

JAIPUR

Each Artisan, An Enterprenuer



JAIPUR RUGS FOUNDATION

(Registered Under Public Trust Act, 1959, Rajasthan)

Employment Employability and Entrepreneurship

A promise for a better tomorrow



2007-2008

ANNUAL REPORT

Introduction

Jaipur Rugs Company Pvt. Ltd was founded in 1999. Formerly known as Jaipur Carpets, Jaipur Rugs Company Pvt. Ltd (JRCPL) is today known as the best manufacturer and exporter of hand-knotted Indian rugs in the industry. With its headquarters in Jaipur (Rajasthan), the company has over 22 branches in ten states of India. The company exhibits the rich and traditional craftsmanship of the Indian weavers through its authentic product range.

Over a period of 30 years, Jaipur Rugs has strived in every way to reflect its inner self to the stakeholders. With a bonding of more than 35000 artisans, the company has made huge waves in the international market in the recent years. It has continued to perfect techniques and carry the rich heritage forward into homes and businesses in 20 countries around globe. The company's mission is to develop a secured community that grows with changing times and to deliver every customer the skills sets of each craftsman. Every moment, the company lives a dream of each artisan and connects them to million hearts worldwide.

In 2004, Jaipur Rugs Company launched its first social initiative to meet the goals of socio-economic development in the industry. This initiative was a pledge to spread the art of carpet weaving amongst potential artisans, unemployed and under privileged rural citizens to improve the figures of available manpower in the Indian carpet industry. Formerly known as the International Research and Development Institute (IRDI), this institute touched many lives in the rural boundaries of India. It was later in 2007, when this institute was renamed as **Jaipur Rugs Foundation** with the primary goal of generating jobs for the rural artisans in the industry, training the unemployed to become employable and assisting them to become entrepreneurs.

Birth of JRF

Jaipur Rugs Company, in its attempt to respond effectively to the growing needs of the rural artisans and weavers had initiated a foundation named Jaipur Rugs Foundation. It was an attempt to reach out to the underprivileged and deprived sections, and help them to grow, develop their self-esteem and morale. Registered under the Public Trust Act 1959, Jaipur Rugs Foundation (JRF) aims to build a new world in

the industry where small artisans and weavers whether employed or unemployed can get their spaces to breathe and flourish without being exploited.

On its way to reach the goals of a secured community, the company had found certain issues that were prevalent in the nearby rural areas of the weavers associated with the production centers. These grey areas were as under:

Economic Factors

In India, almost 3/4th of the population resides in rural areas and surprisingly, the same proportion is still dependent on agriculture for sustenance. Not many rural areas can irrigate or conduct farming activities owing to natural circumstances such as scanty rainfall, less availability of irrigable lands, drought, natural famines etc.

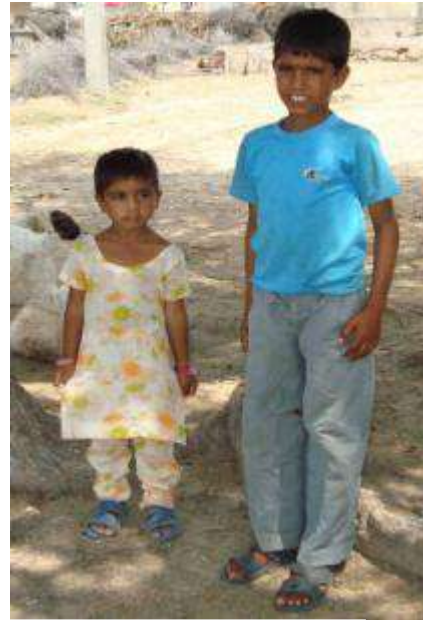
- **Scanty rainfall:** Owing to topographic locations, some areas do not receive enough rainfall to sustain farms or irrigation of producible goods.
- **Landless Farmers:** Farmers especially belonging to the deprived sections of the society are landless or are given a small share in land holdings. The result of which is less produce that is marketed for less price.
- **Cattle raising:** Communities who cannot afford a land, dwell their livelihood on cattle raising. Cattle raising still does not help in generating necessary savings for future.

Social Factors

Even after 60 years of independence, some sections in India are still nailed to slavery, inequality and injustice. Rural economy still has a divide amongst various sections of the society. Discrimination on the basis of gender, caste, creed, colour, and status still prevails. Some prominent areas that came before the company and that lead to the foundation's existence were:

- **Presence of SCs/STs and underprivileged communities:** The underprivileged sections of the Indian society such as scheduled tribes, scheduled castes, dalits etc are considered incapable and insufficient to acquire a decent stature in the society. Such communities have been knocked off from places, forbidden in various spheres to claim financial assistance, power, authority, status, education, employment etc. The restrictions and unavailability of resources has made these communities such that they have suppressed their self-esteem and morale needs or they fail to rise from what has been persistently carried out in the name of culture or tradition.

- **Conditions of women and children:** In villages, women and children belonging to any community are suppressed and denied access to facilities. Girls are not even allowed to pursue their basic education in villages. They are not aware of health, nutrition, HIV, sanitation etc.



Women and children from Rajput community

- **Low self esteem:** Because of many prohibitions and restrictions, communities such as Dalits, SCs, STs live with a very low self-esteem and zero confidence levels of having a brighter future.
- **Migration of youth and exploitation by middlemen:** The current situation across the rural economy of India is such that youth aged between 15 to 30 years migrate to metropolitan cities in search of better pay scaled jobs. The reason why they migrate is simply because they are heavily exploited by the contractors and middlemen who place seasonal demands and pay them less than what they actually deserve. Some do not even know about their minimum wages and are charged against commission or mortgages by the middle men so that they can have absolute control over them.

Though the government has worked hard in bringing new welfare schemes and policies for the development of the rural artisans, yet many of them hide behind their shadows as they are unaware of these developments existence. Government alone cannot afford to educate these rural people about their welfare schemes or policies. A formulated approach by other local bodies and the private sector together can strive to bring a revolution.

Why Carpet Weaving?



Weavers and artisans working on making a carpet

The foundation encourages carpet weaving amongst the poor, unemployed and underprivileged communities in various villages of India. The reasons why carpet weaving has been chosen as a source for generating sustainable incomes are:

- Carpet weaving serves as an alternative source of livelihood for those areas that are economically backward, have no agricultural activities and are culturally degraded
- Carpet weaving serves as an effective famine & drought proofing option
- It is an art that is adopted by many village women. Most of the villages have women playing a lead role in their family when it comes to income generation
- It is an occupation that can be practised while sitting at homes

Foundation's Vision

To create a democratic society where equality, justice sensitivity and peace prevails through equal employment opportunities that further yields in socio-economic development.

Foundation's Mission

Empower, enhance and develop especially the underprivileged, poverty struck families and communities such that they establish themselves as individuals with high self esteem and motivate them to advance into entrepreneurs through sustainable business hubs.

Goals and Objectives

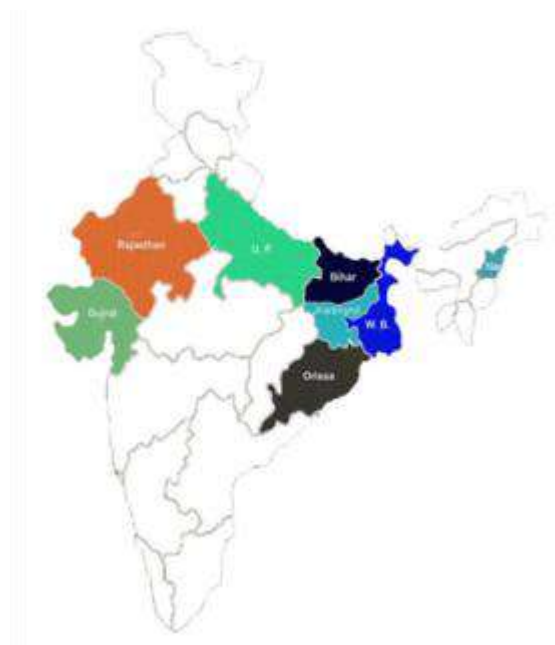
The Jaipur Rugs Foundation Model acts like a facilitator that bridges such sections of the society with the higher level i.e the government. The goals of this foundation are:

- To encourage and improve the living conditions of the rural weavers and artisans
- To enhance their earning capacities through proper guidance and training
- To facilitate the rural artisans with the latest technologies
- To uplift the underprivileged and vulnerable sections of the societies

The objectives that are in lieu with the mission of the foundation are:

- To provide employability in the carpet industry in order to eradicate poverty in drought and agriculture starved rural areas
- To uplift the underprivileged communities such as SC/STs and Dalits by providing them equal sustainable opportunities
- Facilitate and expose weavers and artisans to the global standard of weaving, design development and help them to understand the concept of globalization
- To encourage capacity building of rural communities and empower them through transferring ownership
- To work in tandem with Panchayati Raj Institutions, local self government bodies, NGOs, corporate sector bodies, MFIs/Banks and other stake holders in promotion of viable rural enterprises, micro businesses and/or any feasible form of business entity/group
- Believing in people process capacity building programs
- To develop a positive integrated and holistic environment for weavers sustainability

Areas of Operations



Number of States: 10

Name of the States: Rajasthan, Uttar Pradesh, Gujarat, Jharkhand, Bihar, West-Bengal, Nagaland, Orissa, Arunachal Pradesh and Maharashtra

Carpet weaving clusters formed: 40

Number of villages: 680

Total number of artisans: 25000
(approx)

Total number of looms in all the 10 states: 6250

Table A representing the number of villages covered this year:

S.No	Names of the States	Districts
1.	Rajasthan	Churu, Sikar, Jaipur, Alwar, Tonk, Bharatpur, Bundi, Sawai Madapur, Dosa, Ajmer
2.	Uttar Pradesh	Mirzapur, Sohnbadra, Santravidasnagar, Badayu
3.	Gujarat	Balsad, Narmada, Surat
4.	Jharkhand	Deogarh
5.	Bihar	Gaya
6.	West-Bengal	24-South Paragana

7.	Nagaland	Phak, Peren
8.	Orissa	Kendrapara
9.	Arunachal Pradesh	Bomdilla
10.	Maharashtra	Nandanbar

Table B representing the communities covered this year (as per CII reports 2007-08):

Community wise break up of Artisans working with Jaipur Rugs in various states in India

S N	State	SC			ST			OBC			Total
		M	F	Total	M	F	Total	M	F	Total	
1	Rajasthan	2250	3250	5500	250	750	1000	350	650	1000	7500
2	Gujarat	0	0	0	1500	4500	6000	0	0	0	6000
3	Uttar Pradesh	300	450	750	0	0	0	2400	1600	4000	4750
4	Bihar	250	150	400	0	0	0	200	75	275	675
5	Jharkhand	250	250	500	250	250	500	65	35	100	1100
6	Orissa	140	210	350	120	180	300	0	0	0	650
7	West Bengal	225	275	500	45	55	100	250	150	400	1000
8	Nagaland	0	0	0	40	160	200	0	0	0	200
	Total	3415	4585	8000	2205	5895	8100	3265	2510	5775	21875

Note: The tabulated data are approximate and may vary up to 5%. In addition to the above, over 3,500 artisans are from the Muslim and General category from Hindu fold. SC: Scheduled caste; ST: Scheduled Tribe; OBC: Other Backward Caste; M: Male; F: Female

The Concept of 3E's

According to the findings of National Sample Survey Organization (NSSO), since the exports grew by 23% this financial year, an additional 21 million jobs are expected to be created between 2004-05 and 2009-10. A nation where agriculture has been a major source for earnings in the rural community, the problem of unemployment however has not been solved. There are many industries in India that lack in skilled labour either due to absence of qualified skills or their availability. JRF aims to identify the available manpower and equip them with the art of carpet weaving so that the industry in general does not fall in short of skilled labour.

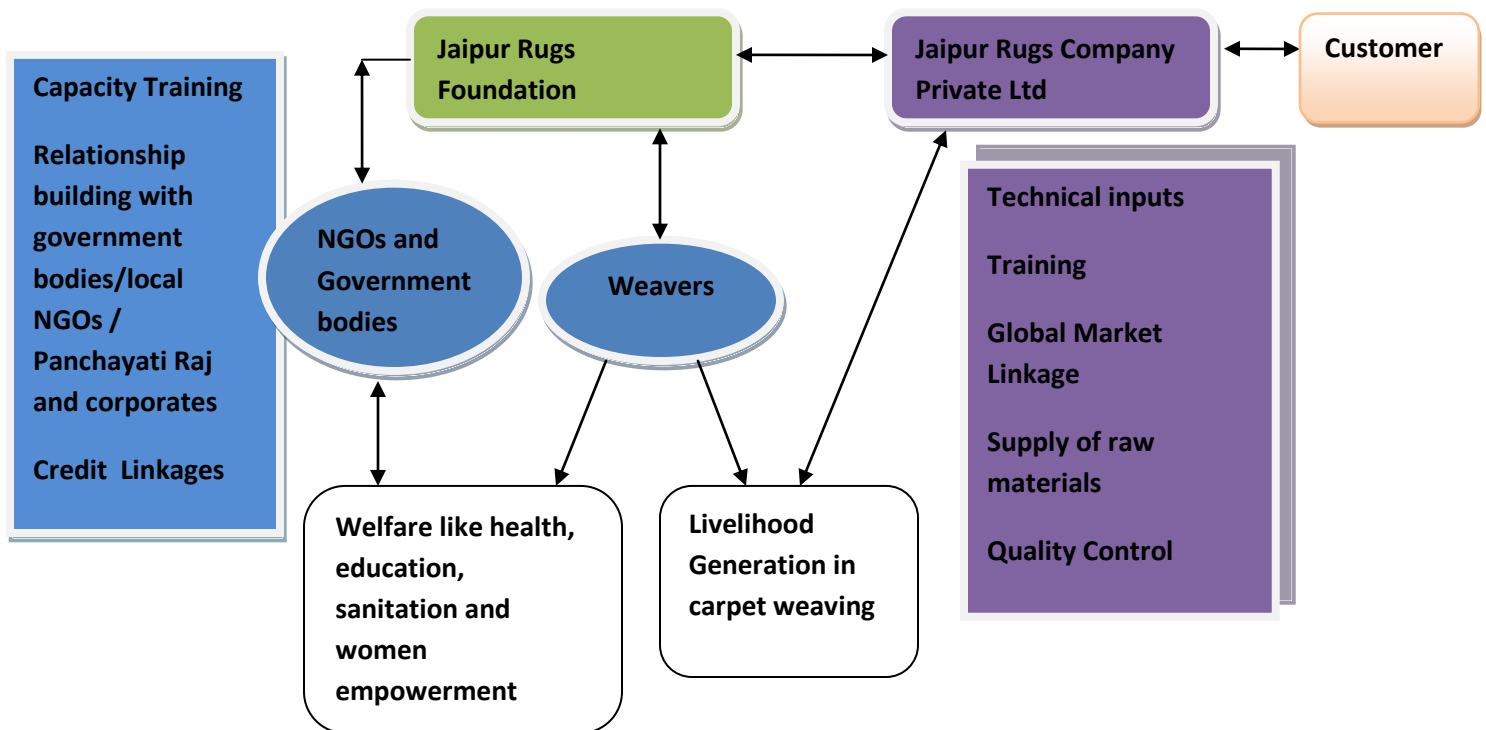
This foundation is based on the concept of 3Es which encompasses- producing **Employment** for the unemployed, providing **Employability** for the ambitious artisans and supporting them in every way to graduate them as **Entrepreneurs**. The philosophy of touching and nurturing every life has been dependent on two pillars: to increase the earning capacities of the rural artisans and helping them to sustain a better standard of living. By doing so, the underprivileged and deprived sections of the society can be uplifted and can be provided with permanent livelihood that can aid them in earning income while sitting at homes.

When the rural artisans are trained in carpet weaving, the company intends to employ such weavers in its production process thus ensuring that these craftsmen receive a stable income and sustain a better livelihood. The looms and training on carpet weaving is provided by JRF to the civilians who are enthusiastic about this occupation.

JRF's working model

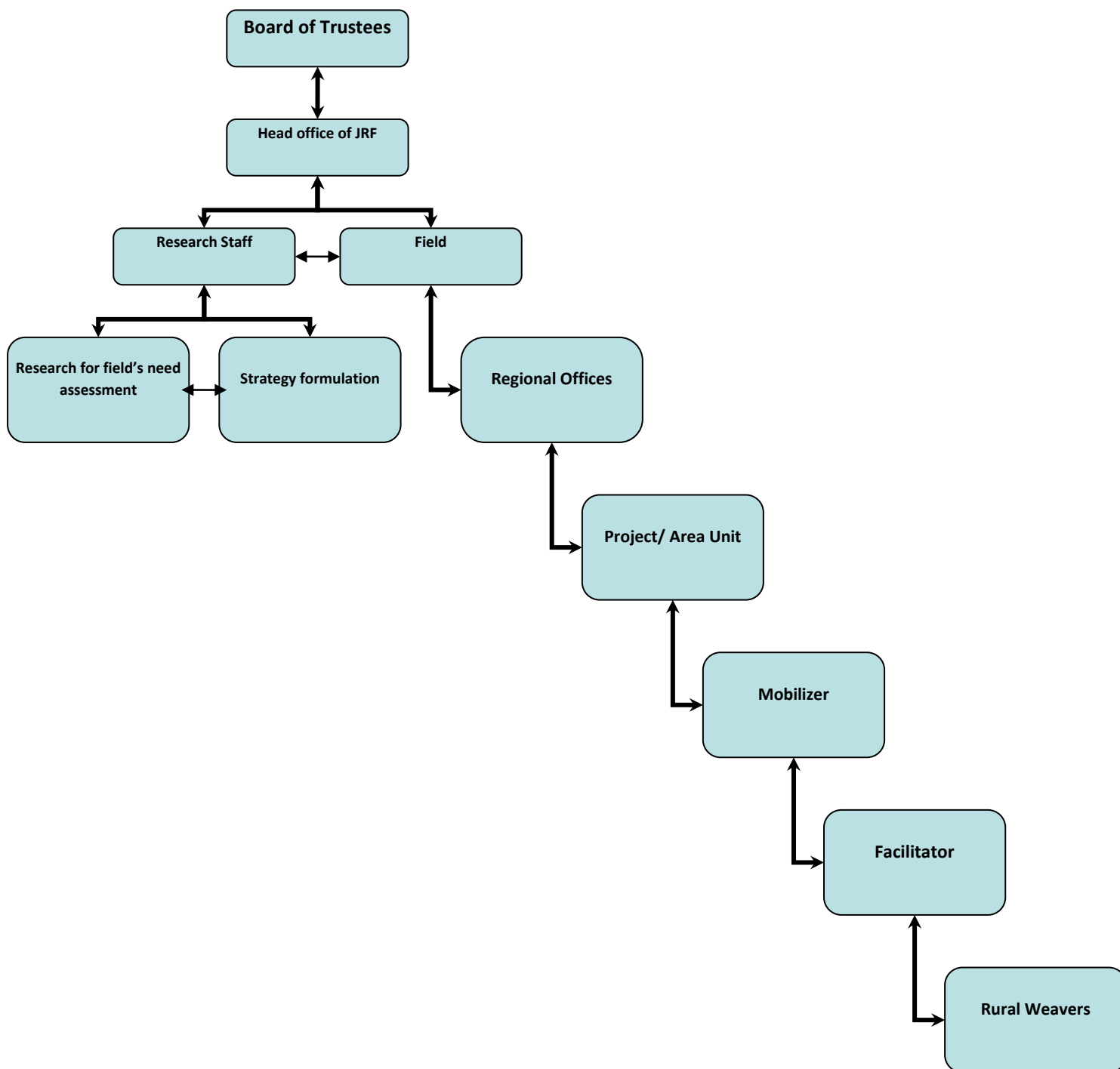
By ensuring right people at the right time and at the right place, JRF acts like a facilitator to the rural villagers who can then have a direct access to the markets and reforms available with the government. Where Jaipur Rugs Foundation focuses on the overall development of weavers, Jaipur Rugs Company provides these rural weavers with global market linkages. JRF in collaboration with the Panchayati Raj and local government bodies strives to build a positive environment at places where these rural artisans reside and motivate them to develop their capacity building, technical know-how, quality control and provides them with micro-credit facilities.

To conclude, JRF undertakes the welfare of these weavers. The welfare activities can only flourish once a sustainable livelihood is provided. There is a built in bridge between the company and the foundation such that one generates employment and the other takes care of the weaver's overall integrated development.



Foundation's Structure

Since the organization has spread itself in various states, each branch has the responsibility to figure out the villages nearby who are in desperate need of an occupation or are currently engaged in carpet weaving so that the foundation can direct its team members in these areas. The chart below defines the hierarchy in which JRF operates:



Levels of Operations

The various levels at which JRF operates are:

Micro level

At this level, the foundation works through Rural Business Hubs with the self help groups, common interest groups and other NGOs that are in touch with the rural artisans.

Meso level

At this level, JRF works in collaboration with the State and Central Government, Chambers of Commerce and other funding agencies with the support of Jaipur Rugs Company Private Limited (JRCPL).

Macro level

With the support of the parent company, 100% buy back support is given to the weavers that are marketed in International markets such as U.S. and Europe. The company has its sister concern Jaipur Rugs Inc. which is U.S. based and is also present in Belgium. Moreover, at macro level the foundation is continuously strengthened with the help of World Bank and Chinese Government.

Approach Undertaken

The approach that is undertaken by the foundation is as under:

1. Identifying the rural areas

Meetings are conducted in the villages by the mobilizers to understand the topography of an area, the occupation prevalent, the challenges faced by people etc.

2. Need Assessment of Livelihood

Once a village is identified, research is undertaken to know the existing livelihood undertaken by the residents of the areas and to know which households will be comfortable to adopt carpet weaving as their livelihood.

3. Identifying the capacity

This is again achieved by meetings and surveys in the respective areas that are identified. Then Common Interest Groups or Self-help Groups of weavers is formed. The group more often

comprises of 10-15 members belonging to an age group of 18 to 55 years. The idea is to recognize and identify the talents and potential of the members who can be trained in carpet weaving.

4. Selection of Personnel

Weavers and master trainers are selected on the basis of their potentiality and capacity to produce.

5. Training

Capacity Training

Capacity Training is aimed at improving the existing skill sets of carpet weaving and inducing more refined skill sets for the market. The module involves technological inputs by the company. Basic carpet weaving training comprises of how to use a loom, the functionality of tying different knots, how and when to use fabrics, what type require what stretch etc

Welfare Training

Rural weavers are informed about the various trends in health, education, sanitation, government schemes and women empowerment.

Leadership and Entrepreneurship Training

The aim of this foundation is to develop future leaders in the industry. Weavers can also become entrepreneurs. By imparting leadership skills through modules that focus on personality development, soft skills, motivation etc rural weavers can be trained to take the ownership of their work.

6. Market Linkages

Jaipur Rugs Company provides global market linkages of hand-knotted rugs through Jaipur Rugs Inc. The company also offers Buy-Back arrangements and arranges competitive pricing at trade fairs and carpet exhibitions.

Activities undertaken

A. Collaboration with Indian Government

Rajasthan mission on livelihoods

Rajasthan mission on livelihoods is a government supported agency that works towards livelihood generation in Rajasthan. The Rajasthan mission on livelihoods (RMOL) was established in September 2004 to promote livelihoods, especially for the poor of the state of Rajasthan. A significant challenge for Rajasthan is ensuring faster growth that is pro-poor, with livelihoods that are sustainable. A figure of at least eight lakh new livelihoods is needed every year to keep up with rapid growth of the labour force and increasing unemployment.

It is also important to increase the incomes of at least 20 lakh working poor in order to tackle poverty. With the collaboration of Rajasthan Mission on Livelihoods, Jaipur Rugs Foundation had successfully completed carpet weaving skills creation training program for 100 trainees. Since the foundation works towards uplifting the deprived and underprivileged communities, Rajasthan mission on livelihoods funded the foundation as the bottom line of both was same.

The program aimed to provide carpet weaving skills to weavers, building their capacities through training and enable them to become micro-entrepreneurs. Four villages were looked at for this non-residential program namely: Payali, Golshar, Chhajushar and Malpura of Tehsil-Ratangarh, Dist.Churu (Rajasthan).

A group comprising of 25 weavers in each village was formed to go through the structured training module by Jaipur Rugs Foundation. The period of the training was 75 working days with 7-8 hours of intensive training. In each village, 6 training looms were installed to train 25 weavers supervised by 3 master trainers.

A summarization of the figures can be stated as under:

S.No	Number of Villages in Ratangarh	Number of trainees	Number of looms
1	Payali	25	6

2	Golshar	25	6
3	Chhajushar	25	6
4	Malpura	25	6
	Total	100	24

A detailed description of the training program is as under:

1. Identification and Selection of artisans

Through social meetings the JRF team sought details of the number of deprived societies present in the villages, number of women and men available from BPL sections etc. They were selected on the basis of their livelihood need assessment. After being selected, they were registered by the foundation so that they can be paid a stipend on the basis of their attendance in the training program.

2. Skill training of artisans (25 trainees per Batch)

The training program emphasized on imparting knowledge of the kinds of knots used, methodology to tie knots for different raw materials like wool, silk etc, awareness about colors, introducing map reading, understanding design developments, introducing terms like lachi, theda, tani, panja etc.

Outcome of the Training:

- A cluster of skilful artisans and weavers was created
- Generated a family based employment unit since three persons can work on a single loom
- Regular income and stability of work
- The average earning of an artisan was increased up to Rs. 70-100

District Poverty Initiative Project, Government of Rajasthan

Jaipur Rugs Foundation in collaboration with the District Poverty Initiative Project, Government of Rajasthan and URMUL Trust (Bikaner) conducted carpet weaving training for the artisans of Ratangarh, Churu district. The training program covered 14 villages of Ratangarh block and

around 23 self help groups were involved. This intervention supported 1900 weavers on 630 looms. On an average, this training program benefitted 600 families.

Rajasthan Backward Classes Finance and Development Corporation

With the collaboration of Rajasthan Backward Classes Finance and Development Corporation, a three year project was initiated in Dausa. Regular interactions and meetings with communities were undertaken to analyze the local artisan's livelihood needs. A strong network was built and other development activities such as seminars on importance of education, health, sanitation and women empowerment were undertaken. Basically, three self help groups were formed named: Mahadev (18 members), Shankar, Bahravanda (10 members) and Shivam, Garh (11 members). These self help groups were supported with subsidies to purchase their own looms.

B. Collaboration with NGOs in West Bengal

South-24 Pargana is a complex district, stretching from the metropolitan Kolkata to the remote riverine villages up to the mouth of Bay of Bengal. 84% of the population lives in the rural areas, where development is taken care of by the panchayat bodies. The remaining 16% population is looked after by the Kolkata Municipal Corporation and seven municipalities. The scheduled caste comprises 39% of the total population and B.P.L. families constitute 37.21% of the population natives.

The major percentages of the rural populace are marginal land holders and landless labours. Due to the high level of rural unemployment and poverty level, the district qualifies under the BRGF Scheme of central government. The schedule caste population is approximately 1,58,147 that comes to 32.12 percent of total population. The district has a sizeable population of the landless people engaged in small handicraft and trade, i.e. about 22,496. It has also been observed that there are around 2,13,570 agricultural labours.

Particulars	Figures
Schedule Caste	1,58,147
Landless labours in handicrafts	22,496

Agricultural labours	2,13,570
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Jaipur Rugs Foundation started the carpet weaving program for promoting sustainable livelihood among the underprivileged sections of the district in collaboration with the financial support of National Research Development Corporation and Vivekananda Sevakendra –O- Shishu Udhayaan. The project was started with two looms and 10 beneficiaries were trained out of which nine were women from the under privileged section. In order to expand further, Jaipur Rugs Foundation provided 10 more looms for implementing training in seven new villages. The ten trainees who were trained earlier are now training 80 weavers and artisans in Sumak carpet weaving.

The foundation has also planned to extend this training program to benefit 160 more trainees through the installation of 20 additional looms in villages like Mallickpur, Ghateswar, Narayanpur, Sankarpur, Gaberia, Gajipur and Durgapur. This training will be incorporating provisions for paying wages to new trainers, master trainers and stipends to about 240 trainees (10+20=30 looms* 8 trainees=240).

C. Self-Organized Project

In Bihar, there is a very wide gap between the 'haves' and the 'have nots'. The source of livelihood in the state is bare minimum as a reason of which many youth are left unemployed or many have migrated to other metros in search of better pay. The poor and below poverty line families do not live a sustainable source of earnings as they are either completely landless farmers or they have very small lands on which very less irrigation can take place. Majority of the rural areas in the state comes under naxalite region and the conditions of women and children are very pathetic.

The foundation planned to step into Gaya village and conducted a survey in the month of November 2007 to understand the problems of the people residing in this village. Through this, we found that the only source of income generation that the residents of the village had was agriculture out of which only one household had a better land holding as compared to the others. To initiate carpet weaving training, artisans from nearby seven villages (approx) were mobilized in Gaya through social meetings and interactions. Since the conditions of the women was very low, the foundation conducted counseling sessions with the women of Gaya village and nearby areas to understand their issues and motivate them to earn a living of their own through carpet weaving.

At first, many of the women faced extreme problems at their homes since their husbands or in-laws did not allow them to step out of the house. Our team constantly strived to convince their families on gender and sensitivity issues. Gradually, we could see a rise in the number of women weavers attending our training sessions. Around 32 females from these villages were trained on 10 looms in the early months of 2008 and they have been successful weavers by far.

Partners

Partner Organizations: 'Together we can make a difference'

The Jaipur Rugs Foundation has joined hands with other partners in its attempt to penetrate deep into the hearts of the rural citizens. The foundation believes in working close with those who have a defined philosophy focused towards working for the betterment of underprivileged. It intends to propagate carpet weaving as a source of livelihood thereby increasing the economic status of the rural artisans. Some of the valued partners of this foundation are:

- Jaipur Rugs Company Private Ltd(JRCPL)
- Punjab National Bank (PNB)
- World Bank
- Rajasthan Other Backward Classes Finance & Development Corporation
- Development Commissioner- Handicrafts Ministry of Textiles, Government of India
- Tribal Ministry, Gujarat
- District Poverty Initiatives Program (DPIP), Government of Rajasthan
- NABARD (National Bank for Agriculture and Rural Corporation)
- NRDC (National Research Development Corporation)
- Confederation of Indian Industry (CII)
- Ministry of Panchayati Raj, Government of India
- Department of Industries, (DIC) Government of Rajasthan

Building Community

The foundation believes in the art of carpet weaving. The idea is to promote the concept of self-sustenance and the spirit of entrepreneurship among the rural citizens who by their virtue have been underprivileged or unemployed. Any given economy can progress only once it is stabilized. Through the joint initiatives, the foundation has tried its best to provide a source of consistent income to the rural families. These collective efforts have made differences in the lives of each artisan belonging to any gender, caste or creed.



Awareness drive conducted for females



Volunteers performing a skit

Government: Adding Momentum through Policies

The Jaipur Rugs Foundation has also helped the government to reach out to the rural citizens. Many a times it so happens, that the schemes provided by the government in certain areas are hardly heard of by the artisans. The foundation assisted the government to implement their schemes in the areas covered by the respective teams. An awareness drive was put into action to educate the artisans. Some of the benefits that were culled out during the drive can be highlighted as under:

- Government's policy of providing loans on 5% interest to the Other Backward Classes (OBC) community helped them to purchase looms and establish their own set up
- Insurance cover to artisans under Prime Minister's Insurance Scheme helped the artisans to get their lives covered under health insurance schemes and thus avail a better standard of living
- The identity cards for the artisans under the government schemes helped them to avail the benefits of discounted loan rates

Networking with NGOs

The Jaipur Rugs Foundation has also joined hands with various NGOs in Rajasthan and Uttar Pradesh. This year, these NGOs are 16 in number and apart from these NGOs; the Jaipur Rugs Foundation is also networked with the following associations:

- National and regional level handloom organizations
- Weaver's service centers
- Regional level handloom weavers' cooperative societies/federations
- Primary handloom weaver's cooperative societies
- National level training institutes for imparting managerial skills
- Cooperative training institutes
- Self-help groups in the Handlooms and related sector

Forward Looking

In the years to come, the following are the tasks that are to be accomplished by Jaipur Rugs Foundation:

- To conduct 12000 skilled program in selected states
- To focus on organizational capacity building program
- Revisal of organizational system and processors' to match various NGO's standards
- Linking artisans to Rajeev Gandhi, Shilpi Swasthya Bima Yojna and Janshree Bima Yojna that are welfare schemes of Development Commission of Handicrafts by Ministry of Textiles, Government of India