

IMPACT REPORT 2014




THE ASPEN INSTITUTE
ALLIANCE *for*

ARTISAN

ENTERPRISE



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DEAR FRIENDS OF THE ALLIANCE,

As we mark the second year of the Alliance for Artisan Enterprise we pause to celebrate the accomplishments of our members in supporting job creation, income generation for families and communities, and the preservation and evolution of unique cultural traditions. This impact report provides data on the numbers and composition of artisans supported by members, jobs created, and profiles members' efforts to connect artisan businesses to markets and create economic value for artisan businesses.

In 2014 Alliance membership more than doubled, growing from 22 to 57 organizations; we hosted member roundtables in Taiwan, Peru, New York, and Washington; we designed and piloted the Alliance Artisan Value Chain Toolkit, a human-centered design interactive tool for identifying barriers and innovations in the value chain, and held our annual conference in Santa Fe.

The Alliance for Artisan Enterprise was created to elevate the power and potential of the artisan sector to create

jobs, provide incomes, and develop communities in a way that respects the uniqueness of people and place.

The artisan sector is composed of hundreds of thousands of artisans from all over the world, artisan support organizations, corporations, buyers, and market intermediaries. Yet the sector has not been organized in a way that collectively works to increase incomes to artisans and grow their businesses. Artisan businesses are underfunded and little data about impact and practice is currently collected or shared. To address this, the Alliance provides opportunities for members to showcase and share innovations to address market, design, business and logistical barriers, and brings new financial and technical resources to the field.

We invite you to join us as we support the creativity and resilience of artisans and their partners all over the world.

Peggy Clark

Director

Alliance for Artisan Enterprise

The Aspen Institute

INTRODUCTION

ARTISAN SECTOR

Hundreds of thousands of people across the globe, especially women, participate in the artisan sector. Behind agriculture, artisan activity is the second largest employer in the developing world. Organizing and harnessing the power of this sector to increase sales and efficiency has the potential to create jobs, increase incomes, and foster sustainable community development. Investing in artisans also preserves unique cultural traditions that in many places are at risk of being replaced by lower quality, machine-made products.

To date, the potential of artisans worldwide has not been channeled to maximize economic impact. Artisans work in isolated environments, without business skills, market access, and the financial tools needed to boost production and sales.

With appropriate support, the artisan sector provides an opportunity to transform the international economic landscape. Better integrating artisans into global commerce will increase the incomes and standard of living of many individuals and their families in the developing world. The untapped development potential of the artisan sector is the focus of the Alliance for Artisan Enterprise.

THE ALLIANCE FOR ARTISAN ENTERPRISE

The Aspen Alliance for Artisan Enterprise was launched by former Secretary of State Hillary Clinton in 2012 as a public-private partnership with the U.S. Department of State and the Aspen Institute. The Alliance is a collaborative effort of 57 members (and counting), including small and medium enterprises, corporations, non-profit organizations and individuals.

Members of the Alliance for Artisan Enterprise work together to promote the full potential of artisan enterprise around the world. The Alliance leverages the collective strength of its members to break down barriers commonly faced in the artisan sector.

In 2014, Alliance membership more than doubled, growing from 22 to 57 members. Members provide a platform to advocate for increased recognition of and investment in the artisan sector.

The Alliance envisions a world in which artisans are fully integrated into global commerce and where increasing revenues flow to artisan producers in communities in need of economic opportunity.



Elevate
the importance
of the artisan sector



Support
and grow
artisan businesses



Share
best practices
in a collaborative
learning community

“The mission of the Alliance is to **support the power and potential** of the artisan sector, to **create jobs, increase incomes, enhance cultural heritage** and **promote development** that respects the uniqueness of people and place.”

ARTISAN IMPACT

The 2014 annual survey of Alliance members shows significant artisan sector impact in terms of artisans employed, households impacted, and reach to women entrepreneurs.

Data reveals that investing in the artisan sector creates jobs, increases incomes, and promotes cultural heritage. The majority of artisans served are women and small producers working informally. Artisans organize into businesses or cooperatives to increase producing and efficiency, and expand to new markets.

Many artisans lack access to broader global markets and face supply chain and market information asymmetries. Facilitating market access, financing, design services, and business mentoring increases sales and incomes for artisans. Elevating consumer awareness of the value of handmade products helps ensure the continued production of traditional, culturally significant handmade items.

Alliance members include artisan-run businesses, intermediary businesses, corporations, consulting firms, foundations, and non-profits. These entities provide market access, business skills training, design mentoring and financial support to artisans worldwide.

GLOBAL ARTISAN SECTOR

\$34 billion market

2nd largest employer in the developing world, after agriculture

65% of artisan activity takes place in developing economies

THE ALLIANCE FOR ARTISAN ENTERPRISE

57 members and counting

78,387 artisans employed by 32 member organizations

486,777 household members impacted

86% women members

\$22,525 loaned to artisans through financing partnerships

THE ALLIANCE IN ACTION

RESEARCH & POLICY

The Alliance partners with researchers and members of the international community to conduct research to quantify the artisan sector and improve and support policy initiatives to improve access for small-scale artisans to market resources.

In 2014, the Alliance held a series of roundtable discussions and its members worked to educate policymakers to support small-scale artisan businesses. The Alliance also worked to improve trade awareness and opportunity around the Africa Growth and Opportunity Act (AGOA) reauthorization discussions through the Faces of Trade Campaign, which sensitized policymakers to the importance of including the smallest producers - artisans and smallholder producers - in trade legislation. The Alliance also held informational sessions with the Asia Pacific Economic Cooperation nations to showcase the economic benefits of country-level strategies which have invested in the artisan sector.

EVENTS & VISITS

The Alliance team and its members host and attend international events throughout the year, sharing best practices in collaborative learning forums. In 2014, Alliance team members visited Santa Fe, New Mexico, Lima, Peru, and Taiwan to share the Alliance's mission and work, and support its members. The Alliance team also attended NYNOW Artisan Resource in February, and held salons and roundtable discussions throughout the year showcasing Maiyet, Nest, Sahalandy and Mercedes Salazar.



NYNOW Artisan Resource

Social Justice and the Runway ft. Nest and Maiyet

FEB

Alliance in Taiwan at APEC Workshop and Alliance Roundtable

MAR

Roundtable ft. Sahalandy of Madagascar

Alliance in Peru and Roundtable

APRIL

Alliance for Artisan Enterprise Annual Conference in Santa Fe

JULY

Alliance Salon ft. Mercedes Salazar of Colombia

DEC



ARTISAN VALUE CHAIN TOOLKIT

In 2014, the Alliance and the Office of Global Women's Issues at the U.S. Department of State designed a collaborative, visual tool that maps the ecosystem of artisan producers, suppliers, partners, and traders. Utilizing human-centered design methods, the Toolkit allows artisan organization teams and others to create visual maps identifying processes and solutions. Improvisation is welcomed and empathy is stressed throughout the process.

To date, the Toolkit has been piloted with nine artisan businesses in Rwanda and the Philippines, and at a workshop at the Santa Fe Folk Art Market.

INNOVATIVE FINANCING



Kiva

Kiva is a non-profit organization whose mission is to connect people through lending to alleviate poverty. Kiva connects borrowers to individual lenders and leverages a worldwide network of microfinance institutions to administer small loans.

Through Kiva, the Alliance has raised \$22,525 in loan funds. Four loans were distributed in four countries, supporting 608 artisans in Nepal, Kenya, Afghanistan, and Uganda.

Loans offered by the Alliance on the Kiva website target artisans in the developing world who do not have access to adequate financing. The borrowers are owners of small and growing artisan businesses.

The TreadRight Foundation

The TreadRight Foundation, created as a joint initiative between The Travel Corporation's family of brands, is a non-profit organization working to ensure the environment and communities we visit remain vibrant for generations to come. The foundation has donated more than \$2.5 million towards international sustainable tourism projects.

In 2014, the Alliance partnered with The TreadRight Foundation to launch a small grants program for artisan enterprises. In 2015, the grants program will focus on artisan businesses in Europe.

INNOVATING FINANCIAL PRODUCTS FOR ARTISANS

Artisan businesses are an integral component of the global economy, particularly in developing countries. At the same time, artisan enterprises are seldom recognized as drivers of economic growth, nor are they commonly understood as major contributors to sustainable livelihoods and the wellness of women and families. Better integrating artisans living in developing countries into global commerce will increase their incomes and improve their standards of living, yielding micro-economic benefits that, properly scaled, could collectively transform the economic landscape of certain nations as a whole.

A key barrier to growth, stability and scale for artisan businesses is a lack of access to appropriate financing. To address this issue, the Alliance and selected partners made a commitment with the Clinton Global Initiative, the Weissberg Foundation and other partners to design and pilot innovative financing mechanisms tailored to artisan businesses. The Alliance has partnered with Kiva and the TreadRight Foundation to unlock financing solutions for artisan businesses around the world. These partnerships allow artisans to connect with social impact lenders and donors to support the growth and development of their businesses.



A CLOSER LOOK

A MEMBERSHIP ORGANIZATION

The Alliance for Artisan Enterprise is comprised of 57 organizations working globally and locally at different points in the supply chain.

Members agree to respect the diverse community of corporations, nonprofits, artisan businesses, and artisan support organizations. Each member believes that together the Alliance for Artisan Enterprise can promote the dramatic growth of the artisan sector in a way that no one member could achieve alone.

MEMBER IMPACT HIGHLIGHTS

Highlights from selected Alliance members show important economic benefits and potential for growth in the artisan sector, with appropriate support:

- As part of its Women's Entrepreneurship in the Americas project, the U.S. Department of State has provided grants to 23 organizations in 14 countries. This program has over 100,000 direct and indirect beneficiaries, and has increased access to capacity building, markets, and networks and increased women's leadership.



- In 2014, West Elm impacted 4,500 artisan workers. The corporation has committed to purchasing \$35 million of goods directly from artisans around the world by 2015.
- In its 10-year history, the International Folk Art Alliance (IFAA) has provided work to over 25,000 artisans.
- Kandahar Treasure has created jobs for over 400 women in its work to revive unique Afghani embroidery.
- The Bridge Fund currently works with 600 Tibetan artisans, has doubled their annual income, and has provided support for apprentices, training facilities and workshops. The Bridge Fund also launched a 5-year program funded by USAID with the Alliance for Artisan Enterprise, Smithsonian, UNESCO, GoodWeave, and Tibetan artisans in China.
- Discovered is a certified B Corp whose marketplace features 95 artisans, and the organization has set up the Discovered Academy to teach artisans best practices in online sales.
- Salahandy of Madagascar has impacted 735 workers, increasing annual artisan incomes tenfold from the start of the program.
- Aid to Artisans has worked in 72 countries and benefited 125,000 artisans in its 38-year history. Its artisans are 70% women, and the organization has built sustainable relationships with 70 importers and retailers.



Member Spotlight: Nest

Nest has been an Alliance member since 2013. The organization partners with the world's most promising artisans to build sustainable businesses within the competitive landscape of today's global economy, while simultaneously transforming their communities through the alleviation of poverty, empowerment of women, and promotion of peace.

Nest's accomplishments in 2014 include:

6 unique projects

1,528 artisans and business staff

28,220 community members impacted through the ripple effect

67% of Nest artisan businesses use their craft to **promote peace**

Feature stories in Vogue, TIME, and The New York Times

89% women artisans

19 artisan business leaders from 8 nations brought together at

Nest Artisan Summit

67% of projects incorporate **clean energy features**

Learn more at www.buildanest.org

2014 ALLIANCE MEMBERS

2 Feet Firm

Emerald Expositions

Nella Dominici

ABURY Collection

Ethical Sourcing Network

Nest

Aid to Artisans

Fashion Compassion

Ock Pop Tok

Artisan Connect

Gahaya Links

Pebble

Bajalia

Global Girlfriend

Road to Market

The Bootstrap Project

Global Goods Partners

Run by Rural

The Bridge Fund

Green Design Link

Sahalandy

ByHand Consulting

The Hunger Site

Sasa Designs by the Deaf

Cambodian Coconut Craft

Indego Africa

SERRV

Centro de Textiles Tradicionales del Cusco

Innovando la Tradicion

The Self-Employed Women's Association

ClothRoads

The International Folk Art Alliance

Soko

The Coca-Cola Company

Kandahar Treasure

Taller Maya

Craft Afrika

Kittay & Company

Tuareg Jewelry

DARA Artisans

Kate Spade

UNHCR

DEED

La Mega Cooperativa Artesenal de los Saraguros

U.S. Department of State

Discovered

Lindblad Expeditions

Walmart

EarthFrendz

Mercedes Salazar

west elm

Eco Fashion Talk

MITHILAsmita

The West Foundation

Mushmina

Wisteria







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