

Artisan Value Chain Pilots EXECUTIVE SUMMARY

Artisans and the Economy - Artisan activities have a critical macro and micro economic impact that is often undervalued. The global market for artisan crafts is significant and continues to expand: during the period from 2002–2008, world exports of artisan products rose from a value of \$17.5 billion in 2002 to \$32 billion in 2008, an increase of 8.7 percent. Tens of millions of people in the developing world, largely women, participate in the artisan sector. Behind agriculture, artisan activity is often the second largest employer in the developing world and the primary means of income. In addition to creating jobs and income, artisan production fosters economic communities, sustains ancient traditions, and preserves culture that is essential for healthy and sustainable development.



Alliance for Artisan Enterprise - The Alliance for Artisan Enterprise (AAE)—a collaboration between The Aspen Institute and the Secretary’s Office of Global Women’s Issues (S/GWI) for the U.S. Department of State—launched in November 2012 to promote artisan enterprises globally with a specific focus on women artisans and their families. AAE is a member organization and to date there are over 55 members including: artisan businesses, artisan support organizations, corporations, foundations, NGOs, international organizations, and governments. By leveraging public-private partnerships and fostering future opportunities for collaboration with multiple artisan sector stakeholders, AAE aims to investigate scalable, long-term solutions for artisan enterprise development.

Artisan Value Chains - Globally there are many known barriers to success for artisans: Lack of access to finance, lack of access to raw materials, lack of knowledge and skills training, sourcing bottlenecks, prohibitive shipping costs, lack of access to local and global markets and culture life/work imbalance to name a few. It is generally agreed that we must work to move the continuum of artisans from subsistence labor force, up the value chain to makers and co-creators in the greater context of the creative economy. But given all of the challenges in artisan sector value chains, the key question is how do we drive change for artisans? What type of focus is needed? How do we begin to understand the complexities of artisan value chains so that we may design innovations appropriate for artisan stakeholders that ultimately bring greater opportunity, improve livelihoods, and increase communities’ economic prosperity?

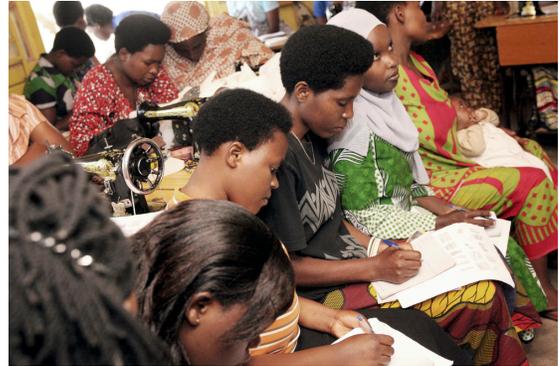


Design Thinking - UNESCO’s 2013 Creative Economy report specifically highlights the need to bring a design thinking approach to understanding artisan value chains in order to capture the perspectives and motivations of the artisans themselves. Traditional value chain analysis focuses on raw material to goods conversion within sequential stages of activities, product flows between actors and channels of sale all largely pertaining to the formal sector. But most artisan enterprises exist in the shadows of the formal sector (outside official metrics) and are generally loose configurations of suppliers, producers and traders in an informal network. In combination with best practices in current value chain analysis

methodology as favored by Development and International Organizations, a design thinking approach focused on understanding the highly specific, localized, sociocultural, historic and geographic dimensions within which artisans are situated brings greater clarity to the barriers and levers in artisan value chains through a participatory approach. As a process, design thinking is collaborative, cross-disciplinary, and iterative with a focus on empathy. Rather than creating an abstraction of the artisan, it shares in their lived experiences, gains from their local knowledge and incorporates their worldviews. It is data driven but it is also qualitative, welcoming insight and intuition.

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Pilot Contexts | Philippines and Rwanda - Two countries have been selected to help frame and focus AAE's Artisan Value Chain Pilots. Artisan value chains in Philippines and Rwanda offer both challenges and opportunities and striking comparisons. In each country, artisan enterprises currently present a very promising mechanism for inclusive economic development, bringing capital and resources to women in the informal sector, and improving livelihoods in economically depressed areas.



Artisan Value Chain Toolkit | A Description - AAE will prototype its Artisan Value Chain Toolkit in the field in both pilot countries spring 2015. The Toolkit is a collaborative tool based on visual symbols designed to help map the ecosystem of partners, suppliers, producers and traders involved in artisan value chains. An artisan or stakeholder need not have literacy to participate in creating these maps. Improvisation is welcomed and empathy is stressed.

The aim of the Toolkit is twofold:

1. To provide stakeholders the ability to visually see and understand all components of the value chain in concert.
2. To create a common language enabling all stakeholders to better work together.

Key questions to validate/explore with AAE's Toolkit prototype in-country are:

- Can the Toolkit be utilized with minimal training and intervention?
- How might the Toolkit be leveraged in conjunction with existing value chain analysis frameworks?
- Does the Toolkit help create a common language from which domain specific patterns can be extrapolated?
- Given a larger sample set, could business model archetypes be derived from data revealed from the Toolkit?

Ultimately the Toolkit will be licensed under the aegis of Alliance for Artisan Enterprise through Creative Commons for all to use and share.

Pilot Goals and Objectives - AAE is testing a hypothesis in both countries with its Toolkit, looking to better understand how to incorporate a design thinking approach to issues surrounding artisan value chains. The pilots are structured for learning as adaptive insights gained during field work are incorporated. Beyond the pilot countries of focus, AAE hopes to understand how to scaffold learning to greater national and regional contexts. In addition, desk and field research combine to clarify the micro and macro realities within which artisans are situated in both Philippines and Rwanda. By carefully contextualizing artisans within these realities, AAE hopes to further demonstrate the reason and need to include artisan enterprises in the overall business growth strategy at a country level.

The upcoming APEC events in Manila Fall 2015 and the Global Entrepreneurship Summit to be held in Sub-Saharan Africa Summer 2015 are visible and fitting platforms to present pilot findings.