into a distributor's market. In the event that a weaver/master weaver decides to take a stand, there is always another one willing to accede to the demands of the distributor in Indore. Price undercutting is rampant so much so that some weavers are even willing to forfeit certain costs. While Rehwa does not operate in this segment is seemingly immune today, this is bound to catch up with them soon enough. Therefore it is imperative that a kind of formal/informal association be fostered that would set rules and norms for the handloom trade in Maheshwar.

Annexure 1

Financials Of Rehwa Society for the period 1996-97 to 2003-04

Year	Sales (Rs.)	Purchases (Rs.)	Direct Expenses (Rs.)	Indirect Expenses (Rs.)
1996-1997	1,10,09,921	27,85,210	62,59,190	25,52,942
1997-1998	1,06,54,623	33,33,360	67,53,060	22,40,046
1998-1999	1,27,20,257	34,44,786	76,18,590	16,18,685
1999-2000	1,25,45,057	32,40,434	83,98,563	15,46,889
2000-2001	1,38,91,579	37,86,811	98,80,291	17,32,075
2001-2002	1,35,75,511	29,41,754	1,03,17,620	15,32,487
2002-2003	1,19,97,519	22,55,148	88,43,473	10,84,215
2003-2004	1,31,47,944	28,78,636	95,48,838	10,64,545