BACKGROUND

Oxfam India’s (OIN) 2010-2015 mission statement is that ‘Oxfam India will fulfil its vision by empowering the poor and marginalized to demand their rights, engaging the non poor to become active and supportive citizens, advocating for an effective and accountable state and making markets work for poor and marginalized people’. OIN works primarily through grassroots organisations to bring about sustainable changes in people’s lives through long-term development programming linked to positive policy changes at various levels. It also aims to strengthen the livelihoods of poor and marginal groups in rural and urban India.

To fulfill this goal, OIN along with SEWA (Self Employed Women’s Association) Delhi conceptualized a livelihood programme for urban poor women from Delhi slums with support from Bank of America. This initiative is SEWA Delhi promoted producer company ‘Ruaab’, SEWA Artisans Producer Company Limited’ registered in December 2010 to help women artisans get fair wages, recognition of their skills, and making their identity known in the global supply chain. Since then Ruaab has promoted production units in slums and has established market linkages with well-known international brands/buyers and exporters. SEWA supports Ruaab with its monthly working capital to sustain the initiative. In 2013, Ruaab created its own brand ‘Loom Mool’ and diversified into direct export business as well.

The project addresses enhancement of skill development, employability and building of enterprises of women home based artisans, that is, Ruaab in six slum clusters of Delhi namely Sundernagari, Rajiv Nagar, Jahangirpuri, Mustafabad, Sonia Vihar and Nandnagari. All the women artisans are members of Ruaab, SEWA Artisans Producer Company Limited, now a self-sustainable enterprise, owned, managed and operated by women artisans themselves. Ruaab has total strength of 750,500 of which are from the 6 project slums. Besides this SEWA/Ruaab also offer legal awareness camps, counselling and referrals, vocational skills, SEWA Shakti Kendra liaisons with government departments and helps in organising camps in SEWA health camps, occupational camps for eye and gynaecology, and low cost home loans by SEWA Mahila Housing Trust.

OBJECTIVES AND STRATEGIES OF PROJECT

The objectives and strategies of the project are as follows:

TABLE 1: OBJECTIVES AND STRATEGIES OF THE PROJECT

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increasing collective strength of women artisans for socio-economic development</td>
<td>Strengthening skills of women on embroidery work by training</td>
</tr>
<tr>
<td>2. Increasing the capacity and skills of women workers to make them more competitive in the market</td>
<td>Improving market-linkages and increase market production for better profits.</td>
</tr>
<tr>
<td>3. Strengthen institutions for enhancing employability and creating sustainable women led set up</td>
<td>Development of grassroots leaders (aagewans) who will be instrumental in supporting measures to provide social security welfare via the SEWA Shakti Kendras or Empowerment Centres.</td>
</tr>
</tbody>
</table>

1 Ruaab means a strong inner life or a source of inspiration
BASELINE OBJECTIVES

- To collect baseline data to guide project implementation, monitoring, and project benchmark setting in order to effectively achieve project targets.
- To identify household income level and sources, technical and vocational training needs of women artisans;
- To map barriers, challenges and opportunities regarding Ruaab’s work strategy and women artisans’ employability.

METHODOLOGY AND COVERAGE

This baseline study comprised of both quantitative and qualitative techniques from both primary and secondary sources. The qualitative study, which included in-depth interviews and Focus Group Discussions (FGDs), focused on insights and learning at beneficiary, group and institution levels while the quantitative study used questionnaires at beneficiary level. Additional secondary desk review was done to understand the challenges of workings in Ruaab and to formulate a case study on Fab India.

The tools used in the study are as follows:

<table>
<thead>
<tr>
<th>Tool Used</th>
<th>Stakeholder</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus Group Discussions (FGDs)</td>
<td>Ruaab/ SEWA</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Women Artisan</td>
<td>4</td>
</tr>
<tr>
<td>In-depth Interviews (IDIs)</td>
<td>Women Artisan</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Market player/ Export Houses/ Buyers</td>
<td>4</td>
</tr>
<tr>
<td>Checklist</td>
<td>Women Artisan</td>
<td>40</td>
</tr>
</tbody>
</table>
KEY FINDINGS—STATUS OF WOMEN ARTISANS IN PROJECT SITE

SOCIO-ECONOMIC CONDITION

- The artisan families mostly comprise of traditionally skilled workers and these families belong to various areas of Uttar Pradesh like Bulandshar, Aligarh, Varanasi etc. Most of them have relocated to Delhi over 10 to 35 years ago.

- All these six slums are densely populated, wherein 80% of the artisans’ population is of Muslims. The average age of the women artisans across slums was 26.

- 37% of the women across the slums are illiterate. Majority of literate women are less than 21 years. 60% of the surveyed women owns the house or place of stay, which included families having their own ‘Jhuggis’ or temporary houses and remaining 40% women lives in rented house. The average size of these houses is 250 square feet.

- Around 90% of the women had an identity proof, either Voter ID, Aadhar or Ration Card. 57% of the artisans have a bank account including the SEWA Cooperative account for savings.

DECISION-MAKING AND INDEPENDENCE

- 70% women reported being involved in decision-making within the family during purchase of any household assets.

- 62% women reported having freedom to spend the amount earned by them, although most of the money earned from Ruaab is primarily utilized in day to day household expenses.

- 77% women come to Ruaab production centres alone and do not require anyone to accompany them.

LIVELIHOOD

- The average monthly household income is around INR 11,500 in which the women artisan contribution is 42% on average, which can be considered as quite significant.

- Food and house rent, i.e. 60% on food and 31% respectively, are major expense heads for women artisans’ families.

- 87% of women artisans have ration cards in their name and 62% have life insurance policy (including women covered under SEWA’s life insurance scheme). None of the women reported having health insurance.

ASSESSMENT OF RUAAB BUSINESS MODEL

The main business operations of Ruaab involves managing production, distribution and collection centres in six project slums, and business and marketing from its head office. Production units are located in slums close to women artisans with all the basic provisions like water, toilet, desktop computer and fire extinguisher. Some of the findings from the study of its organisational structure and functioning are as follows:

SKILL LEVELS OF WOMEN ARTISANS

Ruaab grades women artisans as per their skill levels into three categories. Ruaab has developed this grade system internally which is based on quality and efficiency.

The three levels are:

- Level A - work for 6-8 hours per day
- Level B - work for 4-6 hours per day, and
- Level C - work for less than 3 hours per day.

However, Ruaab gives same piece rate for all three levels. The difference lies in time invested by the artisans themselves. The distribution of women as per skill sets is as follows:

TABLE 3: DISTRIBUTION OF SKILL SETS AS PER PROJECT LOCATIONS

<table>
<thead>
<tr>
<th>Centers</th>
<th>Skill level A</th>
<th>Skill level B</th>
<th>Skill level C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundernagri</td>
<td>30</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Nandnagri</td>
<td>30</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Mustafabad</td>
<td>10</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Rajiv Nagar</td>
<td>5</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Sonia Vihar</td>
<td>0</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Jahangirpuri</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sub Total</td>
<td>75</td>
<td>95</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INCOME AND WAGES

Ruaab calculates wage rate of work as defined by Ethical Trade Initiative’s ‘time and motion’ study. This is the process of finding out the actual time taken by the workers in completing a particular embroidery pattern as per the sample provided by exporter. Based on this analysis, rate is fixed with women artisans and volume of work is distributed to them based on their skill levels. The rate chart and estimated earning are given in the table below:

**TABLE 4: RATE CHART AND ESTIMATED EARNING OF THE ARTISANS**

<table>
<thead>
<tr>
<th>Skill level A</th>
<th>Skill level B</th>
<th>Skill level C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time invested by women artisans</td>
<td>6-8 hours</td>
<td>3-6 hours</td>
</tr>
<tr>
<td>Average hours spent</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Earnings from handwork embroidery (average INR 30 per hour)</td>
<td>210</td>
<td>120</td>
</tr>
<tr>
<td>Monthly earning (15-20 days) in INR</td>
<td>3150-4200</td>
<td>1800-2400</td>
</tr>
<tr>
<td>Earning from jaari work embroidery (average is INR 40 per hour)</td>
<td>280</td>
<td>160</td>
</tr>
<tr>
<td>Monthly earning (15-20 days per month)</td>
<td>4200-5600</td>
<td>2400-3200</td>
</tr>
</tbody>
</table>

While on one end an artisan’s earning capacity is determined by her skill level and time invested by her, on the other hand, women artisans gets work for an average of 100-120 days (4 months) spread over 8-9 months from Ruaab which is a limitation on her income. In case of job opportunities Ruaab and the woman artisan shares the wages in the ratio of 3:7. Ruaab retains 30% of wages to manage overheads costs. To supplement their income, around 30% of women artisans work with contractors as well, who don’t skill grade women artisans and provide job work regularly as confided during FGDs and IDIs. The quality parameters followed by contractors are also not very strict unlike that of Ruaab. The major work provided by these contractors are that of ‘Moti-Bindi’ work at INR 10-12 per hour, ‘Moti sticking on fabric’ at INR 1-2 per packet of Moti embroidery at INR 18-25 per hour depending on the work. There, women artisans working for a contractor earn INR 70-150 per day. These rates are starkly in contrast with those provided by the Ruaab’s scientifically calculated rates. Given a choice and regular availability of work, a women artisan prefers to work for Ruaab because of potential to earn higher income, timely payment, and transparent practices followed.

 Moti-Bindi is intricate design with detailed work done on fabric

2
CHALLENGES FACED BY RUAAB

RUAAB’S BUSINESS STRATEGY TARGETS TO WORK WITH FEW MEMBERS BUT PROVIDE THEM AMPLE AND REGULAR WORK. RUAAB IS CURRENTLY ENGAGED IN FOLLOWING THREE TYPES OF BUSINESSES AND CHALLENGED FACED IN EACH IS ILLUSTRATED BELOW:

JOB WORK

TYPE OF BUSINESS

In this type of business Ruaab gets work order from exporters/export houses wherein women artisans provide only their embroidery skills. The payment is done payment only after delivering the order. The credit period varies from 45-90 days. However, Ruaab makes timely monthly payment to members at production units in slums either by cash or in bank accounts.

CHALLENGES

▸ UNETHICAL TRADING

Ruaab’s team find it challenging to build a rapport with export houses because their production in-charges expect commissions for giving continuous orders. Ruaab plans to establish direct contact with owners of export houses to overcome this challenge. Ruaab also targets brands/buyers of these export houses that follow ethical practices as part of their company policy.

▸ IRREGULARITY OF ORDERS

There are no clear peak and lean seasons for getting job works due to fast changing fashion trends. Work orders are generally spread over 8-9 months in a year. This makes business planning difficult to execute.

▸ RETAINING WOMEN ARTISANS FOR RUAAB WORK

Mismatching of demand (orders from exporters) and supply (availability of women artisans) is a challenge. Sometimes, when work orders come, women artisans remain engaged doing work for contractors who offer them advance money and/or retain part of wages to keep them tied up. Also, when women artisans are free and available orders are not there.

DIRECT EXPORT

TYPE OF BUSINESS

Ruaab has established links with brands/buyers that place direct orders to it. Here, Ruaab procures inputs materials, develops products in-house, and undertakes marketing functions.

CHALLENGES

▸ LIMITED ACCESS TO INTERNAL BRANDS/BUYER

Access to buyers outside India (United States of America, European Union, Japan) is limited to exposure via web portal. Ruaab lacks visibility to establish linkages amongst potential buyers.

▸ INADEQUATE INFRASTRUCTURE FOR LARGE SCALE WORK

Unlike exporters, Ruaab existing production infrastructure is informal and inadequate to manage large scale work orders due to resource constraints. However, setting up separate and bigger infrastructure would demand meeting various statutory and legal requirements such as factory license, labour laws and benefits which are not applicable in an informal set up.

▸ HIGH OVERHEADS AND PRICE COMPETITION

Ruaab gives higher wages to women artisans compared to local contractors for the same amount of work. It’s operating costs are high due to small scale operations.

DOMESTIC SALE

TYPE OF BUSINESS

Ruaab participates in exhibitions and has also set-up a fledgling e-commerce website (www.loomool.com) under the Department for International Development (DFID) supported intervention. Ruaab has also tied up with popular e-commerce sites such as Jaypore, Lime road, Myntra, Snapdeal, and India roots for sale at 15-50% mark-up price.
SUGGESTIONS AND RECOMMENDATIONS FROM MARKET PLAYERS

Four market players who have been regularly associated with Ruaab’s work and are acquainted with Ruaab’s organisational structure provided following suggestions to the evaluator:

► It was strongly recommended that Ruaab needs to enhance its efficiency especially in cases of short delivery periods. In order to stick to commitments, and timelines so as to maintain a healthy relationship with market players, Ruaab takes up only small orders which is manageable by Ruaab given its workforce. The industry standard of work time daily is almost 12 hours of work on the factory floor and up to 18 hours on the management floor. Since Ruaab is unable to overhaul its efficiency, it is losing on a major chunk of business which is otherwise sub-contracted.

► It was suggested that Ruaab should concentrate more on the domestic segment for uniform and stable sources of regular work with little pressure of timelines. Standard domestic market players like Biba, Fab India etc. can provide regular job work to B and C graded artisans.

► To face the upcoming stiff competition and improve its scale of work, Ruaab also needs to mechanize its work, i.e., equip the artisans with improved machines and undertake larger sections of the job work to be able to earn more revenue for the artisans. Also, more skilled artisans need to be imbibed within the system of Ruaab, which can be done by extending Ruaab services to traditional hand embroidery hubs in Bareilly and Secunderabad.

► Ruaab needs to expand business from its current portfolio of embroidery to other works such as *meena* work\(^3\), *lac* work\(^4\) that are speciality of different regions of India. On the other hand, Ruaab needs to add visibility to its work through brochures and other forms of business development practices.

► Ruaab needs to follow business model unlike social approach of SEWA to earn better profits and keep the women artisan more work. Ruaab needs to follow constructive or practical budgeting. Ruaab needs to maintain escrow fund/risk fund wherein profits made from one order/business can be put into so as to ensure minimum fair wages to women artisans when there are not enough profits from other orders/business to ensure same wages to women artisans.

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3. *Meena* work is the art of coloring and ornamenting the surface of fabric, metals, stone by fusing over it brilliant colors that are decorated in an intricate design.
4. *Lac* in handicraft industry it is predominantly used in crafting of jewelry using glass or mirrors.
CASE STUDY

Ms. Anjum Noor, 26-year-old has been living in one room rent house in Rajiv Nagar along with her husband and three children for nearly 11 months. She has attained education till 10th grade. She was born and brought up in Bulandshahar, UP and after marriage lived in Moradabad for first six year at in-laws house. In her in-laws house she couldn’t take up a regular job as a local school. She then took up embroidery work for a local shop keeper and used to get INR 100 to INR 250 per piece for a work completed in 1 to 1.5 days. She worked for around 2 months but had to quit due to in-laws pressure where they chided her sayings “Aurat ko kaam nahin karna chahiye” (a woman must not work) and “Jab ghar mein mard hain kaam karney ke liye tau aurat ko kaam karney ki kya zarura thai” (when men are working why do you need a woman to work). Her husband is generally supportive but also believes “Kaam karney wali aurat hukum chalati hai” (Woman who work are very bossy).

So, when she shifted to Rajiv Nagar, Muslim community colony, she asked one of her neighbours about livelihood opportunity in the locality who suggested her to visit the SEWA/Ruaab centre. Since she had good embroidery skills, she got the work at Ruaab production unit. She also handles all household responsibilities. Despite having to take care of young children she continues to work at Ruaab production unit in the company of other young members who call her an all rounder for her multiple skills related to stitching and stone work. She earns INR 5000–INR 6000 per month from this work. She sets a target to save INR 3000 per month but can save only INR 1000 to meet emergency requirements of medical expenses, transportation, rent, and other expenses. She has no bank account, so she saves in cash. Her household monthly expenses range between INR 4000-5000 that includes INR 2000 as monthly room rent. She doesn’t work for private contractor due to low wages offered that translates to INR 20-25 per day.

She hopes to become SEWA’s thrift and saving cooperative member to avail need based personal loans. She aspires to build an asset base that includes in order of priority mobile phone, mixer, fridge, own gas connection, cupboard and a TV and provide good education to her children.
This learning note is prepared based on a baseline of project ‘Promoting Livelihood of Home-based Workers in Delhi’ for wider sharing. This study was conducted by Sanjay Kumar Gupta (sanjay_kg@yahoo.com) during July 2015 to August 2015. This project was supported by Bank of America to Oxfam India. We would like to thank Farrukh Rahman Khan and Archana Toppo (SEWA) for their inputs given during the process of baseline.

The first draft of this learning note was prepared by a team of Kaarak Enterprises Development Services Private Limited.

Edited by: Aniruddha Brahmachari, Ritesh Laddha and Shailesh Acharya

We are grateful for the insights and words of encouragement by Nisha Agrawal, Ranu Bhogal and Shaik Anwar.

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