



Partnership Snapshot: Label STEP

Creation of Artisan Villages to Produce and Export High Value Rugs and Sustain Weaving Jobs

Label STEP's partnership with the UKaid Skills for Employment (सीप) Programme, is working to revitalize Nepal's high-value carpet industry by taking the carpet manufacturing hub from Kathmandu to an underserved geographic area—Sarlahi in Province 2 that has traditionally served as the origin of Nepal's weaving community. With investments and interventions from leading national and international carpet manufacturers' and designers, since September 2019, this partnership has helped establish eight fair-trade weaving workshops in Sarlahi where local women, primarily from migrant households and disadvantaged groups, and People with Disabilities (PwDs) are skilled and recruited—using international-quality competency standard and industry-led skills training and certification to ensure availability of qualified and committed weavers. UKaid सीप - STEP, along with their consortium partners, are also laying the foundation for migrants to invest their hard-earned remittance productively by setting up weaving workshops, independently or in collaboration with Kathmandu-based exporters/investors at Sarlahi.

Nepal is a world leader in production of modern handmade carpets. The global luxury markets for interior design hold the country's hand-knotted carpets in high rank. Since more than 50 years Kathmandu has been renowned as a creative hub and innovation laboratory for high-end contemporary woven artisanry. Over the last decade, Kathmandu's booming real estate market put pressure on the production locations, with rising costs and labour shortages. STEP's engagement with industries indicated that decentralizing parts of the production would take away some of the pressure from the industry—made possible thanks to the manufacturers' treasure trove of knowledge and experience and the help of modern communication technology.

Established in 1997, Label STEP Nepal monitors and verifies fair trade standards in the production of STEP Fair Trade Partner's (licensees/importers) entire line of handmade carpets. STEP's 10 standards include good working and living conditions, fair wages, collective bargaining, eco-friendly production, prohibition of child labour, among others. These compliance standards are systematically audited, and corrective actions implemented wherever non-compliance is observed. UKaid सीप's partnership with Label STEP is providing decent, attractive jobs with fair trade standard working conditions to job seekers in the socioeconomically disadvantaged regions, while also bringing fresh air and energy to the industry to support its long-term sustainability.

Summary of Key Activities

- Development of standard skilling curriculum on rug weaving in coordination with the International Quality Controller.
- Orientations on fair trade compliance standards organised for industry stakeholders in Kathmandu and Sarlahi districts.
- Eight industry-aligned workshops with high-quality weaving looms and high fair-trade standard work environment set up to deliver quality training for and weaving by trainees/graduates. Computers and tablets supplied for graphic design training and digitally enabled audits and quality control.
- Eleven-day residential training for five Master Weavers under direct supervision of International Quality Controller.
- Deployment of Master Weavers in each production unit/workshop and 11-day training of trainers for additional 19 Master Weavers supporting continued monitoring and training of 400 weavers.
- Development of Web-based Weaver Management Application for skilling, performance monitoring and quality control.
- Mini Graphic Design Hub established in Sarlahi to encourage young graduates to enroll in graphic design training.
- Participation in the industry's largest trade show in Germany to promote Nepali fair-trade carpets.
- Mobilise support for women weavers and targeted PwDs to organise into producers' groups along with financial and business literacy support including linkages to sources of finance.
- Virtual exhibition campaign planned in July 2021—to build greater visibility for the industry and boost morale of weavers through engagement with the representatives of leading national and international rug brands.

KEY FACTS:

Duration: October 2019 - August 2021

Geographic coverage: Sarlahi, Province 2

Key Outcomes:

- Artisan village established in Sarlahi with eight high-quality fair-trade weaving workshops—to secure livelihoods of carpet weavers at their own residential area—linked to the carpet value chain to cater to the growing global high-value luxury carpet industry.
- 350 women weavers will be trained by August 2021. More than 250 weavers will be placed in jobs following three-month apprenticeship-based training at the workshops.
- Shifting Nepali public perception of handmade carpets and weavers from an old-fashioned industry for unskilled workers to a thriving creative industry that enjoys excellent reputation in international high-end interior design world.

Key Achievements

- Decentralization of Nepal's carpet manufacturing process:** UKaid सीप's engagement with STEP, alongside top Nepali manufacturers/exporters, international designers, as well as local weavers has built a strong proof-of-concept for an artisan village in Sarlahi—that has taken weaving out of Kathmandu to the weaver origin district.
- Industry driven pedagogy and training approach:** The weaving curriculum was revisited in line with the international quality requirements and corresponding skilling needs, also integrating financial and business literacy, to meet those quality benchmarks and weaver needs.
- Systematic and hands on skilling of the weavers:** Two master weavers were assigned to each weaving units, coaching and training weavers round the clock—at all eight weaving workshops. Theoretical and practical training spanning three to six months in duration were organized under close supervision of master weavers. Such trainings are the first of its kind for an industry extensively reliant on skilled workforce.
- Technology backed performance monitoring and quality control system developed for the first time:** This partnership has introduced IT driven performance monitoring and quality control measures leading to systematic skilling and remote-based monitoring of the weavers (*photo on right*). All weavers are registered in the app, from the time of enrolment in trainings to deployment at work, and their performance tracked and linked to certification. Based on the impact of this technology, STEP is importing it to its work in Afghanistan.
- Inclusion building and rebranding of weaving as high skilled vocation:** Over 99% weavers are women and come from disadvantaged groups and are now enabling reliable and consistent production at the workshops. Assurance of fair-trade standards including GESI and safeguarding measures, coupled with visits from international designers, has ensured decent and dignified work and is changing and shaping weaver's notion of weaving as high valued work.
- Promoting locally-led weaving enterprise start-ups and strengthening support through skilling and co-funding:** What initially started as the convening of Kathmandu-based manufacturers to expand investments in skilling and industry set-up at the local level, extended to a more inclusive approach: locally-based manufacturers and returnee migrants stepped up as interested investors recognizing the potential of the workshops. This has led to the multiple small scale entrepreneurs taking part in the project and ushering innovations: local artisans who merely focused on weaving, are now leading their own weaving units, showing faster adoption of digital technology for quality and production management, learning graphic designing skills and developing capacity to host in-house graphic designing unit. These are essential production steps to creating decentralized rug manufacturing industry outside Kathmandu.
- Improved living and working environment for the weavers and workers (*photos below*):** One of the main reasons for the decentralized weaving workshops has been the lack of adequate spaces and decent living and working arrangements for the industry workers in Kathmandu. 90% of these weaving units are concentrated in Boudha, Kathmandu, with shanty working and living environments. Weaving units in Sarlahi have addressed these issues, which increased in prominence post-COVID, with workshops aligned to STEP standards—with spacing, lighting, health and safety protocol duly met.



Photo: Suryamaya Pakhrin, Master Weaver at Anuragh Galaicha in Sarlahi, trains new weavers and updates progress on the app. / Courtesy: Label STEP, 2021



Photo: Weaving workshops at RT Galaicha (left) and NP Rugs Industry (right), both in Sarlahi District. / Courtesy: Label STEP, February 2020