

Revitalization of the “Koorainadu Saree” Industry of Mayiladuthurai, Tamil Nadu

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Abstract: Handloom weaving is a traditional industry and one of the largest economic activities in rural India, with over 4 million looms and over 35 million weavers. Among them is a niche weaving cooperative - based out of Mayiladuthurai, Tamil Nadu - producing a special type of handloom saree known as the “Koorainadu Saree”, which holds both high cultural and historical significance, having existed for nearly 5000 years.

However, this cooperative consists of the last group of weavers who know how to make these unique Koorainadu sarees, and with only five weavers left, and with no prospective weavers interested or willing to become a part of this cooperative, the art of making Koorainadu sarees is on the verge of extinction.

A lack of awareness, and thus demand, is the main reason for this. Low promotional strategies have led customers to be unaware of these sarees and thus opt for more well-known types/brands. Additionally, limited design options and varieties have led to reduced interest among customers, especially among younger women. All of these have led to a reduced labor supply for the cooperative, with potential Koorainadu weavers, including the current weavers’ children, preferring other lucrative jobs instead of joining the cooperative.

Our main objective with this report is to analyze the Koorainadu Saree industry, its current financial situation, the problems they face, and the causes, and help identify possible solutions for them.

Keywords: Handloom weaving; Koorainadu Sarees; Revival; Revitalization; Labor supply; Co-optex

I. Background

1.1. Handloom Industry of India

Indian handloom is an ancient and traditional industry, and also the heart of many rural economies. The loom, like the plow, symbolizes the ethos of India. Historically, this cottage industry was supported by the rulers and petty kings of India, and it is here that we can trace the birth of the cooperative movement with state support in its crude form. The handloom cloth apart from silk is also obtained from cotton. There are over 4 million looms that cater to approximately 25% of India’s textile needs even today. The handloom is not a type of weave but more of an expression of Indian art, culture, craftsmanship, and heritage.

The handloom industry has always been a traditional cottage industry and has always been developed on cooperative lines. Cooperatives had the advantage of bringing freedom and opportunity to the weavers along with the benefits of large-scale management and organization. The expectation was that cooperative societies perform functions of bulk purchase of raw material, raise capital by the issue of shares, procure finished goods from members, and market them.

The first Handloom Weavers Cooperative Society was formed in 1905 after the Cooperative Societies Act had come into existence. From that time onwards, the number of weavers’ cooperative societies has increased. Cooperative of Handloom Weavers has been one of the major strategies of the government over the years to bring handloom weavers to an organized forum for production.

To provide effective support and protection and with the hope to ameliorate the living standards of the weavers, the Government of India has developed a coordinated national policy. A massive national handloom development program was launched about 5 years ago to ensure an adequate and timely supply of yarn, dyes, and chemicals at reasonable prices to the weavers and to provide assurance to weavers on selling their products.

1.2. Handloom Industry of Tamil Nadu

Tamil Nadu's weaving industry is one of India's largest, only behind Maharashtra and Gujarat. While there are a lot of Tamil weavers, the industry is also composed of many migrants from Saurashtra and Andhra Pradesh, many of whom migrated hundreds of years ago. The TN average daily production works out to 4.8 meters per day per loom, as against the national average of 5.1 meters per day. Tamil Nadu handloom industry produces a wide range of products meant for export including Kancheepuram silk sarees, handloom bed sheets, terry towels, Madras check lungis, Madras hankies, and furnishing materials. Silk weaving is also a very large part of Tamil Nadu's output and there are several districts including Kumbakonam and Thiruvudaimaruthur followed by Thanjavur, Papanasam, and a few others. In most of these districts, handloom weaving is the primary method with an emphasis on silk and cotton.

Similar to the rest of the country, the handloom weaving industry in Tamil Nadu is also organized through cooperatives. The Tamil Nadu Handloom Weavers Cooperative Society Limited popularly known as “Co-optex” was established in 1935 under the Cooperative Societies Act, with the primary objective to organize and promote the handloom industry in Tamil Nadu on a commercial basis.

While many measures have been in place to help and support the state's handloom industry, many of the weavers continue to live in poverty. The Government intends to provide these weavers with capital packages and increase the state participation in the weavers' cooperative societies to further help the weavers. As of February 2012, there were 2,077 primary weavers' cooperative societies in the state, with the Koorainadu saree cooperative in Mayiladuthurai being one of the key members.

1.3. The Koorainadu Sarees and their Cooperative

The Koorainadu sarees are a type of handloom sarees that are indigenous to the renowned weaving village near Mayiladuthurai in Tamil Nadu and have been an intrinsic part of Tamil Nadu's art and culture for nearly 5000 years. Traditionally they were only draped by brides and are renowned for their "checks and stripes" patterns. It is usually made with pure silk and fine-twisted cotton yarn in the ratio of 2:1 giving the sari a rich look and hence was popularly draped by women for their weddings. There are three types of looms used to weave these sarees: pit loom, raised pit loom, and frame loom. The first two set-ups are common in most weaver households. It takes about a week to set up the loom for a Koorainadu saree. The weavers usually continue the set-up for up to six months and change the designs based on the customer and market needs.



It is currently being produced by only one cooperative based out of Mayiladuthurai, Tamil Nadu. There are only five weavers remaining who are also slowly becoming too old to produce these sarees. Moreover, with no more prospective weavers coming into the cooperative, the art of making these sarees is on the verge of extinction. The loss of such an art that has existed for 5000 years will be an immense loss of the culture and heritage of the community.

1.4. Brief Information about the Cooperative and the Sarees

The Koorainadu sarees, today, are marketed and sold through Co-optex. Co-optex typically receives about 30 Koorainadu sarees per month and sells about 250 to 300 sarees every year. Since the craft is highly intricate and specialized, it takes a weaver 5 to 10 days to finish a standard Koorainadu Saree. With limited weavers today and the sarees being 100% handwoven, there are surely significant limitations on the number of sarees that can be produced every month. At Co-optex, weavers are provided with the raw materials and the design templates and are paid 40 percent of the price at which Co-optex purchases it from them. Typically, the Koorainadu sarees are purchased at an average of ₹6,000 each and a weaver earns around ₹1,700 per saree, with the other ₹700 (40% of ₹6,000 less ₹1,700) going to the cooperative. Co-optex also has a wage system where they pay 5% extra to weavers (₹300 here) which amounts to a total income of ₹2000 for the weaver per saree.

II. **Problems Faced by the Cooperative & The Causes**

2.1. Lack of Consumer Demand

We live in a world today that is full of continuous changes, from technological advancement to scientific discoveries. With globalization, people have evolving tastes and requirements. Each market has its tipping point, and for the Koorainadu saree market, we found that while there are various dimensions to the problems they face, we believe that lack of market demand is the key issue. This has been a prominent problem for more than 5 decades, as households change their preferences and tastes. The fashion industry, simply put, is quite volatile. Various factors influence the demand for a saree such as style, convenience, type of drape, maintenance, etc. Some traditional sarees are also made of different materials and are worn differently as well, and this also has a role to play in the customer's decision-making. Most fashion trends are depicted by the modern perception of fashion, and most individuals opt for modern fabrics and designs rather than old traditional ones. Therefore, it is essential, especially for the fashion industry, to uphold consumer demand and maintain it throughout. Unfortunately, Koorainadu saree manufacturers were not able to do so. The sarees continue to be with traditional designs and styles that are no longer preferred by many especially the younger generation of women.

This led to a devastating fall in sales for the manufacturers over the years and thus forced Co-optex to reduce the amount of Koorainadu sarees in their stocks, resulting in lower profits as a whole¹. “Co-optex has reduced buying from us. If they start again, we can potentially raise the relative demand in the market for these sarees.”, says Mr. Palanivel, the manager of the Koorainadu Cooperative.

Each saree manufactured is hand-made and highly customized. “There are very few mistakes when we make this because we are highly customized. The designs are changing very fast due to the fast-growing generation. We have had the ancient designs with us for a long time”, says Mr. Palanivel in an interview. This also introduces another serious problem they face; the inability to keep up with the constantly changing trends and needs. Changing their designs poses a threat to their sarees' cultural and traditional significance in the long run. Their classic "checks and stripes" patterns give meaning to their design as well. Mr. Palanivel rightly pointed this out by saying, “It's hard for us to switch designs. Once we switch, it's hard for us to maintain the previous designs so we won't be able to produce if they ask us to make the previous designs.” These constraints reduce their flexibility in terms of design and quality, and therefore, they are unable to keep up with the new trends in the Saree industry as a whole. These are the various threats lack of consumer demand poses.

2.2. Low Labour Supply

Now that we have established the relationship between a fall in consumer demand and the impact it has on the Koorainadu sarees, let us now see how it impacts the labor supply and its influence on the survival of these manufacturers.

Currently, there are only five weavers left in the industry, and they are struggling to attract the newer generations to this market. But why is that the case?

We found that one of the root causes of this is a lack of incentive for the younger generation to take this job. Since this industry is not attracting any demand, and the profitability of this market is low, the income earned from this business is extremely low. Essentially, there is very little reward for the factor of production - labor - resulting in a lower number of workers in the market as a whole as most choose to pursue more lucrative alternatives. Moreover, with wages low (brought up more in detail in the “pricing solutions” section 3.1), potential employees are reluctant to become a weaver in this cooperative.

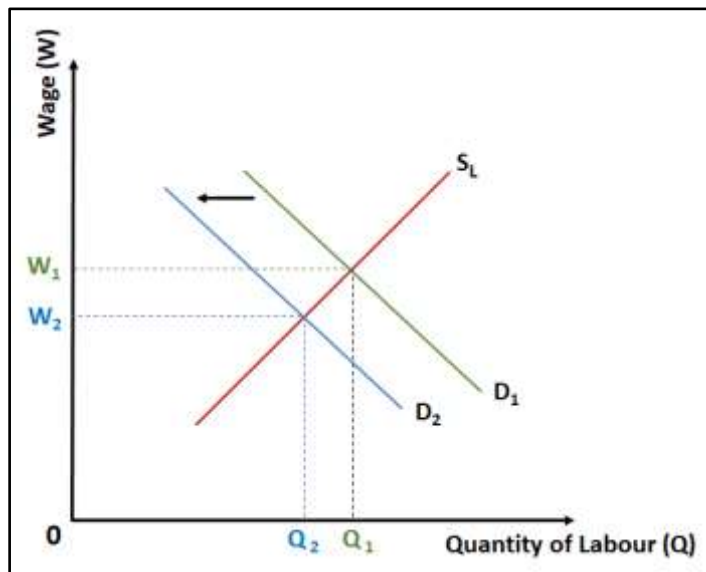


Diagram 1(a)

The diagram above [1(a)] represents an economic theory that suggests that a fall in the demand for labor results in a fall in wages and the quantity of labor in the market as a whole. The demand for labor is derived from the goods they produce, not from the individuals. Therefore, when the demand for labor falls, firms will not be able to effectively produce output, leading to lower profitability ratios, and therefore leading to an overall fall in wages or salaries for the workers. This leads to a decrease in the number of workers willing to work in the industry - a decrease in labor supply. As a result, we can conclude that a fall in demand for this industry affects the supply of potential labor, and therefore, affects the overall performance of this industry. This is another main reason why this traditional art is on the verge of extinction.

2.3. Lack of Marketing Initiatives

Now that we have understood how a lack of consumer demand and low attraction of labor affect the market for these manufacturers, we will now look at another significant problem this industry faces; a lack of marketing initiatives taken by the manufacturers.

Before we discuss how a lack of awareness affects this industry, we need to understand why there have not been prominent and significant awareness schemes in action. This is because of a lack of capital. Financial resources play an important role in marketing, and without financial resources, it can become very difficult for the weavers to market their products. Moreover, weavers also lack the skill to market. Unless they hire a marketing agent or someone with expertise in that field, they won't be able to hold fairs and exhibitions in other cities or other forms of marketing on their own.

Co-optex is currently the main medium of marketing for the Koorainadu sarees along with a few boutique saree retailers in the market, such as Sundari Silks, Chennai. However, there is no explicit marketing for Koorainadu Sarees; these sarees are merely sold alongside all the other sarees.

2.4. Lack of Pricing Strategy

Pricing strategies play an important role in gaining higher market share and using the appropriate pricing strategy at the right time can surely help make a significant impact on sales. The use of pricing strategies has the potential to influence the demand for a commodity and using the right one could bring back the demand in the Koorainadu industry.

2.5. Building a Positive Mindset in the Workers and Managers

This has been a pressing problem for decades, and there have been several initiatives taken by external organizations to help revive this industry, such as individuals from Switzerland who tried to expand this art into their country. However, this, along with several other attempts has failed in helping these manufacturers. This trend has been prevalent for years now, and this has led to a fall in hope for both workers and managers of the industry. Therefore, we need to shine a light of hope for these manufacturers so that they have the willingness to continue and not give up.

III. Solutions

After a close look into the industry, by conducting interviews with managers and through secondary research, we came up with the following strategies the manufacturers could use to reduce the economic pressures they are facing. We mainly looked at the positioning, product, distribution, pricing, and funding aspect since they could be most sustainable in the long run.

The root cause for all the problems in the industry is positioning and distribution. We are talking about an exclusive product and industry. These are exquisite handmade fabric that is available in very limited quantities. Co-optex is not a premium outlet for exclusive products. The sarees are being sold in competition with other regular power loom products. There is no way a handmade product can compete with a machine-made saree on labor costs. It is an accepted fact that handmade products are more exclusive and generally command a very high premium. Of course, the design and products must evolve with the changing taste and need in the market. Fundamentally with such limited supply, the entire Koorainadu product range must be modified, redesigned, and positioned as an exclusive super premium handmade product. The distribution channels will also have to shift with the change in positioning so that they reach out to the appropriate target audience.

However, Co-optex or other government-supported agencies can also continue to be a good structure to increase the buying capacity of these cooperatives by pooling in their sourcing needs.

3.1. Pricing

The key factor here is to increase the attractiveness of working in the cooperative, and the best way to do this is through high wages. Currently, a weaver makes an average of ₹2000 for each saree they produce. Taking an average of about 8 workdays per saree, the weaver makes an average daily wage of ₹250. For comparison, a taxi driver for a company like Ola or Uber can make up to around ₹1500 per day. This, in our opinion, is the main reason for the lack of interest in anyone wanting to work as an artisan weaver in this cooperative.

To counter this problem, the first step could be an increase in wages to ₹1000+ per day, about four times the current amount, which would increase interest in people wanting to become artisan weavers. This equates to about ₹7500 earned from each saree. If we keep Co-optex's ratio constant, then ₹7500 = 40% of the Selling Price, which means the Selling Price is about ₹18,750. Thus a range of ₹18000 - ₹20,000 per saree would be reasonable to make these sarees appear exclusive and at the same time account for the higher wages and other expenses.

The increase in wages to ₹1000 per day from ₹250 is quite useful in bringing up the attractiveness of being a weaver in this cooperative and is thus vital in preserving the art and not letting it fade away with the current generation of weavers. However, this does increase the final price of the saree itself and hence all the more we need to position the Koorainadu saree as an exclusive must-have piece of tradition rather than a regular daily-wear saree.

3.2. Marketing Solutions

To compensate for the estimated increase in the price to about ₹20,000, we need to establish the market segment that will buy at such a price and target that segment. The product attributes have to be recast by the premium designers of the country to re-engineer the product to suit the present times and taste of the buyers. In this case, the target market segment would be the upper class, rural and urban, and the urban upper-middle class, and the best sales outlet for them is through designer and boutique stores.

Tying up with these stores instead of Co-optex to sell their sarees would prove to be more lucrative. A quick survey of boutique stores shows that they will have no problems buying sarees costing ₹20,000 and making sales at twice that price or more. The key though is to fundamentally change the positioning of the sarees from what it is today.

Customization is also a useful strategy. A set of a few standard designs per batch and limited-edition designs can be made and passed on to the boutiques, with designs changing each batch, each sold for an average of ₹20,000. In addition, direct customization of the saree can also be an option where customers can give orders to boutiques (or even directly to the cooperative) for select designs and specifications at prices ₹25,000 upwards.

In addition to boutiques and designer stores marketing these sarees, strategies such as setting up a website with information about the sarees and weavers and establishing social media connections with customers, and encouraging them to appreciate the artform will all be essential to change the positioning and for rebranding the product. Once successful, in the future, the cooperative can further offer an export service where customers from other parts of the world can buy these sarees and the cooperative can ship them (through a tie-up with a shipping company).

Lastly, when it comes to the promotion itself, a focus on how this Koorainadu saree is special, different, and exclusive compared to the other sarees in the market will not just change the positioning but also increase the popularity among the target market. Building up the technical and cultural significance of the Koorainadu sarees will be a long-term strategy for success.

3.3. CSR Funding

Both the pricing and marketing strategies together can increase revenues for the Koorainadu cooperative. This and higher wages will attract more future weavers to enter the trade, and this will create a need for training and skilling of the workforce. Also, more product development and designs will be necessary to generate greater demand for the product. Both these expenses require funds, and CSR (Corporate Social Responsibility) funding is an excellent source of finance and extremely useful as the revenues from selling the saree will be used for purchasing and updating capital equipment, and other operational costs such as paying utility bills, obtaining raw materials, paying wages to employees, and so on.

As per Indian CSR guidelines, companies over a net worth of Rs. 500 crores or more, or a turnover of Rs. 1,000 crores or more, or a net profit of Rs. 5 crores or more in a financial year, have to invest at least 2% of their revenues in NGOs, Trusts, Religious Trusts, Societies, 12AA registered entities or 80G granted entities. With the Koorainadu weaving cooperative falling under “Societies”, it can obtain CSR funds.

This is a win-win situation: the cooperative receives significant CSR funds and can use them to expand the workforce, training, marketing, etc., and the company providing the CSR funds can not only reduce their taxes but also play an important role in reviving a dying art form.

IV. Conclusion

We live in a world where change is constant, most notably in consumer tastes and preferences. Such drastic changes in demand can be a boon for many industries, but a bane for others at the same time. Industries must change and evolve too. This is true in the case of the handloom industry in India. Handmade products need to be positioned right so that they are differentiated from machine-made products and offer an exclusive artform for the informed buyer. This is especially true when it comes to the Koorainadu saree cooperative.

The Koorainadu manufacturers are facing an array of challenges, from poor positioning; a lack of consumer demand to a lack of means or motivation to continue production and revitalize the dying art form. Furthermore, we will also have to consider the impact the COVID-19 virus had on the market. The pandemic had a significant impact on all sectors and industries worldwide, and specific to the Koorainadu manufacturers, it restricted their growth as a whole. Mr. Palanivel mentioned an incident: *“We planned to put a branch in Switzerland, but as COVID hit and for some governmental reason, we weren't able to have contact with them and didn't take any initiative. We kept asking the Switzerland officials, but they didn't respond as our superiors didn't take any action/initiative due to the pandemic. People from Bangalore also came to investigate this dying industry but just left it as covid and lockdown pressures intensified.”* India is a rich source of tradition and culture for the world and losing yet another ancient art form would be unfortunate and disappointing.

By making structural changes to the industry, and recasting the product, price, and distribution mix a lot can change for the artisans. This is a pressing issue that needs to be addressed urgently. Our proposed solutions are by no means the only way to help them, but they could be a potential stepping-stone for their market revival. We sincerely hope that this report gives everyone reading an idea of the various problems the Koorainadu industry faces, and the significance of the issue.

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The learnings and insights we have gained from this project are something that we will surely carry for the rest of our lives. The Koorainadu Saree is an intrinsic part of our culture and tradition and it would be a huge loss if this craft is lost forever. We are committed to doing our best to create awareness and identify creative solutions to keep this craft alive. We sincerely hope that this report will be the first of many actions to revive this industry.

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