

Searching for prosperity in old traditions

Developing countries with age-old traditions in textiles can weave greater value from niche specialty markets. The Artisan Hub project looked at the challenges and opportunities for small producers to reimagine ancient and indigenous industries for sustained access to modern markets.

Recalling ancient stories of thriving textile craftspeople

As early as the 9th century, the Bengali region was gaining renown for the delicate, handwoven textile known as muslin – an inextricable element of the cultural heritage of Bangladesh – which enjoyed an almost mythic status over the centuries as a highly sought-after traded commodity. At the height of Mughal rule, and up until the late 18th century, muslin artisans enjoyed rich import markets in western Europe, which were later eroded by Britain's own manufacture of the fabric. Bangladesh's industry has survived, however, largely through domestic demand for traditional, authentic products and through government measures to support the specialty textile sector. Today, muslin's artisanal legacy of a thousand years is represented by the creation of the versatile though equally fine fabrics known as Jamdani. A large segment of Bangladesh's more than one million weavers, half of whom are women, engage in the revered and time-consuming craft, making a return to prosperous trade for the industry central to economic stability, youth employment, and gender empowerment in Bangladesh.

Defining the environment of textile artisans

Stories of ancient origins like these are important for understanding not only the significance of specialty textiles on the economic and cultural foundations

of certain developing countries, but also the impact on local artisans who are threatened by profound inequalities in income, gender, skills development, and job creation. Such stories are also part of the solution, as textile producers adopt strategies and create brands that enhance the marketability of the industry and the targeting of niche and perhaps higher-value export markets.

Canada's International Development Research Centre (IDRC), in partnership with Trade Facilitation Office Canada (TFO Canada), launched the Artisan Hub project to define a path toward sustainable social and economic growth for small producers and individual artisans in the specialty textiles sector of eight specific countries: Bangladesh, Cambodia, Ethiopia, Haiti, Lesotho, Madagascar, Nepal, and Uganda. In addition to several Canadian market development activities, specialists in five of these countries researched the domestic

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environment of textile artisans, particularly in the context of vulnerable groups such as women and youth, from the predominantly rural cottage industry, to producers based in urban areas. The resulting studies set forth recommendations for improving the economic outlook of local craftspeople through coordinated public and private sector initiatives, with the goal of increasing export-led growth of the specialty textile sector in developing countries.



Bangladesh's Jamdani is recognized by UNESCO as an Intangible Cultural Heritage of Humanity – a highly unique label and thus a potentially valuable aspect of future branding.

Regaining historical market share

Civil upheaval, particularly in the 1970s and 1980s, all but eradicated Uganda's profitable, century-old textile industry. Recent years have seen Uganda beginning to rebuild and differentiate its artisanal textile industry from that of its global competitors in the form of bark cloth products which, like Bangladesh's Jamdani, is recognized by UNESCO as an Intangible Cultural Heritage of Humanity – a highly unique label and thus a potentially valuable aspect of future branding.

Similarly, due its own history of political unrest, the damage to Cambodia's sericulture and silk yarn production capabilities have all but left it out of the global marketplace for the supply of raw silk, which is dominated by its Asian neighbours.

Particularly when it comes to cultural industries, domestic instability also presents a danger to the supply of skilled labour. During periods of interruption and unrest, whole generations become

cut off from the importance of legacy and birthright, as skills such as weaving and hand-loomed are often inherited through family lines. In developing countries, this results in a modern generation that views artisanal textiles as neither an income generator nor a desirable vocation.

Overcoming skills, income, and innovation gaps

Skills development and availability are challenges due not only to youth becoming divorced from inherited talents by domestic turmoil. Ethiopia's handloom weaving sector is an important generator of cottage industry employment second only to agriculture. Indeed, the textile industry in Ethiopia accounts for 23% of all employment in cottage industry and handicraft manufacturing, and 20% of rural employment. What hinders small-scale producers and the industry in general is the low level of business and exporting knowledge. While there is the will to upgrade these skills, the cost of acquiring them through traditional channels can be prohibitive for small-scale weavers – al-

though the need for this type of training exists at all levels of the industry.

The less-established specialty textile sector in Lesotho faces a similar barrier in the lack of entrepreneurial skills, where the artisans are predominantly middle-aged to senior women who began plying their trade informally decades ago. A scan of Lesotho's textile industry illustrates a near-universal critical threat for sustainable growth in developing countries: youth generally do not view heritage-based and artisanal work as desirable in a technology-driven, globalized era.

"The making of Jamdani fabric is a costly operation which requires a high retail price, thus making products high-end products. Consequently, the development and marketing of new products can only be achieved if unique and exclusive products are offered to foreign markets."

Jacques Nadeau, Canadian specialty textiles market expert

Labour-intensiveness with slow income generation is often what prevents a younger generation from taking on these skills, or if they do, it is short lived once other opportunities come along. In Lesotho, there is a relatively low number of younger, entrepreneurial artisans with high-quality design skills who are pursuing innovative new products, but who will need far greater support in order to carry the industry forward from the older generation. Attracting youth to specialty textile creation though the uniqueness of bark cloth is also a hope in Uganda, where over six million young people face the threat of a nearly 20% unemployment rate.

In Ethiopia, given that the majority of employees in handloom weaving are impoverished women, the cost of training is often compounded by an inability to take time away from caring and providing for their families. In fact, the main economic beneficiaries within the sector in each country are women, who thus bear the greatest risk in the goal of creating sustainable specialty textile initiatives. In Cambodia, where



As the largest segment of the specialty textiles workforce, women have the most to gain from increased prosperity through trade. In Cambodia, women's labour participation in the sector can be as high as 87 percent.

fluctuating employment levels see female participation as high as 87%, there has been an attrition in the number of weavers of about 65% just in the five years since 2012, due mainly to women abandoning craft making to seek higher wages in other industries, or by migrating away from rural villages to big-city textile factories.

Labour participation and lack of business and trade knowledge are not the only hurdles. Ironically, in an industry where cultural heritage and ancient techniques are key components of consumers' perception of value, a lack of access to innovative processes and technologies impedes the ability to meet design and quality expectations of foreign markets. Measuring and testing of silk quality in Cambodia, utilizing current technology and expertise, is in short supply, as is a large enough pool of sericulture engineering skill needed to rebuild domestic supply of raw material. In Bangladesh, Jamdani weavers are venerated for their skill in creating beautiful sarees in traditional designs for the domestic market, but they suffer from a lack of knowledge on aesthetic trends outside of the cultural diaspora in foreign markets. In each country, small-scale textile crafters have low or no access to manufacturing automation, and in the case of larger enterprise, available process technologies and engineering skills are uncompetitive compared to more industrialized supply countries, which threatens not only quality but also the sheer ability to meet buyer demand. This forces craft producers to deal mainly in small direct shipments, for which there is either a lack of adequate supply chain infrastructure between suppliers and buyers, or a lack of knowledge on the available tools, such as vertical online marketplaces or innovative services in transportation logistics, that could help to alleviate the challenge.

Supporting national policies for specialty textiles

In investigating the specialty textiles industries of developing countries, it

becomes clear that local governments at all levels have a central role to play by adjusting potentially detrimental policies. This includes increased implementation of support programs, championing small producers, and promoting the importance to society of artisanal work.

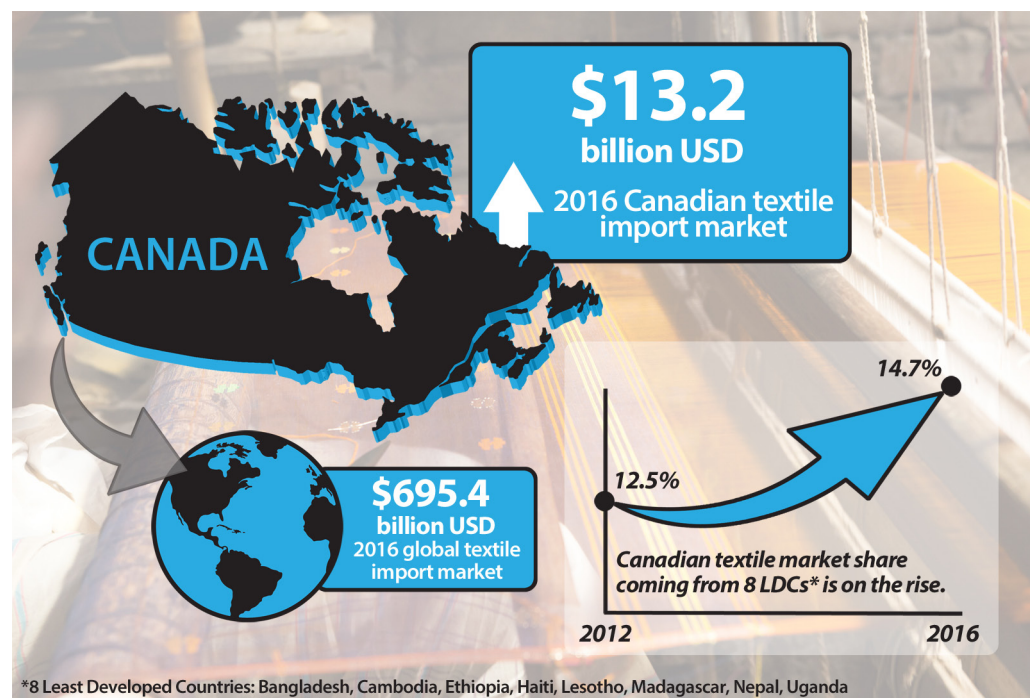
"... lack of government support has led to the near collapse of the industrial sector...More government led initiatives, which focus on lowering the cost of doing business, are needed to boost capacity in the textiles industry."

Maria Josephine Nagawa, researcher & author, Promoting Exports of Ugandan Specialty Textiles to Canada

In the case of Bangladesh's jute industry, for example, large mills wield the greater share of market power with their size and financial position, due in no small part to the government export incentives that they enjoy. However, these incentives favour the export of semi-processed jute, which severely reduces the domestic supply of raw material for small producers, either because the cost is too high or because the mills are unwilling to sell it in lesser quantity. Not unlike the need for securing a higher-

quality supply of silk to small producers in Cambodia, the industry will benefit from policy adjustments that consider the economic advantages of ensuring equitable local supply and procurement of raw material.

And in an age where micro-finance and other credit schemes appear ubiquitous, their benefits are not always reaching the at-risk population segments who could most benefit. Every country study found that adequate product and market development financing was either non-existent or beyond reach on a regular basis, even from domestic programs that were specifically designed to support small industry and export development. Governments will need to ensure that fair financial support, via public or private means, is available to qualified small producers and individual artisans through a standard process of assessment. In terms of industry capacity, governments will also need to consider whether adequate levels of investment are available to secure competitive technologies and the necessary expertise and services required for the domestic production of raw materials and the manufacture of finished



Source: TradeMap, UN COMTRADE data, <http://trademap.org/>
Based on the combined value of HS 50-63 textiles imports to Canada and to the world.



Alexandre Voos, Madagascar

Promoting artisanal practices to youth will help ensure the vital cultural legacy of their predecessors.

products that meet international standards.

Another commonly identified need from government was to use their international reach to streamline connections between suppliers and buyers in order to decrease the overall cost to market, thus increasing the profitability for small producers. An inequitable amount of product value is quite often absorbed by so-called 'middlemen' who may provide logistics and marketing support, but who ultimately shield artisans from gaining any real market and product development knowledge, or buyer contacts. In some cases, the reported loss for small producers can amount to 80% to 90% of potential profit.

Making cooperation profitable

The theme of cooperation is also prevalent throughout the studies. It is highlighted both in the context of decreasing the vulnerability of small producers to certain market risks – such as over-reliance on middlemen – and in building bridges to foreign markets where buyer awareness of artisanal supply from developing countries is low. In all of the studied countries, domestic networks exist with varying degrees of sophistication, depending on the maturity and capacity of the local industry. However, it is recognized that stronger integration of regional supply chains would allow producers who are

marginalized, either by their socio-economic status or by location, greater access to expertise, support programs, distribution options, local and international contacts, and information on buyer trends.

The Artisan Hub project, which combines a domestic industry scan with the Canadian market context, also emphasised that stronger vertical networks into buyer markets have an important role to play, not only in terms of market development and sales, but also in informing product development on the supply side. While a range of textile products, particularly clothing, enjoy strong domestic sales utilizing traditional designs and colours, it is often assumed that cultural flavour will be perceived as 'exotic' and therefore desirable to foreign buyers. Even though many producers have tapped profitable niche demand in this manner, it is clear that the approach is limiting. By working directly with the buyer-side industry, artisans will have the opportunity to create products that are more closely aligned with demand, whether it means adjusting production for specific designs or colours, or creating brands that communicate appealing value propositions, such as in highlighting eco-friendliness of certain materials, uniqueness of fabrics, social activism, or an historical context.

Exporting in the digital age

Another competitiveness issue for artisans is an inadequate production capacity that makes international shipping often too costly, or that fails to meet buyers' volume requirements. Stronger cooperative networks can help alleviate the problem by combining shipments, or through collaboration among small producers to meet buyer quotas. As Internet availability, particularly on mobile platforms, has continued to advance in developing countries over the past ten years, leveraging e-business solutions has become a complimentary strategy for overcoming these kinds of challenges for small producers. The

need for general business and trade training continues to be an important factor, and one which must now include the development of digital skills in marketing, the online expectations and perceptions of the buyer market, e-payment solutions, and web-based platforms that facilitate smaller shipments and boutique sales.

The work of the Artisan Hub project is in some ways parallel to the export development process itself: theoretical knowledge of the market environment, and practical, real-world market context go hand-in-hand to build successful ventures. Many of the challenges faced by small producers and the recommendations offered by the study authors are not limited to the experience of the specialty textiles industry, but common to a range of industries where global market development is a critical component of poverty reduction. IDRC and TFO Canada will continue to work with Canadian industry partners to facilitate strategic market development, and to foster in-market connections with the goal of enhancing the prosperity of small producers and artisans in low-income countries.

This brief is based on market-entry studies of Bangladesh, Cambodia, Ethiopia, Lesotho, and Uganda. The studies are available for download on the Artisan Hub website at <http://artisanhub.ca/>.

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