



CRAFT SUMITA GHOSE

Artisans Turn Shareholders

TEXT: USHA RAI

A diminutive powerhouse develops a profitable community-owned company

It was towards the end of 2006 that Rangсутra was set up as a bridge between, “artisans and customers, tradition and contemporary and change and continuity.” From the three groups of artisans who began working with Rangсутra when it was launched the company now comprises 30 groups, each with 25 to 200 skilled artisans. In some 2,000 homes across the country artisans are working for Rangсутra. Of them 1,100 are shareholders coming from remote parts of the country – the deserts of Rajasthan, the hills of Uttaranchal and the underdeveloped areas of Andhra Pradesh, Assam and West Bengal.

The driving force behind Rangсутra is a diminutive powerhouse, the Delhi-based Sumita Ghose. A

Fulbright scholar, she was working with artisans in Rajasthan in the mid-eighties when, she, along with Sanjoy Ghose, set up URMUL, an NGO, which tapped the traditional skills of weaving and embroidery to help farmers to improve their lives. In 2006, she decided to go back on that road and work out how the artisan community could become part of a thriving India.

Ghose’s guiding principle has been to celebrate India’s rich crafts heritage, ensuring a sustainable livelihood for artisans by creating quality, handmade products and marketing them by strictly using fair trade practices. Profits from sale are ploughed back to provide for a better life for the artisan communities. “Socially”, says the bespectacled Ghose, “craftspeople and artisans come from some of the most disadvantaged communities with very little opportunity for self-development and growth.”

Making the company market-oriented was the real challenge since it was not mandated to be dependent



PHOTO: VISHAL KOLI/OUTLOOK BUSINESS

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on grants. Before asking artisans to step in with their financial contributions, Ghose took two loans – ₹ 2.3 million from Avishkaar, a social venture or angel fund and ₹ 3 million from Artisans Micro Finance, a subsidiary of FabIndia, an organisation which connects artisans to modern urban markets; Ghose's own contribution was ₹1 million. While her two big funders own 50 percent of the shares, she, along with other artisans, owns the rest. Gradually she hopes to raise the shares of the artisans to 49 percent.

The venture fund has paid twice the price the artisan paid for a share and barely five years down the line the value of a share has increased five-fold, from ₹100 to ₹ 500. "Though there are 1,100 shareholders, the number of workers associated with Rangсутra is over 2,000. I am confident that gradually all of them will become shareholders," says Ghose. All shareholders get dividends and in the last three years, Rangсутra's dividends have risen from 10 percent in 2008-2009 to 25 percent this financial and turnover has soared from ₹ 3 million in 2006-'07 to ₹105 million in 2010-2011.

Driven by a commitment for excellence, Ghose, along with her two young designers, Ritu Suri and Ruchi Tripathi, both graduates of the National Institute of Fashion Technology, is constantly motivating the artisans,

giving them new designs, searching for fresh markets and sourcing new talent and group specialisations. For instance, Mahila Sannathkar's forte, in the old city of Hyderabad, is *aari* embroidery, quality stitching and tailoring. In the Sundarbans area of West Bengal, there are some 200 artisans who specialise in silk *batik*. While Rangсутra's biggest buyer is FabIndia, it also exports a small amount of its exquisite products to France, the Netherlands and the UK.

Seventy percent of Rangсутra's workers are women. Working part-time from their homes and depending on the level of their skills they are able to earn anything from ₹ 3,000 to ₹ 5,000 a month whereas earlier they may have sporadically earned anything from ₹ 500 to ₹ 1,000. Working full-time skilled male workers can earn up to ₹ 10,000 in a month: the payment piece rate is the same for men and women.

For many, being a shareholder in a profitable venture is a huge sense of accomplishment. The shares women have in Rangсутra are not just scraps of paper. For them it is a new form of saving, as valuable as the chunky silver they wear, which probably explains why one of the artisans has chosen to frame her share and hang it prominently on a wall in her house – an obvious symbol of a resurgent India. ■

More on Sumita Ghosh at www.rangсутra.com