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Empowering through Threads: Jaipur Rugs' CSR Dilemma in Crafting Social Equity

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ABSTRACT

In the heart of Rajasthan, Jaipur Rugs stands as a beacon of craftsmanship and heritage, weaving not just carpets but also a commitment to social change. When a passionate CSR executive sets out to showcase the true impact of the company's initiatives, she must navigate a landscape where corporate responsibility is often seen as mere branding. Armed with the IPIET framework (The IPIET framework—Integrating Instrumental, Political, Integrative, Ethical & Emotional, and Temporal rationales—provides a comprehensive lens to assess the authenticity and impact of CSR initiatives.), she delves deep into Jaipur Rugs' efforts—from skill development programs empowering rural artisans to community welfare initiatives that extend beyond business interests. As she engages with stakeholders, the media, and policymakers, she strives to demonstrate that CSR at Jaipur Rugs is not just about compliance or reputation, but about creating lasting change. With growing expectations for businesses to integrate profit with purpose, she must demonstrate that ethical entrepreneurship can truly uplift communities.

I. INTRODUCTION

The study examines Jaipur Rugs' corporate social responsibility activities and their impact on the surrounding communities, assessing adherence to government regulations and the satisfaction of rural customers. The study, which mostly uses data from different power plants, tries to identify possible CSR practice missteps made by Indian businesses and offers enhancements for more successful CSR implementation. It addresses how business strategy, competitive advantage, and socioeconomic development are affected by CSR, highlighting the necessity of modifying CSR practices in response to shifting conditions. The report emphasizes how the Companies Act of 2013 in India has forced corporations to reorient their priorities toward the welfare of their stakeholders. It highlights the significance of business participation in social and environmental concerns while examining the execution and results of CSR programs. The study attempts to comprehend how big businesses embrace and use CSR, Emphasizing societal benefits, employee welfare, and business strategy restructuring, the research attempts to understand how major firms adopt and implement corporate social

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responsibility (CSR).

II. INTEGRATION OF BUSINESS AND SOCIAL GOALS THROUGH CSR PROCESS

In the past ten years, the debate over Corporate Social Responsibility (CSR)—a strategy used by firms to support community development—has become more well-known (Du et al., 2010; Maignan & Ferrell, 2004). CSR activities include duties to suppliers, communities, shareholders, workers, and the environment to increase stakeholder value (Caplan et al., 2013). A key component of the Millennium Development Goals was business engagement in international development initiatives (ElAlfy et al., 2020). Although corporate social responsibility (CSR) is supposed to help communities, others claim it frequently acts as a PR ploy (Prasad & Holzinger, 2013). Assessing how much corporate social responsibility contributes to community development is still a top priority (Browne & Nuttall, n.d.). Businesses are expected to raise the standard of living in society, which emphasizes the connection between community and economic growth (Mazutis & Slawinski, 2015).

The reasons for CSR are complex and include ethical, strategic, and economic aspects (Skilton & Purdy, 2014). Companies participate in CSR for a variety of reasons, such as their inherent principles, stakeholder expectations, and company reputation. Although organizational incentives differ, effective CSR implementation can improve a company's reputation and stakeholder value (Acharyya & Agarwala, 2022). The five forms of CSR motives identified by Haberberg and Mulleady's typology are coercive, normative, enlightened self-interest, charitable, and competitive (Haberberg, n.d.). These incentives might have definite or ambiguous financial advantages and can be triggered by internal or external triggers (Dixit et al., 2021). While enlightened self-interest links CSR with company goals for long-term sustainability, philanthropic efforts are voluntary and benevolent. Coercive motives originate from regulatory compliance, normative motivations react to stakeholder demands, and competitive motivations come from industry standards. Although measuring CSR results is still difficult, businesses are prioritizing CSR more and more to enhance corporate social objectives alongside financial goals (Aguinis & Glavas, 2012).

III. ABOUT THE COMPANY

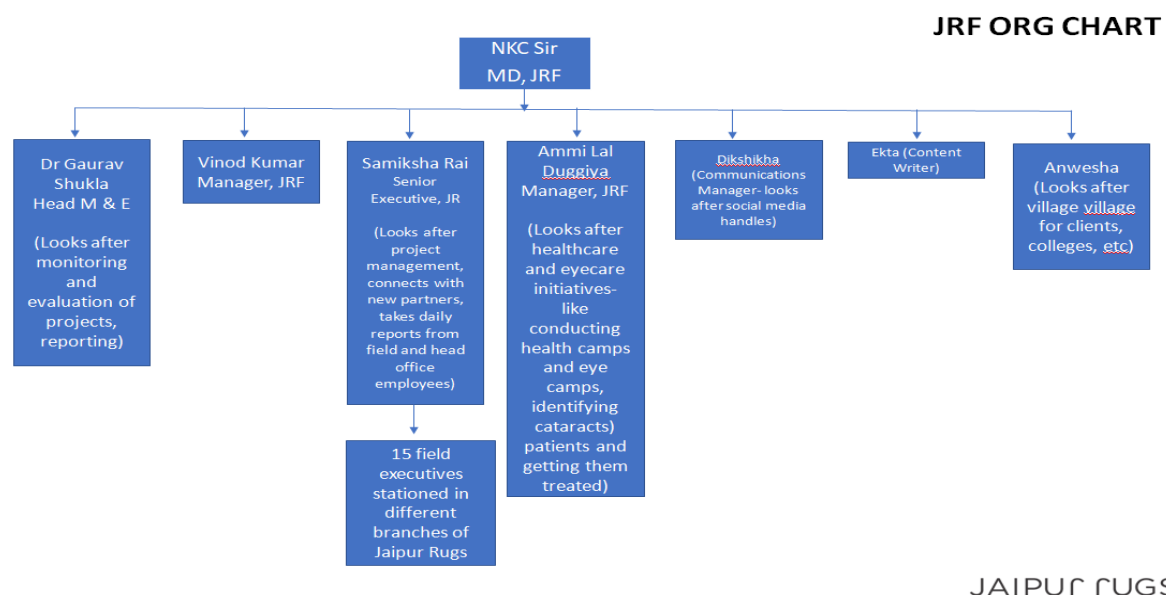
Based in Jaipur, India, Jaipur Rugs Company Private Limited is a well-known producer and exporter of hand-knotted carpets and rugs. Nand Kishore Chaudhary started the business in 1978, and it has since expanded to rank among India's top manufacturers of hand-woven carpets. Jaipur Rugs is renowned for its dedication to sustainability and social responsibility,

emphasizing the uplift of rural craftsmen and the promotion of traditional handicrafts. Over 40,000 weavers in rural India are employed by the enterprise, which offers them possibilities for both personal and professional growth along with fair compensation and training.

Growth and Expansion: From 2 looms and 9 weavers to 40,000 craftsmen throughout India, the firm expanded, exporting carpets to international markets and setting up shops in Mumbai, Jaipur, and the United States. Several esteemed accolades, including America's Magnificent Carpet Award, German Design Award, Carpet Design Award, Archi products Award, and Edida Award, were given to the firm in recognition of its design, quality, and social effect.

The Jaipur Rugs Foundation is a nonprofit dedicated to empowering and uplifting craftsmen by giving them access to digital resources, healthcare, education, and training. Jaipur Rugs Foundation is a non-profit organization in India that plays a vital role in promoting carpet development and rug weaving. Founded in 2004 by Nand Kishore Chaudhary, the foundation operates under the Rajasthan Public Trust Act. Its mission is to integrate rural communities into its value chain, empowering them to become home-based artisans and providing a market for their products.

Organization and responsibility mapping



IV. CSR INITIATIVES TAKEN BY JAIPUR RUGS THROUGH JAIPUR RUGS FOUNDATION

The Jaipur Rugs Foundation focuses on empowering artisans through various programs like skill development, women empowerment, and social initiatives. The foundation collaborates with organizations to provide livelihood opportunities, skill training, and healthcare to rural

communities. Initiatives like the Manchaha Project celebrate artistic brilliance, which features Manju's kind present to her daughter Kareena of rug with a Christmas motif. In the second project, Maina Devi's exquisitely woven "Leheriya Khet" rug—a sign of her thanksgiving for the gifts of nature—emphasizes her strong bond with her ancestral homeland. These programs show how art may be a transforming tool for expressing love, fostering connections, and appreciating the beauties of life, while programs like WELL aim to empower women through entrepreneurship. The foundation's efforts extend to leadership development, cultural preservation, and humanitarian aid, emphasizing social impact and sustainable development.

Purpose and Compassion:

- The foundation is built on love and compassion, aiming to uplift the lives and livelihoods of rural artisans.
- It focuses on developing their creative capacities and improving their standard of living.

Skill Development –

Jaipur Rugs Foundation has impacted over 43,205+ artisans and benefited 3,51,789+ lives across 812+ villages. They have created 52,277+ livelihood opportunities and assisted 18,194+ individuals with government-sponsored social entitlements. The Foundation empowers artisans through skill development by connecting unemployed or underemployed women from disadvantaged groups with sectors that offer revenue generation and employability potential. They provide training to upskill, uplift, and mainstream these individuals, enabling them to be part of the country's growth story. Through skill training programs, the foundation transforms the lives of artisans by providing them with sustainable livelihood opportunities and empowering them economically. This RRF and MPF-backed project sought to preserve traditional craftsmanship while utilizing the creative potential of Aspura, Rajasthan, and craftsmen to promote social innovation and sustainable development. Additionally, “The Jail Project” In partnership with many prison institutions, this initiative was put into place to teach jail inmates the craft of carpet weaving while also encouraging personal development and rehabilitation.

The Jaipur Rugs Foundation is committed to promoting menstrual hygiene, providing eye care through vision screenings distributing prescription glasses, and offering general healthcare services through health camps and partnerships with hospitals. Their initiatives aim to address essential health needs, improve access to healthcare services, and empower rural communities by enhancing overall well-being.

Women Empowerment through Livelihood & Leadership Development (WELL) program- Developed in partnership with the HCL Foundation, this program gave women in the Kothawan block of the Hardoi District, Uttar Pradesh, possibilities for sustainable means of subsistence. This initiative, which was carried out in collaboration with the CRISIL Foundation, aimed to empower women in Didwana, Rajasthan, by giving them access to weaving as a means of developing their skills and earning a steady income.

The key components of the Women Empowerment through Livelihood & Leadership Development (WELL) program include:

1. Teaching the art of hand-knotted carpet weaving to rural women.
2. Providing financial independence through sustainable livelihood opportunities.
3. Offering skill training to ensure further livelihood opportunities.
4. Fostering entrepreneurship development among women.
5. Empowering women economically by creating avenues for self-sufficiency and independence.

Opportunities for Living in the Districts of Sikar and Jaipur:

This initiative, which was carried out in collaboration with the Rajasthan Royal Foundation (RRF) and the Muthoot Pappachan Foundation (MPF), sought to empower and uplift women in the districts of Jaipur and Sikar, Rajasthan, by providing opportunities for self-sufficiency and economic independence.

V. THE CSR TEAM AT JAIPUR RUGS FACES A CRITICAL CHALLENGE

The data from Jaipur Rugs' annual report demonstrates the outstanding results of the organization's compassionate and empathic approaches. Over 43,205 craftsmen have benefited from its efforts, improving the lives of over 351,789 people in 812 communities. Through their work, they have improved the lives of 148,455 individuals by providing door-to-door healthcare services, helped 52,277 people find work, and helped 18,194 people get government-sponsored social pensions. Jaipur Rugs pledges to handle global concerns sustainably by aligning with the Sustainable Development Goals (SDGs) of the United Nations. Their partnerships go beyond only making money; they also provide our communities with a feeling of dignity and self-worth. Just this past year (2022–2023), we reached 45 additional villages in Rajasthan and Uttar Pradesh, generating 1,581 new livelihood prospects. These accomplishments demonstrate our commitment to developing a compassionate culture and making.

Ensuring that the company's far-reaching initiatives—spanning healthcare, employment, education, and social welfare—are not just seen as corporate obligations but as catalysts for real, lasting change. With over 43,205 artisans and their families benefiting from these programs, the impact is undeniable, yet skepticism lingers. Are these efforts genuinely empowering communities, or are they just strategic tools for brand enhancement? While the company aligns its goals with the Sustainable Development Goals (SDGs) and fulfills its social contract, deep-seated obstacles remain—low staff morale, gaps in data literacy, and resistance to digital approaches among beneficiaries.

In the case of Jaipur Rugs, the CSR executive tackles the pressing challenge of ensuring the company's social initiatives go beyond just meeting regulatory requirements and enhancing the brand image, to genuinely creating sustainable and impactful change in communities. The company's CSR efforts, encapsulated within the IPIET framework, are multifaceted and deeply integrated into both business strategy and social impact.

Instrumental Rationale: Jaipur Rugs' CSR initiatives—such as the skill development programs and the Manchaha Project—are designed not only to uplift rural artisans but also to enhance the company's competitive advantage, skilled value chain, and brand value. By showcasing their commitment to social causes and sustainability, Jaipur Rugs builds a reputation that attracts customers and partners who value ethical practices. The Manchaha Project, where artisans create unique, personalized rugs, acts as a powerful marketing tool, driving both sales and brand loyalty.

Political Rationale: Adhering to the Companies Act of 2013, Jaipur Rugs ensures its CSR activities comply with government regulations, which enhances the company's legitimacy and avoids legal penalties. Furthermore, by integrating rural communities into its value chain, Jaipur Rugs fulfills its social contract, aligning its business operations with societal welfare and ethical business practices.

Integrative Rationale: The company's stakeholder engagement is critical to its CSR success. Through programs like the WELL initiative, which involves a wide range of stakeholders—employees, customers, and community members—Jaipur Rugs ensures that the needs of diverse groups are addressed. These efforts extend beyond corporate gain to encompass broader community development goals, such as healthcare, skill development, and education.

Ethical Rationale: At the core of Jaipur Rugs' CSR efforts is a deep ethical commitment to the welfare of rural artisans. By providing fair compensation, healthcare, and skill development, the company upholds its moral obligation to improve the lives of its workers and their families

through its collaboration with Lenskart, medical cards, and hygiene education. Initiatives such as menstrual hygiene products and vision screenings further exemplify their dedication to the common good, ensuring the well-being of community members beyond business interests.

Temporal Dimension: The CSR initiatives have both immediate and long-term benefits. First-order rationales, such as enhanced brand reputation and direct community benefits like healthcare and skill training, have tangible short-term impacts. However, the second-order rationales—focused on the sustainable development of artisans, their economic independence, and the long-term building of a robust, ethical brand image—will continue to drive both community growth and business success for years to come. The foundation focuses on achieving Sustainable Development Goals (SDGs) No Poverty (SDG 1), Good Health and Well-being (SDG 3), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12), Partnerships for the Goals (SDG 17), set by the United Nations, operating across 5 states including Rajasthan, Uttar Pradesh, Jharkhand, Bihar, and Gujarat, to transform these goals into tangible realities.

Through these multifaceted CSR initiatives, Jaipur Rugs demonstrates how businesses can integrate profitability with societal impact, addressing immediate community needs while building a sustainable, ethical future. The CSR executive's challenge lies in ensuring that these efforts are not only perceived as genuine but also lead to measurable, lasting change, proving that CSR can be a powerful force for both business growth and social development.

The research explores the benefits, obstacles, and results of the Jaipur Rugs Foundation's corporate social responsibility (CSR) programs. The implementation of CSR is facilitated by an organization's pro-social conduct, the mandated CSR Act, and the leadership ideology. Unfortunately, obstacles including low staff morale, a lack of information flow, and insufficient data literacy impede development, particularly when recipients favor conventional over digital approaches. Notwithstanding difficulties, CSR initiatives produce noteworthy results. Enhanced financial literacy, increased capacity building, gender diversity promotion, greater access to high-quality education through training and scholarships, and vocational training are a few of them. In addition, CSR offers health facilities, encourages shared responsibility among communities, and supports entrepreneurship and leadership development. These results indicate a comprehensive strategy to tackle social problems, fulfill community expectations locally, and promote sustainable livelihoods. Organizations may optimize the benefits of their CSR programs by recognizing obstacles and utilizing facilitators, resulting in holistic development and societal well-being.

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