Homenet
SOUTH ASIA
Network of Homebased workers in South Asia

# Home-Based Workers in the Textile Sector

## Social Enterprises Working with Home-Based Workers in South Asia

*Paper by HomeNet South Asia Trust*
*July 2020*

# Textile Sector in India

| 45 | 2 | 7 | 15 |
|---|---|---|---|
| MILLION | % | % | % |
| PEOPLE EMPLOYED IN 2017-18 | CONTRIBUTION TO GDP | OF INDUSTRY OUTPUT | OF COUNTRY'S EXPORT EARNINGS IN 2017-18 |

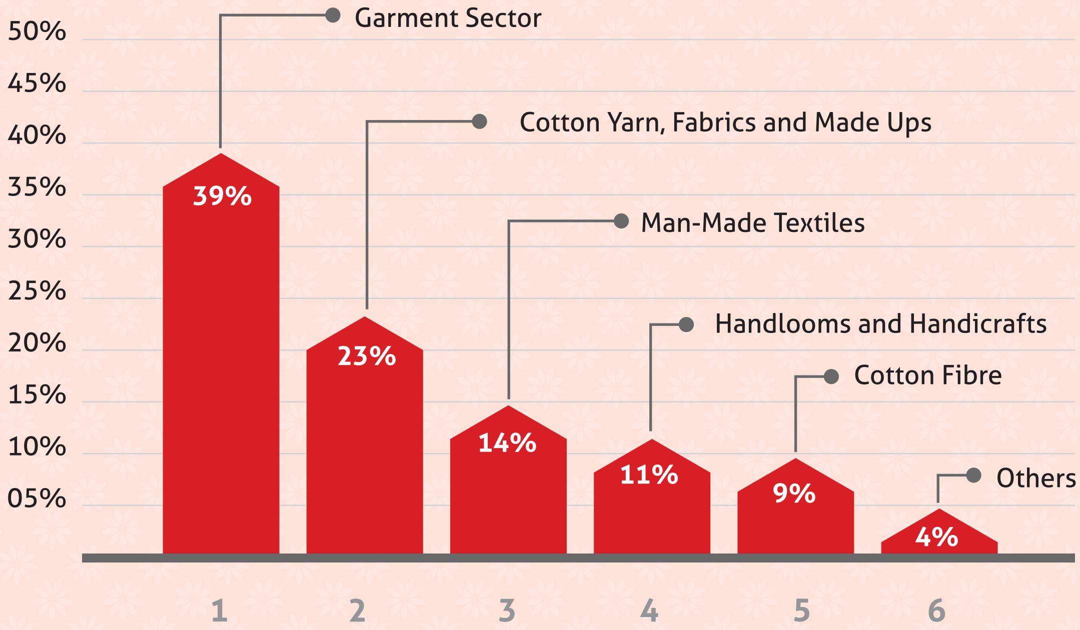
India's textile industry contributes significantly to its economy. In 2017 – 18, the sector employed more than 45 million people and contributed 2% to the GDP - making it the second largest segment for employment after the agricultural sector (IBEF, 2019). The industry also contributed 7% to industry output and 15% to the country's export earnings in 2017-18 (IBEF, 2019).

India is the world's second largest exporter of textiles and clothing after China. In 2016, textile worth USD 97 billion was consumed domestically while USD 40 billion was exported to the world market, fulfilling 9% of the world's total consumption of textiles (IBEF, 2019). India accounts for 5% of the global trade in textiles and apparel. Main markets for export include the United States of America, the European Union, parts of Asia and the Middle East. The Government of India is also a big supporter of the country's textile and apparel industry. Its investments in the sector include the launch of Integrated Textile Parks (SITP) and the Technology Upgradation Fund Scheme (TUFS). These dedicated programmes look to encourage investment from private equity firms and increase workforce participation within the country.

**The textile industry is divided into two broad sectors:**
**1) The Traditional Sector,** which is also considered as the unorganised sector, consists of handlooms, handicrafts and sericulture which are operated on a small scale using traditional tools and methods;

**(2) The Modern Sector** consisting of spinning mills, composite mills, and garment factories operated by applying modern technology and concepts (Texmin, 2018). Within this, the garment sector has the largest share in exports (39%) followed by cotton yarn, fabrics and made ups (23%), man-made textiles (14%), handlooms and handicrafts (11%), and cotton fibre (9%) (See Graph 1).

## Graph 1: Export Share of Different Goods




*Source: Samanta AK, Singhee D, Sethia M (2001) cited in R.Kumar, S., 2018. Indian Textile Industry: Opportunities, Challenges and Suggestions. Trends in Textile Engineering and Fashion Technology, Crimson Publishers.*

The textile industry, in India, is highly fragmented and is dominated by the unorganised sector, also known as the informal sector, and consists of small and medium enterprises, as well as factory outworkers and home-based workers.

**41.85 MILLION**

**HOME-BASED WORKERS IN INDIA**

***out of which***

**17.19 MILLION**

**ARE WOMEN**

Like many other developing economies, India's informal economy too accommodates a large portion of the workforce that is poor and economically excluded. In India, informal employment in the unorganised sector accounts for approximately 90% of total employment, among which the majority are women (ILO, 2018). Women often find themselves employed in vulnerable situations, most often as domestic workers, home-based workers or contributing family workers (ILO, 2018). Among these, home-based workers represent the highest number, an estimated 41.85 million home-based workers in India, out of which 17.19 million are women (Raveendran, G., et al. 2020).

**Home-Based Workers**

Home-based workers are informal sector workers who produce goods and/ or provide services, from in and around their own homes. There are two categories of home-based workers (HNSA, 2018):

**1) Own-Account Workers:** They are self-employed workers, who buy their own raw material and are generally in direct contact with the market.

**2) Sub-Contracted Piece-Rate Workers:** Also, known as homeworkers, are contracted by a contractor or a series of intermediaries, which could be an individual or a firm. They are provided with raw materials and paid a stated amount per piece produced. These workers do not have direct access to the market for the goods they produce.

Home-based work is a major source of income for those women who are engaged in reproductive and household duties, have restricted freedom of mobility due to cultural norms, and have low levels of formal education. However, their vulnerabilities are frequently exploited by businesses.

The piece-rate workers or homeworkers are intertwined in complex supply chains that connect factories, contractors, sub-contractors, homes, and workshops across the world on highly unequal terms (UN Women, 2018). Homeworkers - at the bottom of production supply chains - are mostly invisible, marginalised and isolated from other workers. Their numbers too are continuously on the rise due to the lack of employment opportunities in many developing countries. Homeworkers are significant contributors to their family incomes, to their communities and to their country's economy. They produce for either domestic or global supply chains or both at the same time, mostly unaware of the different brands they are working for. This lack of transparency creates obstacles for them as they remain unaware of the market value of their work and are unable to negotiate for fair wages and decent working conditions with their sub-contractors and employers (HNSA, 2016).

**Homeworkers in the Textile Sector**

Homeworkers are a significant part of the labour force in India. More than 5 million homeworkers are part of the domestic and global supply chains that make up the garment and textile sector in India (WIEGO, 2016). Home-based workers in textile supply chains can be own account workers or piece-rate workers and they differ from factory employees. For these categories of workers, their place of work, earnings, means of production, the products they produce, contractual arrangements, and other factors are all based on their nature of work (See Table 2).

## Table 2: Comparison Between Home-Based Workers and Factory Employees

| Category of Workers | Home-Based Workers: Self-Employed or Own Account Workers | Home-Based Workers: Home Workers or Piece-Rate Workers | Factory Employees |
|---|---|---|---|
| Place of Work | Own Home (but sometimes they could work together in a common space) | Own Home (but sometimes they could work together in a common space) | Work of place of employer (factory, workshop, etc.) |
| Earnings | From sale of goods and services by the worker | For work done usually on piece-rate basis | For work done on daily, weekly or monthly rate basis |
| Means of Production | Self-acquired | Provided by contractor/employer | Provided by employer |
| Nature of Products Made | Producing the entire product such as women's apparels | Embellishments, embroidery, finishing of factory-made garments (entire product or part of the product) | Tailoring, stitching t-shirts, women, men and children's apparels |
| Kind of Contract | No contract as self-employed | Usually unwritten/ informal contract/ with contractor/middlemen or for work orders | Written or unwritten employment contract |
| Market | Generally, for Domestic Market | Domestic and international brands through series of intermediaries and therefore lack knowledge on the primary employer | Domestic and International Brands |
| Supervision | No Supervision as its self-regulated | Indirect supervision by contractors or no supervision | Direct supervision by employers |

Homeworkers are characterised as being vulnerable due to their invisibility in supply chains and their lack of social and legal protection. According to Chen and Sinha (2016 cited in UN Women, 2018), there are three reasons why homeworkers are inserted into global supply chains. First, firms outsource production to homeworkers when demand for their product is high. Second, firms outsource to homeworkers to avoid the non-wage costs of production, including, costs involving the workplace, electricity, equipment and transportation. Third, firms use the specialised skills of homeworkers that cannot be mechanised such as embroidering. However, firms do not provide homeworkers their core labour rights despite benefiting from their engagement.

## Reasons Why Homeworkers are Inserted into Global Supply Chains

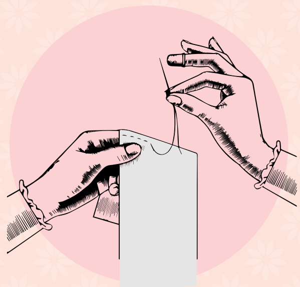
### Reason 1


Firms outsource production to homeworkers when demand for their product is high

### Reason 2

Outsource to homeworkers to avoid the non-wage costs of production (Costs involving the workplace, electricity, equipment and transportation)

### Reason 3



Firms use the specialised skills of homeworkers that cannot be mechanised such as embroidering.

A recent study conducted by Kara (2019) in India involving 1,452 women and girls in the home-based garment sector showed that 95.5% of workers were female, 99.3% of workers belonged to a heavily subordinated community called the scheduled caste, and 99.2% of workers receive 50% to 90% less wage than the stated stipulated minimum wage. Furthermore, none of the workers received medical care if they were injured at work, they had no written work agreements and were not part of any existing trade unions.

## Social Enterprises Rewriting a Narrative in the Textile Sector

### What are Social Enterprises?

Social enterprises lack a universal definition. However, Self-Employed Women's Association (SEWA) – the world's largest trade union for women informal workers – defines social enterprises for women as "a for-profit entity that empowers women through leveraging market forces and existing assets, thereby providing them opportunity to work and earn an income. The entity can take any legal forms enabling women beneficiaries to become both owners and decision makers in areas such as cooperative, producer company or a private limited company. Its main motive is not for profit maximization but to have a social impact, in this case, women empowerment".

Social enterprises are usually shaped by the political, social, and economic contexts that they operate in. Most scholars agree that social enterprises are established to solve social problems, transform society and to have a social impact while maintaining profits (Yunus, 2009; Bornstein 2007; Rogerson et al, 2013). Social enterprise is also defined as an established, for-profit enterprise that arises out of the need to address issues and challenges of low-income populations (Ganesh et al, 2018).

The last two decades have seen the emergence of social enterprises of home-based workers or artisans, who are home-based workers, in the textile sector. These social enterprises work with a dual-purpose. One, they aim to insert themselves in supply chains. And, two, they aim to do so by attracting more favourable terms, ensuring that home-based workers receive regular work and income. A snapshot of seven social enterprises working with home-based workers in South Asia has been provided in the tables below.

# INDIA

## SEWA Trade Facilitation Centre (STFC)

**Year of Registration**

2003

**Geographical Location of Operations**

India- Gujarat (3 districts and 100 villages)

Image Credits - Hansiba Museum

### Registration

Status Registered under Section 25 of the Companies Act of 1956 (Non-Profit Company)

### Membership

15,000 women home-based workers

### Governance

The company's Board of Directors comprises of six members. There are 15,000 HBWs as shareholders in the company and they meet once a year, during an annual general meeting.

### Management

The management of STFC is handled by a team of professionals as well home-based workers who have moved up the supply chain to assume managerial roles. This team mobilises women artisans, designs a range of apparel and other textile products, ensures that quality and also takes on the marketing of products.

### Funding/Investment

No external funding

### Products Made

165 products which includes embroidery, apparel, accessories and home-furnishing products

### Model

Integrated supply chain model:

1) Community Facilitation Centre (CFC)- at the Village Level, HBWs use the CFC as a resource centre for collection and depositing of finished pieces. The CFC is also used for skills trainings and as a meeting space for SEWA's activities.
2) Integrated Production Centre (IPC)- the finished pieces are sent to the city-level IPC where production is undertaken by specialised machines.
3) Trade Facilitation Centre (TFC)- the produced goods are taken to TFC for product development and sales.

### Market

Engages in both B2B and B2C models.

1) B2B model- STFC supplies to domestic brands like Fabindia, Span & Parampara, and international brands like Maiet IC, DOSA INC, Atelier Manis & Tigerella

2) B2C model-STFC sells its products in retail outlets in Delhi and Ahmedabad under the brand name Hansiba. STFC has taken part in national and international trade fairs, which include New York International Gift Fair, Tendence, Ambiente, and Indian Handicrafts and Gifts Fair.

**HBWs**

15,000 HBWs

**Online marketing**

www.amazon.in

www.gaatha.com

**Social Media Presence**

Currently, STFC does not have a social media presence.

**Turnover**

USD 587,389 (2017-18)

**Strengths**

1) An empowerment model, which comprises of a large umbrella organisation (SEWA), where sister organisations cater to many needs of home-based workers, like access to finance, insurance, health, etc. This creates a safety net for home-based workers in the enterprises.
2) High quality products.
3) Investment in infrastructure and labour-friendly machines.
4) Large membership.
5) Preserves textile traditions through its artisanal crafts and through a Museum.
6) An empowering model where home-based workers too can aspire to lead the organisation.

**Challenges**

1) High operations cost as a result of working in remote areas with a vulnerable population. STFC's dual focus on fair wages as well as high quality, also lead to higher operation costs.
2) In the recent years, the company has seen constant changes in leadership and in the management.
3) While STFC retails on online platforms, the sales percentage is on the lower side. This may be because the products are not positioned and marketed to appeal to a younger demographic.

# INDIA

## Rangsutra Crafts India Limited









**Year of Registration**

2006

**Geographical Location of Operations**

India - Rajasthan (Bikaner and Barmer), Uttar Pradesh (Varanasi), Maharashtra, Manipur, Jammu & Kashmir

Image Credits - Rangsutra

## Registration

Unlisted Public Limited Company under the Company Act of 1956. This is a for-profit company.

## Membership

3,000 artisans (out of these 2,000 are shareholders in the company)

## Governance

Rangsutra's Board comprises of seven Directors - this includes professionals as well as artisans. The Board has at least four meetings a year. It is the Board that is largely in-charge of the running of the company, ensuring legal compliances are met, and also puts in place the management team that steers Rangsutra's day-to-day.

The Board includes the Managing Director and the founding members as well as investors. Four artisan representatives are part of the Board as well. Artisan representations are elected based on a number of factors including the volume of business (sales) the artisan cluster they represent brings in and the number of artisan shareholders from that group. The artisan representatives are voted to the Board during the Annual General Meeting that is attended by all stakeholders. Their election is then ratified/endorsed by the Board.

Out of the 3,000 artisans that Rangsutra currently works with, 2,000 are shareholders. They hold 30% of the shares in the company. Shareholders have access to and participate in the governance structure and hold the right to question the company's decisions. While it is not mandatory that an artisan be a shareholder, shareholders are given preference when work is distributed. And Rangsutra actively encourages artisans to invest in the company once a cluster is established and receives regular work. As workers, the company also takes the responsibility to ensuring their right to a safe and fair working environment.

## Management

Currently, Rangsutra's Management structure includes the Managing Director (and Founder), the Chief Financial Officer (CFO), and the Chief Operating Officer (COO). Rangsutra also has in place leads for its supply chain and production management, design and creative functions, and retail and finance operations. Its regional heads manage cluster-wise operations. The Management team consists of approximately 40 personnel.

### Funding/Investment Currently

Banking Partners: EXIM Bank, Yunus Social Business, Axis Bank

Key Investors - 2,000 Artisans, Rangsutra Employees, and Fabindia Overseas Private Ltd

Other Financial Funders / Partners - Government of Jammu and Kashmir, Government of Rajasthan, URMUL Setu

Past – Avishkaar (private equity), Government of Rajasthan (Cluster Development), URMUL Setu (Artisans Training and Capacity Building)

### Products Made

Hand-embroidered women's apparel and home decor products, hand-embroidered cushion covers, handloom towels, kurta and casual shirts for men; and kurtas, kurtis, tops, shirts, skirts, and casual trousers for women; stoles, hand knitted socks and caps, and scarves, rugs and throws, bedspreads, curtains, table covers, runners, and table mats.

### Model

The Company operates two different models-

1) Hub and Spoke Model where cutting, stitching, finishing and packaging of goods happen at production centres in the districts of Bikaner and Barmer, Rajasthan. Embroidery work is provided to HBWs in Bikaner's villages and they work out of village-based production centres that are close to their homes.
2) Production centres in Varanasi are involved in cutting and stitching work. Embroidery is generally not done at the Varanasi production centre and the work here does not involve home-based workers.

In Manipur, currently, Rangsutra is working with a local organisation – CAFI. Here, it largely procures woven fabric from the weaver clusters, affiliated with CAFI, to fashion stoles and other garments. In Jammu and Kashmir as well as in Maharashtra, Rangsutra works with artisan clusters and hopes to establish a hub and spoke model in the future.

### Market

Engages in both B2B and B2C models.

1) B2B – Supplies to FabIndia and IKEA
2) B2C includes an independent outlet in Delhi (Nature Bazaar); an online portal, and retails its products at exhibitions like Dastkar and GoCoop. Rangsutra also retails on third-party websites like Jaypore.

**HBWs**

A majority of artisans work from village-based production centres. Out of this, 70% are women.

**Online marketing**

www.rangsutra.com
www.jaypore.com/shop-brand/rangsutra-1527

**Social Media Presence**

Instagram: Rangsutra_crafts
Facebook: www.facebook.com/rangsutra.crafts/

**Turnover**

USD 2.1 Million (2018-19) 2.8 Million (19-20) Forecast

**Strengths**

1) Strong relationship with brands and has continuous orders from them.
2) Production of handcrafted goods at scale.
3) Have built models in partnership with brands, ensuring compliance with the brands' code of conduct.
4) Innovative model of community / artisan ownership.
5) Crafts managers, who are community members, are key in ensuring production efficiency.
6) Steady investments in machines and infrastructure.
7) Strong and continued leadership.
8) Strong impact assessment model.

**Challenges**

1) High dependency on a small number of B2B clients. Needs to manage risk through a stronger B2B and B2C model.
2) Geographical focus is not clustered, increasing operation costs.
3) Access to working capital.

# INDIA

## SADHNA









**Year of Registration**

2004

**Geographical Location of Operations**

India- Rajasthan (Udaipur and Rajsamand)

Image Credits - Sadhna

## Registration Status

Registered as a Mutual Benefit Trust under the Sub-Registrar Office

## Membership

707 women home-based workers

## Governance

SADHNA is governed by a Trustee Board that comprises of seven professional, honorary members with expertise in design, social business and other relevant fields. The Artisan members are co-owners of the enterprise forming a crucial part of the General Body, which meets once a year. The artisan members elect their representatives who constitute the Management committee, out of which two members represent on Sadhana's Board.

## Management

At the executive level, SADHNA is led by a CEO. Under the CEO, the management team comprises of the Production Manager, the Production Merchandiser, the Social Manager, the Marketing Manager as well as the Accounts Manager. Then, there is a layer of personnel that oversee production at the centres. This layer includes the master cutters, store keepers, trainers, and supervisors.

## Funding/Investment

In its early days, SADHNA was funded by NABARD and Ford Foundation.

It is currently supported, through sales, by Exim Bank, IIM Udaipur, ICICI Bank, Udaipur, Hands of Empowerment, USA, Union Bank of India, Udaipur, World Fair Trade Organization.

## Products Made

Kurta, kurtis, stoles, dupatta, sarees, skirts, mobile covers, pouches, bags, potlis (small bags), folders, earrings, anklets, bed covers, cushion covers, table mats, table covers and patchwork quilts.

## Model

The organisation has a Production Centre in Udaipur and Delwara. These Production Centres hold a stitching unit, quality check unit, finishing unit and packaging unit. The stitched garments from the production centre in Udaipur are provided to HBWs in semi-urban, peri-urban and rural areas where embroidery work is done by them.

## Market

Engages in both B2B and B2C models.

1) B2B Model- The Company sells to domestic brands like FabIndia, TRIFED, Chakori Ethnic (Bangalore), Orchid Fashions (Kerala), and Last Forest Enterprise. International buyers include Mata Traders, Lazy Lizard, and Hands of Empowerment.
2) B2C model- They sell their products at 2 retail stores in Udaipur and 1 in Rajsamand. They also conduct in-house exhibitions as well as in other major cities through platforms like Dasktar, Dastkari Haat Samitti, and Craft Council of India. SADHNA also retails its products on an independent online platform (Ajio).

## HBWs

707 HBWs – all of these are women

## Online marketing

www.store.sadhna.org

www.ajio.com

## Social Media Presence

Facebook: https://www.facebook.com/Sadhnahandicrafts/

## Turnover

USD 563, 731 (2017-18)

## Strengths

1) Managed to build an enterprise on new skill introduced to women home-based workers.
2) Strong grassroots presence.
3) Effective B2C model.
4) Homeworkers are linked to Government-backed Social Security Schemes including pension and healthcare.

## Challenges

1) Getting the next generation of artisans interested in SADHNA's work.
2) Need for scale to ensure regular work and increased income for home-based workers.

# INDIA

## Industree Foundation










**Year of Registration**
2000

**Geographical Location of Operations**
India- Karnataka (Mandya and Ramanagara districts), Tamil Nadu, Odisha (Phulbani and Baliguda forest divisions), Andhra Pradesh

Image Credits - Industree Foundation

## Registration Status

Industree Foundation the umbrella body is registered as a not-for-profit. Under this umbrella body come the various different production units, across locations, and they are each registered independently as various legal entities. For example, the production unit in Mandya is registered as a Mutual Benefit Trust under the Security and Exchange Board of India (SEBI).

## Membership

30,000 artisans

## Governance

The foundation has a Trustee Board and an Advisory Board. The Trust Board includes 6 directors, including two founding members and 4 members in the advisory board. It meets every quarter and the Board is responsible for overseeing the undertaking of the organisations, PNLs, fundings from donors and grantees, cash flows, and future growth prospects.

Each production unit has its own Directors, who are invited to the Board Meetings. These Directors are chosen by the community itself in consulation with the management teams at Industree Foundation. The Directors are chosen on the basis of the leadership qualities that they have displayed and also their understanding of the business and working of their units.

## Management

From the Foundation's end, Industree's management team is made of the founder and a team of leaders – each of whom handles one vertical of the organisation (like, apparels or handlooms). There is also a team of managers and para professionals who work with the community leaders on the ground. The management team is tasked with handholding the production units, ensuring compliance, understanding and meeting buyer requirements, and the overseeing of trainings and manuals. This is a continuous process that the management team extends to each of the units.

The production units are managed by supervisors. These supervisors oversee production and ensure timely output as well as quality. They liaison with the Foundation's management team and also meet with buyers to understand requirements.

## Funding/Investment

Current – HSBC

Past - Standard Chartered; Japan International Cooperation Agency; Office of DC Handicrafts, Ministry of Textiles; USAID; Grassroots Business Fund; National Skill

Development Corporation; Social Venture Partners, UNDP, British Asian Trust; SONATA; SERP, Mindtree; MasterCard- Center for Inclusive Growth; Shristi Institute of Art, Design and Technology; TATA Trust; Odisha Forestry Sector Development Society; Social Venture Partners

## Products Made

Apparel for men and women, vanity bags, runners, boxes, bags, photo frames, storage boxes, laundry bins, tablemats, napkin rings, and bottle holders.

## Model

The Foundation employs Market Intermediary Model by capitalising on two channels-

1) Industree Crafts Foundation - to help individual artisans to collectivize into Self-Help Groups (SHGs), then built their capacity, provide technical assistance, and entrepreneurial skills trainings. The SHGs then form as a mini-enterprise that produce and trade goods with Industree Crafts Pvt. Ltd.
2) Industree Crafts Pvt. Ltd - for profit retail sector to create reliable supply chain and order flow.

## Market

Engages in both B2B and B2C models.

1) B2B model- It includes both domestic and International brands such as Habitat, My Mela, @home, Big Bazaar, Home Town, Shoppers Stop, IKEA, Crate & Barrel, and TJ Maxx.
2) B2C includes Industree's multi-retail brand called 'Mother Earth' that sells their products in 11 states and 20 cities in India. Their products are also sold on Mother Earth's online platform.

## HBWs

21,000 women artisans (may or may not be HBWs)

## Online marketing

www.jabong.com, www.homeshop18.com, www.myntra.com, www.flipkart.com, www.giftingnation.com

In the future, Industree plans to launch 'Hasti' an online platform that directly connect artisans with buyers.

## Turnover

USD 596,935 (2017-18)

## Strengths

1) Strong partnership with brands and continuous orders.
2) Good online presence.
3) 2 globally compliant companies.
4) Strong grassroots presence.
5) Strong empowerment and impact assessment model.

## Challenges

1) Low turnover, as compared to the artisans working with the organization.
2) Needs long-term, consistent funders.

# NEPAL

## SABAH Nepal


**Year of Registration**

2009

**Geographical Location of Operations**

Nepal- 23 Districts

Image Credits - SABAH Nepal

## Registration Status

Registered under the Company Act of Nepal in the Company Registrar Office and the Inland Revenue Department. With the Social Welfare Council, it is registered as an NGO.

## Membership

3,500 women home-based workers

## Governance

SABAH Nepal's Board comprises of one Chairperson and 10 Board Members, who meet at least twice in a quarter. Five among the 10 Board Members are elected home-based workers. The Board is tasked with driving the organisation's mission and vision. It formulates the policies and the by-laws of SABAH Nepal and ensures that they are implemented. Board Members strengthen the visibility of the organisation through networking initiatives and representation on various platforms. And it also drives SABAH Nepal's funding endeavours.

The Board is elected, every four years, at an Annual General Meeting. SABAH Nepal's HBW membership nominates women, home-based worker leaders to the Board. The nominations are then endorsed by the Board.

## Management

The CEO heads SABAH Nepal's management team. The CEO is supported by a series of Managers who oversee the organisation's key portfolios, including, Programme, Membership, the Food Supply Chain, and Design and Production. The managers are supported by field officers, associate officers and a support level staff. The Management team undertakes all of SABAH Nepal's endeavours that have been sanctioned by the Board.

## Funding/Investment

SAARC Development Fund, UN Women, HomeNet South Asia, Self Employed Women's Association (SEWA), The Asia Foundation, The World Bank (BEES Network), JDC, and Peace Winds, Japan, UN-Habitat

## Products Made

SABAH Nepal produces a range of products since it is a highly diversified brand. In textile crafts, it produces Dhaka fabric and also apparel, accessories and home décor products featuring the Dhaka weave. They also produce apparel, stoles, bags, storage boxes and other accessories form Allo and hemp. Their range of products also includes handwoven rugs from natural fibres.

The brand also has a chain of cafés that showcases traditional Newari food. This café brand also sells packaged traditional sweetmeats, spice mixes, grains, and beans at local supermarkets in Kathmandu. Under the Himalica brand, SABAH Nepal also markets soaps and other personal care products as well as spice mixes and tea powders made from black cardamom.

## Model

The organisation operates through Community Facilitation Centres (CFC) and Trade Facilitation Centres (TFC). At the TFC, located in Kathmandu, in-house designs are created, samples made and work distributed to CFCs. At CFCs, the HBWs collect samples to take home and work on them or they sometimes work on their orders at the CFC itself. In many of SABAH Nepal's value chains, the CFCs enjoy autonomy and are operated and run by the home-based worker leaders themselves. Once the products are ready, they are transported to the TFC. Programmes delivered centrally at the TFC are replicated at the CFC and local level.

## Market

Engages in both B2B and B2C models.

1) B2B model- They take job orders from both domestic as well as international brands, such as Sherpa Gear, FATTEMANO Nepal, Hello Kitty, Shirley Bredal, Ten Thousand Villages, RESA living, and Sample Concept.

2 B2C Model- Products are sold in their own showroom at Lalitpur and Bhaktapur. They are also sold at independent outlets at Craftlaya, Pokhara Nepal; Women's Creation, Kathmandu; Hansiba, Ahmedabad, New Delhi; SABAH Pakistan; SABAH Bhutan. Products are also retailed on their online portal and at exhibitions in Nepal and in South Asia.

## HBWs

3,500 HBWs

## Online marketing

www.sabahbazaar.com

## Social Media Presence

Facebook: https://www.facebook.com/SabahNepal/

Instagram: https://www.instagram.com/sabahnepal/?hl=en

## Turnover

USD 750,000

## Strengths

1) Geographical focus in 23 districts of Nepal.
2) Diverse products.
3) Risk management through work in different sectors (cafes and agri-products along with textiles and apparels).
4) Strong and continued leadership (Promoters, Board and Staff).
5) High level of independence, many of the CFCs are run entirely by the local leadership.

## Challenges

1) While the portfolio is diverse, the food business' apparent profitability is becoming the primary focus of the brand which might prove to be detrimental to the other value chains especially their flagship textiles and apparel production.
2) Nepal depends on exports, especially for India, for a lot of its raw materials. This drives up production costs for all players including SABAH Nepal.

# BHUTAN

## SABAH Bhutan









**Year of Registration**

2012

**Geographical Location of Operations**

Bhutan- 18 Districts

Image Credits - SABAH Bhutan

### Registration Status

Established in 2010 and registered, in 2012, Public Benefit Organization registered with Civil Society Organization Authority of Bhutan

### Membership

1,538 women home-based workers

### Governance

SABAH Bhutan's Board comprises of 10 Directors, among which 5 are home-based workers. Members of the Board meet 3 to 4 times a year and stay in office for a tenure of three years, after which they are eligible for reappointment. The Board is largely responsible for fulfilling the overall objectives and interests of the organisation. It provides direction on the policies, procedures and strategic plans of SABAH Bhutan. It is also responsible for the appointment of the senior management.

Home-based worker leaders who are vocal, demonstrate leadership and those are backed by their clusters are shortlisted and their nominations are presented to the Board. The Board members then nominate HBWs to the Board.

### Management

SABAH Bhutan's management is headed by a Chairperson who is appointed for a tenure of three years. The day-to-day functions and administrative duties of the organisation are largely overseen by the Secretariat. Currently, the Secretariat is made up of Executive Director, the Production Unit, the Design Unit, the Marketing Unit, and the Administrative and Financial Unit.

### Funding/Investment

SAARC Development Fund, Helvetas, European Union

### Products Made

Knitted garments, table runners, tablemats, home furnishings, traditional Bhutanese clothes, weaving and tailoring of bags, stoles, and mufflers.

### Model

Cluster Facilitation Centres (CFCs)- at the grassroots level women home-based workers are mobilised and trained in weaving, tailoring, business management and entrepreneurial skills. Production is done at CFCs. SABAH Bhutan currently has three CFCs – in Trashigang (Eastern Bhutan), Bumthang (Central Bhutan), and Gelephu (Southern Bhutan).

Trade Facilitation Centre (TFC)- There is only one TFC, which is a central unit comprising of a weaving unit, a tailoring unit, retail unit and a display unit. At TFC, new designs and patterns are developed, alongwith creating access to market. Bhutan is the only where all these processes come under this process.

**Market**

Engages in both B2B and B2C models.

1) B2B model- They supply their products to organisations in Japan through Bhutan Fortune and to individual buyers in Taiwan. SABAH Bhutan also undertakes customised orders for corporate and Government events.
2) B2C model- They have two retail outlets in Thimpu. They also sell their products at independent outlets like SABAH Nepal in Kathmandu and Hansiba in Delhi. They sell their products in local and international exhibitions such as Surajkund Mela, Taiwan Exhibition. They also sell under an independent online platform (Druksell).

**HBWs**

1,538 HBWs

**Online marketing**

www.druksell.com

**Social Media Platform**

https://www.facebook.com/SABAH-Bhutan-345514608843568/

**Turnover**

USD 100,819 (2017-18)

**Strengths**

1) High quality products.
2) The only organisation working exclusively with home-based workers in Bhutan.
3) Strong grassroots presence.

**Challenges**

1) Products expensive, if compared with other South Asian countries.
2) High operations cost due to the geographical terrain and challenges posed by it.
3) Lack of continued leadership.

# BANGLADESH

## Aarong

**Year of Registration**

1978

**Geographical Location of Operations**

Bangladesh- 42 districts

Image Credits - Aarong

## Registration Status

Company owned by the not-for profit development agency - BRAC - which is registered under the Societies Registration Act of 1860

## Membership

65,000 artisans (producers and not members)

## Governance

Aarong is governed by BRAC's governing body. The general body of BRAC consists of 29 members and it oversees the finance and budgeting reporting of the organisation, ensures the implementation of internal controls and risk assessment, and makes sure that Aarong is compliant with the country's legal and regulatory requirements. As per the Memorandum of Association and Rules and Regulations of BRAC, the general body elects a 10-member governing body. The 10 members of BRAC's governing body comprises of professionals, activists, and entrepreneurs who bring their diverse skills and experience to their governance role. The governing body of BRAC constitutes the BRAC Finance and Audit Committee. The Governing Body. Currently, there is no worker representation on the Governing Body nor the general body.

## Management

Aarong is led by the Managing Director, BRAC Enterprises, who reports to the Chairperson, BRAC Bangladesh. Functional and department heads report directly to the Managing Director which include Retail, Design, Marketing, Human Resources, E-commerce, Social Compliance & Producer Development, Finance & Accounts. The Chief Operating Officer directly reports to the MD and oversees all of the administrative (Maintenance, Infrastructure, Procurement, IT, etc.) and producer services departments (Merchandising, Quality Control, Warehouse, Processing Store, etc.).

The Head of the Ayesha Abed Foundation (AAF - Aarong's own production hubs) report directly to the Managing Director. The management team operates the retail chain, the production centres (AAF), and oversees the producer services department's day to day operations.

Aarong's technical staff includes hundreds of individuals in all functional areas of the enterprise. On the production end, they include industrial engineers, textile engineers, dyeing masters, effluent treatment plant operators, tailor masters, and master craft persons.

On the retailing end, they include retail planners, visual merchandisers, marketing professionals, e-commerce platform operators, infrastructure architects, ERP software developers, human resource professionals, and certified chartered accountants.

On the producer services end, they include designers, merchandisers, quality controllers, social compliance auditors, pattern masters, and warehousing professionals.

### Funding/ Investment

No external funding. Provides 50% of its profits to BRAC's welfare programmes

### Products Made

Aarong has over 100 product lines. Apparels for men, women and children, accessories, home textiles, and home décor make up the main product lines. Non-textiles include silver, gold, diamond, and fashion jewellery, leather goods, metal products, candles, dry flowers, food products, and natural personal care products.

### Model

Aarong products are made at Ayesha Abed Foundation (AAF) and by Independent Producers. Under AAF, there are 15 main centres and 650 sub-centres in different villages. 35,000 artisans work at both the main centres and sub-centres. They also source through 600 Independent Producers who further work with 30,000 artisans who comprise of a network of HBWs and cottage, micro, and small enterprise artisans. The products are mostly designed by Aarong's in-house team and go through a centralized quality control process and then distributed to Aarong's outlets in Bangladesh and the brand's e-commerce platform (aarong.com).

### Market

B2C model- It has 21 outlets (14 with in Dhaka and 7 in other districts) with 120 product lines with 3 sub brands: TAAGA, TAAGA Man, and HERSTORY by Aarong. They also have an online e-commerce portal (aarong.com).

### HBWs

23,974 (Ayesha Abed Foundation) and 19,529 (Independent Suppliers) = Total 43,503. All of these are women.

### Online Marketing

https://www.aarong.com/

### Social Media Presence

Facebook: https://www.facebook.com/BRAC.AARONG

Twitter: https://twitter.com/BRAC_AARONG

Instagram: https://www.instagram.com/brac.aarong/?hl=en

## Turnover

USD 101 million (2018) – 850 crore BDT

## Strengths

1) One of the most successful and profit-making enterprise working with artisans in the world.
2) Highly skilled staff members at each stage.
3) Investment in infrastructure and labour-friendly mechanization.
4) Clear focus on the market segment (tradition, catering to festival).
5) Diverse products.
6) Dual model of own production, as well as supply from individual producers.
7) Company code of conduct followed by AAF centers and sub-centers.

## Challenges

1) Keen public focus and scrutiny.
2) Clear focus on profits, not necessarily on empowerment of artisans.

## Conclusion

All the above-mentioned social enterprises of South Asia started their work to ensure access to market for home-based workers and/ or artisans. They have all had different trajectories of enterprise development. And, they have succeeded for many years in strengthening the communities, as well as creating access to market- retail as well as linkage to buyers and brands. There are many lessons to be learnt from each model of social enterprise and HomeNet South Asia will work towards getting a better understanding for knowledge sharing.

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