

case 1-428-849
September 10, 2009

Jaipur Rugs: Connecting Rural India to Global Markets

Introduction

The Jaipur Rugs case explores how a company can benefit the poor by connecting them with global markets. Jaipur Rugs makes this connection by building and orchestrating a global supply chain on a massive scale—one focused on developing human capability and skills at the grassroots level, providing steady incomes for rural men and women in the most depressed parts of India and connecting them with markets of the rich, such as the United States. Thousands of independent workers are organized to produce consistently a very high quality product, on a complex decentralized basis through a system of organization that is unique. The company not only uses traditional weavers but also teaches, in remarkably short time, the craft to people who do not have a tradition of weaving. Raw materials are sourced from around the world, processed into rugs with traditional and new designs in rural India while maintaining quality control of end products. Jaipur Rugs provides a unique and dynamic example of how a profitable commercial connection between the poor and the rich—across the world—can be done.

The Grassroots of a Global Supply Chain

Mr. Sakir Ali is a weaver in Sonbhadra district, who had been working directly for Jaipur Rugs since 2006. Within his first 1½ years of working for Jaipur Rugs, he bought two new double looms, and said that he earned more income than he did previously when he worked for a middleman. His wife and two daughters were trained by Jaipur Rugs Foundation. He was happy that his two daughters were weaving because they could earn money in the home without having to work in the fields. His wife also said that she was happy because she could earn money for her family and work beside her two daughters.

Figure 1
The Ali family at home in Sonbhadra district, Uttar Pradesh

