

MUJI: Building Capacity of Artisans



Initiative Description

In June 2013, Japanese lifestyle brand MUJI responded to the Business Call to Action with a commitment to develop the capacity of more than 500 low-income artisans in Cambodia, Kenya and Kyrgyzstan, focusing on women from these post-conflict and transitional societies.

MUJI's goals:

- Expand the sourcing of products from Kenya and Kyrgyzstan by 115 per cent in 2015 compared to 2012
- Employ and train 100 local people in sewing in Cambodia in 2013, and an additional 200 in sewing and dyeing by 2015, with a focus on women



Business Model

MUJI's Business Call to Action commitment focuses on building capacity among handicraft artisans, with a focus on women. By developing eco-friendly products that meet international market quality standards, the cash income of these local artisans should increase by more than 5 per cent. With its international brand presence in 24 countries with nearly 600 stores across Japan, Asia, Europe and the United States, MUJI plans to expand the sourcing of natural dye products from Cambodia, soapstone products from Kenya and wool felt products from Kyrgyzstan. By broadening this initiative, MUJI demonstrates its commitment to environment and development impact, through its core business operations.

MUJI is very much honored to join the unique group of Business Call to Action members in our commitment to use simple, high quality and eco-friendly technologies to develop products that will support local producers in developing countries, create a more sustainable livelihood for our customers and do good for society.

Kei Suzuki
Director and General Manager,
Household Division of MUJI

In 2010, MUJI realized that local handicraft artisans in Kenya and Kyrgyzstan lacked knowledge of the level of quality to meet international market standards and of the efficient manufacturing process, packaging and marketing their products. It was thus difficult for local artisans, mostly women, to sell their products in international markets and earn cash.

In response, MUJI initiated efforts to build capacity among artisans and since 2011, MUJI has employed and assisted 500 people in Kenya and Kyrgyzstan.

In 2012, MUJI became acquainted with the Institute for Khmer Traditional Textiles (IKTT), a non-governmental organization committed to reviving Cambodian traditional silk textiles. MUJI appraised the Institute's work and agreed to launch an initiative for the use of natural dyes from natural waste materials, such as rose stems, excess walnut wood from the production of furniture and discarded palm shells. The dyes were then used in manufacturing attractive products, such as towels and linens.

In 2013, MUJI will establish a factory in Cambodia for sewing that will employ and train 100 local people and an additional 200 in sewing and dyeing by 2015, with a focus on women. Natural dyed towels using plant-based raw materials will be available in 350 MUJI stores in Japan in the winter of 2014.

Innovations

that improve lives



How it Works

In November 2010, MUJI approached the Japan International Cooperation Agency (JICA) and requested assistance in sourcing products from developing countries for distribution while creating a social impact. Of the 80 nominations, MUJI chose 2 products that were brand-consistent to add to its product portfolio. An intensive quality control process was carefully followed, from checking manufacturing capability and export formalities to quality testing and design reviews of animal figures made from soapstone sourced from Kenya¹ and wool felt products, such as cases for glasses and mobile phones, sourced from Kyrgyzstan.²

MUJI first commissioned sample products from the artisans. It communicated with local artisans in Kyrgyzstan (of which nearly 100 per cent are women) and in Kenya (of which 50 per cent are women) on how they can make high quality products and about the possibility of mass-production.

MUJI modified the design of the product to meet international market standards, while ensuring an adequate production capacity by its women artisans.

MUJI has strict standards in the selection of material, streamlining manufacturing process and simplification of packaging. For example in Kenya, MUJI decided to use the natural colour of soapstone for its products (which created high consumer satisfaction), instead of using chemical dyes as was originally done in the products. In Kyrgyzstan, MUJI also avoided dyeing felt products, which resulted in reduced chemicals usage and created a positive environmental impact. Since 2011, MUJI has employed and assisted 200 people in Kenya and 300 people in Kyrgyzstan through local artisan groups.

1. MUJI. Retrieved from: <http://www.muji.net/lab/found/kenya/en/>.

2. MUJI. Retrieved from: <http://www.muji.net/lab/found/kyrgyz/en/>.

Results Achieved

MUJI's initiative has already resulted in artisans increasing their income by an average of 5 per cent. Moving forward, MUJI aims at broadening the initiative and further raising their incomes and providing more employment opportunities.

Business Impact

MUJI is committed to reducing poverty and empowering women in a sustainable way. In addition to expanding its activities in Cambodia, Kenya and Kyrgyzstan, MUJI also has a renewed focus to make other parts of its supply chain sustainable. For example in India, Tanzania, Turkey, Peru and Egypt, MUJI directly procures organic cotton from cotton farmers, for MUJI's organic cotton towels, linens and clothes.

Since the MUJI brand was launched in 1980, Ryohin Keikaku, has been promoting high value products with relatively low price based on the principle of MUJI product development to create products that are fundamental, practical and necessary in daily life and to ensure efficient and eco-friendly manufacturing processes.

Over 30 years, the company has expanded its business to 23 other countries with over 200 stores in China, France, Germany, Hong Kong, Indonesia, Ireland, Italy, Kuwait, Malaysia, Norway, Philippines, Poland, Portugal, Republic of Korea, Singapore, Spain, Sweden, Taiwan, Thailand, Turkey, UAE, United Kingdom and United States. MUJI also sources raw materials and goods in about 30 countries, including China, India, Malaysia, Taiwan and Viet Nam.

In Cambodia, Kenya and Kyrgyzstan, MUJI's initiative will continue to support capacity building among artisans, particularly women, in an eco-friendly manner that improves their livelihoods and creates job opportunities, giving them access to the international market.



Japan-based Ryohin Keikaku is a leading household goods producer and retailer known for its MUJI brand of simple and original products, including household goods, clothes, furniture, food and beverages, with 5,270 employees and annual sales of USD 1.9 billion in 2013.

Development Impact

In the process of expanding its international supply chains and distribution markets, MUJI has set a focus on eradicating extreme poverty, empowering women and ensuring environmental sustainability, in line with Millennium Development Goals 1, 3 and 7, respectively. It does this by using its core strengths in developing the capacity of local producers, effectively managing manufacturing processes, making product design and packages more sophisticated and making manufacturing processes more environmentally sustainable.

To achieve the above goals, MUJI initiated three core activities: developing high-quality products, promoting eco-friendly technology and developing sustainable global supply chains. With those activities in mind, MUJI began developing soapstone products in Kenya and wool felt products in Kyrgyzstan in 2010.

MUJI also started promoting eco-friendly natural dyeing in Cambodia in 2012.

As a result of MUJI's initiative, in Kenya, 3,300 pieces of soapstone products were produced in 2011 and 5,700 pcs in 2012, and in Kyrgyzstan, 10,000 pcs of felt products were produced in 2011 and 13,530 pcs in 2012. Those products were sold in MUJI stores across Japan in Christmas seasons and received high appraisal by MUJI customers. MUJI's purchase of these refined products led to a higher price for artisans than before, increasing their income by an average of 5 per cent. The company also provides feedback to local artisans on sales results and lessons learned in their production, logistics, delivery timing and record keeping.

Key Success Factors

Quality Products

Developing products that will meet international market quality standard aims at increasing the cash income of local producers, especially women.

Eco-friendly Focus

Promoting eco-friendly technology in production aims at ensuring environmental sustainability.

Sustainable Supply Chains

Developing sustainable global supply chains for MUJI's products not only aims at ensuring environmental sustainability, but also adds value to the MUJI brand, which will result in expanding its business.

Next Steps and Spin Off Effects

Through its Business Call to Action commitments, MUJI will continue purchasing products from artisans in Kenya and Kyrgyzstan and also continue to focus on their capacity development.

In Cambodia, MUJI is planning to grow indigo plants, one of the main natural dyeing materials, around the factory, which will create 50 new jobs. MUJI will not only promote natural dyeing to cut chemical usage in the area, but also utilize

indigo residue as organic fertilizer which will result in a greater positive environmental impact.

In addition to expanding its activities in these three countries, MUJI also has a renewed focus to make other parts of its supply chain sustainable. For example in Egypt, India, Peru, Turkey and United Republic of Tanzania, MUJI directly procures organic cotton from cotton farmers for MUJI's towels, linens and clothes.



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