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**SOCIAL ENTREPRENEURS WHO
MAKE A DIFFERENCE**

Jaipur Rugs is weaving a better future for India's artisans



POWER OF THE LOOMS

By cutting out middlemen, Jaipur Rugs, India's largest carpet manufacturer, has improved the lives of 40,000 weavers

"To work with the grassroots, one has to feel like one of them and understand the way they think"

— NAND KISHORE CHAUDHARY
Founder

STARTED
1978

LOCATION
Jaipur

INITIAL INVESTMENT
₹5,000

SOCIAL IMPACT
Employment
generation for
weavers across
10 states

Aditi Saxena

Every morning around 7 am, the women of Narhet village in Rajasthan's Alwar district meet at a community centre. It's also a great opportunity for the little ones to play together as their mothers catch up on the latest happenings in the village, sing and sometimes dance and also earn their livelihood. Four looms dot the community centre and the women, dressed in colourful lehengas and odhnis, settle into place to tie knots faster than the eye can see. It takes two weavers more than two months to make an 8x10 foot carpet, 16-year-old Sita explains, her fingers flying across the warp. She adds that the carpets Narhet's men and women make are then processed for finishing touches before being sent off to stores in the US and the UK. "I know so much because I go to school," Sita says as her mother Ramta Devi pats her back proudly. Sita studies in the village school and helps her mother on the loom once she's free.

Unlike most Indian villages, agriculture isn't the mainstay at Narhet: weaving is, and almost every house in the village has a loom of its own. For Babulal and his wife Kalli Devi, for instance, the loom is everything. "I love the loom more than my sons — it is because of the loom



Each weaver is paid close to ₹150 a day, unlike the earlier ₹50-60 paid by middlemen

that my three sons are educated," he says. There are 10 men of the same name in this village of 2,500, but this Babulal stands apart because his eldest son is now a teacher at a government school in Delhi.

All this wouldn't have been possible some years ago. Then, Narhet's weavers sold their work to middlemen who paid them a pittance — the weavers had to spend on buying the raw material (mainly wool) and would be paid less than ₹50-60 for a day's work. Now, things have changed, not just for Babulal and Ramta Devi, but the entire village. The raw material is delivered to their homes, each weaver is paid close to ₹150 a day, those who don't own looms can work on the ones at the community centre and those who don't know how to weave can be trained in the skill. Making the difference is the frail-looking, white-haired Nand Kishore Chaudhary whose company, Jaipur Rugs, is giving independent weavers across India a chance to earn more than just a sustenance living. In the process, it has become India's largest manufacturer and exporter of carpets and has revenues of over



₹106 crore. Chaudhary has been invited by some top B-schools, including Wharton, to talk of his experiences, while the late CK Prahalad included a case study on Jaipur Rugs in the fifth edition of *The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits*. "Jaipur Rugs is grounded in its commitment to the development of the rural communities in which it works," wrote Prahalad in the book. "Jaipur Rugs provides a unique and dynamic example of how a profitable commercial con-

nection between the poor and the rich — across the world — can be done." All of which is very nice, says the 60-year-old Chaudhary, but secondary to what's being achieved on the ground. "We have succeeded in giving weavers a better livelihood and stopped their exploitation," he says.

STARTING OFF

When you enter the corporate office of Jaipur Rugs in the city with which it shares its name, your eyes are immediately drawn to a 20-foot long wall hanging covered with hand impressions in various colours. It isn't just any wall hanging — on June 13 every year, the company's foundation day, a new cloth is strung up with the palm prints of every employee of the company. What is remarkable is that just 200 employees supervise the work of over 40,000 weavers in 600 villages across 10 states.

Chaudhary's beginnings were much more modest. He started off in 1978 as a 24-year-old graduate who decided against working in the family shoe store in Churu, Rajasthan, and instead borrowed ₹5,000 from his father to set up two looms at home. With nine weavers on his rolls, Chaudhary didn't just take on job work — he also learnt to weave and enjoyed it. "I spent all my time with the weavers and even ate with them, next to the loom," he recalls. For the next decade, he expanded the business locally, selling his carpets to dealers in nearby areas. In 1990, he moved with his family to take advantage of the Gujarat government's efforts to promote carpet making in tribal belts, where cooperatives were not making enough headway. "There was immense opportunity in terms of labour and skills, but the weavers were just being exploited."

For the next eight years, he worked with the tribals, teaching at the weaving centres and even

bringing in master weavers from Rajasthan to show techniques to improve skills and reduce wastage. The result: he had over 15,000 weavers selling him their work and was exporting a truckload of carpets (over 15,000 sq ft) every 10 days to customers in the US and Europe, comprising large department and home décor stores. He then moved back to Rajasthan, made Jaipur his headquarters and formally set up Jaipur Rugs as a company in 1999. Today, the company is growing at 11% CAGR, has 11 brand offices in seven states and an office in the US. While Chaudhary continues to head the India business, his eldest daughter, Asha, manages the American operations from Atlanta. Impact investor Grassroots Business Fund (GBF), which has been advising the company since 2009, invested \$1 million in Jaipur Rugs in March 2012 to support the company's growth. "We believe in their business model of creating unique handmade carpets and exporting them while providing economic growth opportunities to artisans and weavers," says Jamie Ramirez, CIO, GBF. "Since our engagement, we have witnessed the company's growth and strengthening."

REACHING FAR

How does Jaipur Rugs make a difference? By cutting out the middleman — it operates a vertically integrated model where it sources the raw material from the wool *mandi* in Bikaner, New Zealand and China, has it spun and carded and sent to the weavers who sell their final product back to the company. The company's designers — some 50-odd, many of them interns from the National Institute of Fashion Technology — create the patterns for the rugs, and a digital print is given to the weaver. While the artisans continue to be paid daily wages, direct dealing with the sell-



JRF provides free looms and helps weavers improve their skills through training

er means they get wages that are three times higher. Of over 40,000 weavers working with the company, 85% are women. The artisans are paid per sq ft of completed carpet, depending on the quality. Silk carpets command a higher rate than wool but the average pay is ₹130-150 per sq ft — most artisans weave at least that much every day.

Then, in 2004, Chaudhary also started the Jaipur Rugs Foundation (JRF), which works with weavers to improve their earning potential and provides looms free of cost where required. JRF also provides textiles ministry-approved artisan cards, which are recognised as official identity proof and entitle weavers to benefits such as government subsidised medical care. So far, 500 weavers have been given artisan cards through JRF and 200 more are expected to receive theirs within the next two months.

The focus now is on not only ensuring zero defects in the carpets, but also encouraging artisans to explore their creativity. Recently, Jaipur Rugs provided raw mate-

rial to 100 selected weavers, but no design. "We would like them to decide their own designs as an experiment," says Kavita Chaudhary, the promoter's third daughter who has studied product development in the US and looks after R&D.

Quality supervisors in every village visit the looms twice a week to ensure children aren't being made to work on the looms and that quality standards are being met, reducing chances of rejection and bettering artisans' income (the daily wage is also linked to the quality of the final product). If additional training is required, JRF provides it, free of cost. A company team also goes from village to village, hunting out potential candidates for training. "We recently organised three employment fairs in Jharkhand and Odisha, where over 500 weavers were picked up," says Chaudhary, who himself spends 20 days of the month with artisans in the villages. "To work with the grassroots, one has to feel like one of them and understand the way they think," he explains. ☐