



Weaving Opportunities in Nepal

Final Report

November 30, 2015



Right Photo © U. Roberto Romano

Executive Summary

GoodWeave's Weaving Opportunities program is a vocational training initiative for carpet weaving that began in Nepal in 2013 to provide at-risk and impoverished women with marketable skills and to replenish the workforce with skilled adult weavers. The program is designed to address the labor demand from companies in a country where, despite high nationwide unemployment and poverty levels, the carpet industry is facing a worker shortage due in large part to a lack of trained adult workers. GoodWeave further recognizes the lack of secure incomes for adults and the exploitation of children are interrelated, while fair and decent work for adults enables families to send their children to school. Graduates of the Weaving Opportunities program are placed in GoodWeave licensed and monitored facilities.

This final report highlights accomplishments and lessons learned from 18-month *Weaving Opportunities in Nepal* program for the period May 2014-October 2015. Program highlights include:

- 250 total trainees completed the training and were placed in gainful employment including: 195 weaving trainees, 15 participants in the graphing and designing training, and 40 participants in the finishing training.
- After four months of work, placed weaving trainees earned a median monthly income of NPR 6,406 (\$60). Those who had worked a year earned a median monthly income of NPR 7,054 (\$66), showing that earning potential increases as trainees improve their skill and speed. As reference, the current national poverty line in Nepal is approximately \$15 per capita per month.
- Trainees who had previous employment saw their monthly incomes increase over their pre-training incomes by an average of 179%.
- Social services including counseling and daycare were provided to trainees.
- 52% of placed weavers are retained by employing factories. Please note that the earthquakes that struck Nepal in April and May had a severe impact on retention, as many trainees who had been placed in employment in Kathmandu came from some of the hardest-hit districts. They returned to their home villages in the aftermath of the earthquakes to reunite with family, assess damage and await government-promised resources to rebuild.

Although the crises experienced during the program period, including the earthquakes as well as political turmoil, made implementation more difficult and had an impact retention rates, they also provided valuable learnings for future programming. Lessons learned include:

- Proximity of weaver housing to a factory is a key factor to ensuring retention.
- Employers value the program enough to provide financial and in-kind support for a portion of programming costs.

- Maintaining communication with and tracking individual trainees after placement poses a challenge to staff. Social networks amongst weavers, trainers and employers are viable alternatives for collecting information.

Despite the myriad challenges now facing Nepal, this program was successful in achieving its goal of providing 250 trainees with the means to rise out of poverty through market-driven skills and job placements. Demand for this initiative is high, and GoodWeave is eager to begin implementing the expanded program in the coming year.

Implementation Context

Before the launch of *Weaving Opportunities*, high levels of both unemployment and underemployment posed huge challenges to Nepal's poverty alleviation efforts. As one of the country's top three exports that employs nearly 100,000 workers, the carpet industry had been rebounding from a steep decline triggered by the 2008 global financial crisis. Complicating the industry's recovery, however, was a severe shortage of approximately 20,000 skilled weavers that stemmed from a lack of available training programs, negative perceptions of the working conditions in carpet factories, and massive out-migration of skilled laborers. By creating Weaving Opportunities, GoodWeave saw the potential to highlight and reward ethical carpet companies that are building a domestic job market to retain workers in Nepal, strengthen families and communities, and feed an upward spiral of employment in a sector that leads the country's economy.

Since this program began, the challenges facing both Nepal's economy and the rug sector have been exacerbated by natural disaster and political turmoil. Massive earthquakes in April and May of 2015 devastated entire regions of the country, leaving nearly 9,000 dead and hundreds of thousands homeless. Damage to business infrastructure in the 14 affected districts was estimated at USD \$156 million, and many companies ceased operation. The disaster had a particularly profound effect on the carpet industry; within the GoodWeave supply chain, total infrastructural damage was estimated to total approximately USD \$3.5 million. In the immediate aftermath of the disasters, 150 factories were either in only partial production or not functioning at all due to damage to facilities, worker housing, equipment, and raw materials.

The Tamang ethnic group that comprises the majority of weavers in Nepal originates in some of the hardest-hit districts. While the workers and their immediate families migrated to live and work in the Kathmandu Valley, their relatives and homes remain in these earthquake-affected rural areas. In the wake of the disaster, approximately 30% of total weavers from GoodWeave factories left the Valley to be with family and rebuild their village homes, and many have not yet returned. Workers from India, often employed due to the shortage of Nepali weavers, have also returned home out of fear. Young Nepalis continue to migrate abroad for work, seeking higher incomes and stable employment. As a result, the rug industry now faces an even more severe labor shortage as it struggles to remain a pillar of Nepal's economy.

The vulnerable families hardest hit by the earthquake are at risk of going into debt in their efforts to rebuild homes and lives. Unemployment rates remain high, and while many earthquake victims are eager to find employment, most are in no position to take advantage of opportunities in the carpet sector due to lack of training and knowledge of the industry.

Program Results

A total of 250 individuals were trained through *Weaving Opportunities* between June 2014 and April 2015, and all benefited from subsequent job placement in participating factories. These trainees included 195 weaving trainees, 15 participants in the graphing and designing training, and 40 participants in the finishing training.



During the final six months of the project, GoodWeave conducted an assessment of placed trainees to track their progress and collect feedback regarding the impact of the program on their lives. A weaver feedback survey covered 35% of the 195 weaving trainees and collected data about participants' previous income, education levels, and past and current financial situations, and this data was combined with baseline data taken from the beginning of the project. Wage data for 48% of weaving trainees was also collected from employers to supplement the surveys in addition to case studies of several trainees and feedback from participating employers.

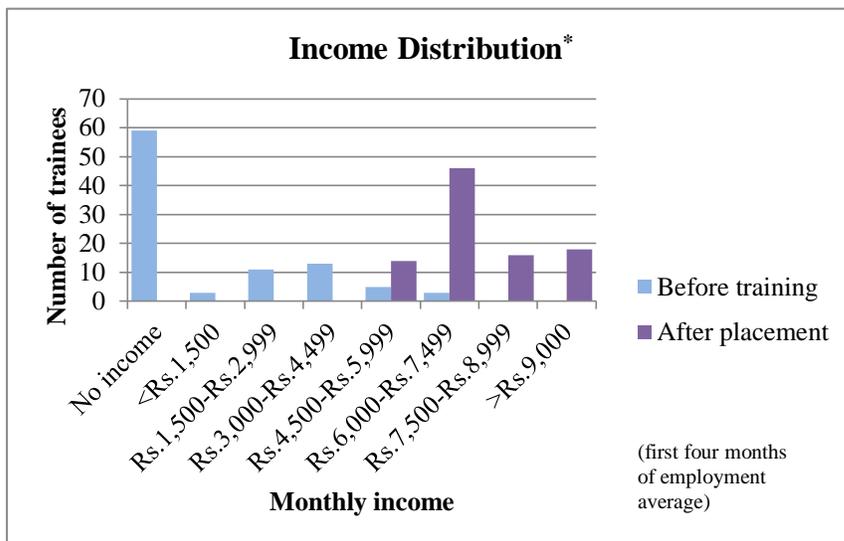
Income

GoodWeave conducted two surveys to assess the impact of the project on weavers' incomes, one to collect income data from the factory manager and one to collect individual feedback from placed program participants. Reported incomes are based on a calculation of the piece rate and amount woven in a 30-day period. The piece rate that a weaver receives fluctuates based on the market and design of the carpet, while the amount a weaver is able to weave within a month is influenced by the number of working hours and the factory's operation schedule. For instance, a weaver may choose to work fewer hours one month or a festival may impact the number of hours one is able to work.

Before entering the program, 58% of weavers surveyed disclosed that they had no income source. Many categorized themselves as housewives, not by choice but due to lack of a working skill. As a result of the training, more than half of the surveyed participants have, for the first time, the choice to be employed. After four months of employment, trainees who had previously

been employed saw their monthly incomes increase over their pre-training incomes by an average of 179%.

Previously-employed participants had a median monthly income of NPR 3,000 (\$28) before completing the training program. The survey revealed that after four months of working, placed weaving trainees were earning a median monthly income of NPR 6,406, (\$60; see figure at right). Trainees who had worked a full year earned a median monthly income of NPR 7,054. (\$66), demonstrating a continuing trend



* This includes income data from 94 weaving trainees, and combines data collected as a baseline with current weaver feedback surveys and wage data collected from employers. It does not include current income levels of those trainees who have left their placements.

of income growth the longer a worker stays in her placement.

The skills provided through weaver training enabled trainees to significantly increase their incomes and to see continual growth in their earning power over time. The following profile of Urmila, a member of the first cohort of weaving trainees, illustrates the impacts that increased incomes have had on many participants.

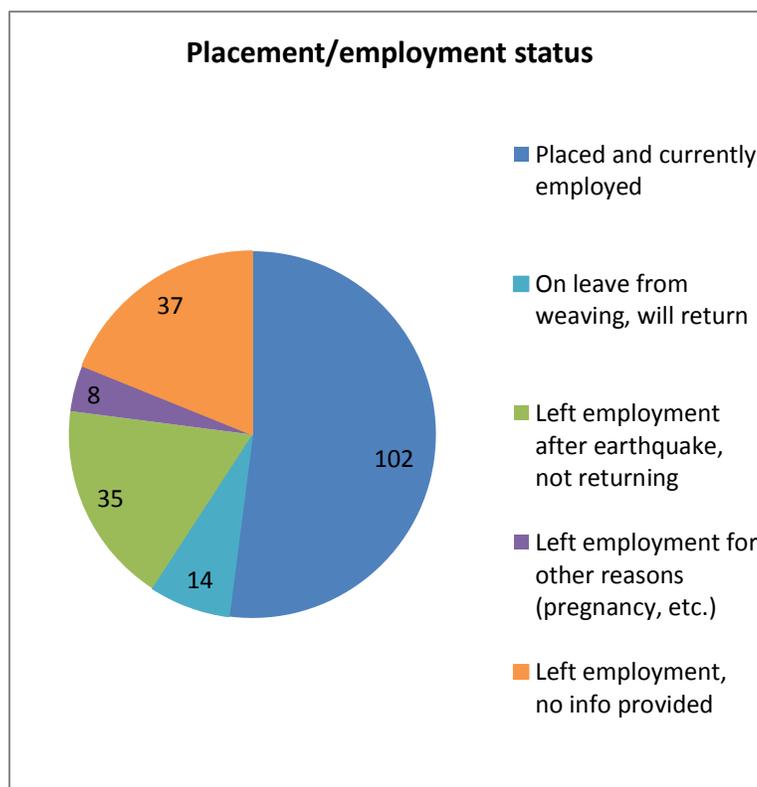
Urmila, 34, is originally from Okhaldhunga, a remote and rural district in Eastern Nepal. After her family moved to Kathmandu, she and her husband struggled to support their children and relatives through construction jobs. Together, they typically made around NPR 5,200 (\$49) per month, and the earnings were barely enough to survive. She felt that her family was in constant crisis.

In June 2014, Urmila participated in the weaver training through GoodWeave. After the three-month training period she was placed at a local carpet factory, where she has now been employed as a weaver for 14 months. Her monthly income reached NPR 11300 (\$107) in September, which is more than double what both she and her husband earned as laborers at construction sites. Urmila now is able to fully cover her family members' daily living expenses and reports feeling satisfied with her work and income. Her training has made her more confident and independent, and she says that she aims to educate her children.

Retention

Overall retention rates in placements remained high until the earthquakes hit in the project's fourth quarter. In the wake of the disaster, many left Kathmandu in order to return to families in home villages, while others did not return to work for a period out of concern for safety. Many are still likely to return to their placements, and some have verbally committed to returning to their employers, but others have been out of communication and have not provided updates on their status to GoodWeave staff. Additional trainees are expected to return in November and December after the monsoon and festival seasons have ended.

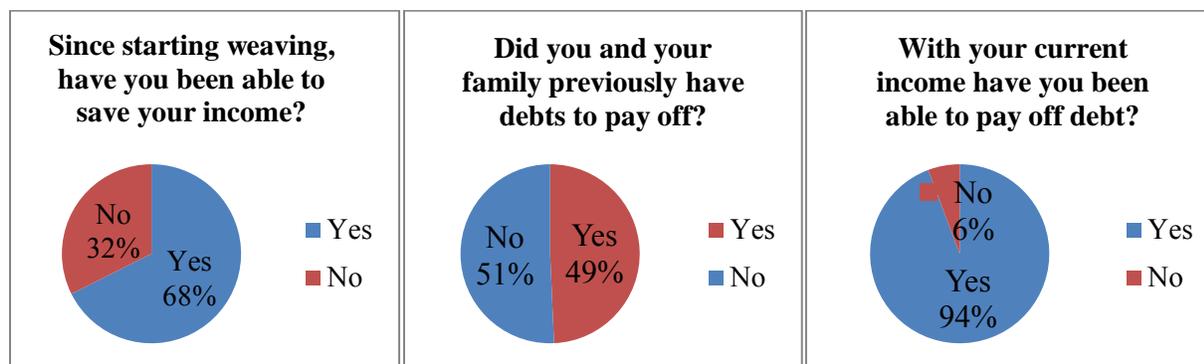
An evaluation of each factory where weavers were placed provided more information as to the placement and current retention of trainees. Of those who received weaving training, 52% remain either in their placements or are employed at other factories (usually closer to their homes), 7% have taken leave and plan to return, 18% left after the earthquake without plans to return, 4% left for other known reasons such as health problems or pregnancy, and another 19% left their placements without providing information about their reasons for leaving. The majority of those who left placements did so after the earthquakes. Several trainees from the final cohort returned to receive placements after several months in their home villages.



Other Impacts

When asked, “How has your new job impacted your life?” trainees reported that they have become more independent, skillful, and happy. Reported positive changes in their lives include the ability to earn an income and provide for children. All respondents highlighted the benefits of the training for themselves and their families. The trainees reported other benefits as well including ability to save and pay off family debts. Before the training, none of the surveyed participants reported being able to save income, whereas 68% reported that they have been able to save some income since the starting their work in carpet factories (see figures below). Approximately half of respondents and their families had previous debts to pay off, and of those respondents, 94% were able to pay off some or all of their families’ debt with their current

income as a weaver. Saving is an important part of poverty alleviation for these trainees, allowing them access to services which would have previously been out of reach, and to plan for the future.



Challenges & Lessons Learned

Proximity of Placement Factories to Home

As the program was originally structured, participants were sometimes placed in permanent jobs at factories far from their homes after having completed the training that took place in yet another location. Long commutes to work posed difficulties to weavers, and most are reluctant to relocate from the area where they completed training, particularly when they have children enrolled in school. This issue posed a challenge to ensuring retention at placements and led a few workers to seek employment at other factories closer to home. With this knowledge, the modified *Weaving Opportunities* project starting in 2016 will be structured around in-factory trainings so that weavers can receive training and employment from the same factory.

Communication & Tracking of Trainees

Staff depended largely on mobile and in-person communication throughout the project to track the status and progress of trainees. However, this strategy was challenged in the aftermath of the earthquakes when communication was extremely difficult as mobile networks were not functioning and many were without access to power for an extended period of time. With only mobile technology to keep track of the trainees, some trainees lost touch with staff completely. However, as trainees began to return to work, GoodWeave staff members were able to utilize the social networks among trainers, trainees, employers and other weavers in order to gather more information about the whereabouts of missing trainees.

Next Steps

In order to address the persistent shortage of workers in the carpet industry and the large population of earthquake survivors in need of sustainable livelihoods, the *Weaving Opportunities*

program will be refined to better meet the needs of workers in the post-earthquake context. As previously mentioned, rather than asking trainees to relocate for training and again for employment, training sessions will take place in partner factories that will subsequently hire the graduates to work in the same location. In addition, participating factories have found such value in the program that they have agreed to pay for a portion of the training cost, which will allow for greater numbers of workers to be trained at lower cost. Consistent with previous trainings, GoodWeave will also provide early childhood education services for trainees' young children, psychosocial counseling, workers' rights training sessions to ensure trainees are aware of their rights prior to placement.

GoodWeave staff has observed a demand for training in the time immediately after the earthquake, as many of the functioning factories lost weavers, finishers, and designers who returned to their home villages and an increasing number of Nepalese workers elect to travel abroad for work. Harnessing this demand, those factories that wish to be a part of the factory-based training program will be incentivized to improve working conditions and meet GoodWeave standards.

Along with facilitating the weaver, finishing, and design training programs in partnership with participating factories, GoodWeave will also ensure each graduate receives CTVET certification, a distinction recognized by employers throughout South Asia indicating graduates have achieved a high degree of proficiency in their trade. Each trainee's progress through training, job placement and after employment will be tracked similarly to the current trainees to measure the success of the project in terms of increased wages and job satisfaction. GoodWeave also plans to continue tracking past participants to collect data about the long-term impacts of the *Weaving Opportunities* program, specifically to observe whether the upward trend in income continues after one year of placement.