

### 3 Collaborators

#### 3.1 ASHA Handicrafts (India)

ASHA Handicrafts is an Indian Alternative Trading Organisation (ATO) which markets handicrafts from over 36 producer groups (representing some 820 individual artisans, plus their families). Established in 1975, it is based in Mumbai (formerly Bombay), and has an estimated turnover of \$624,000 (2000/01). ASHA sells a very small proportion of products locally – but this is not a profitable activity. The organisation employs 30 staff (9 women and 21 men).



Sales figures since 1997/98 are as follows:

	1997/98	1998/99	1999/00	2000/01
exports	\$317,600	\$432,200	\$425,273	\$615,620
local sales	\$10,600	\$7,600	\$8,344	\$8,504

Figure 2 ASHA Handicrafts sales 1997/98-2000/01

ASHA is primarily focused on exports (local sales accounting for less than 2% of total sales). Currently 60% of exports are to the USA.

They are a member of IFAT (the International Federation for Alternative Trade), and describe themselves as being committed to the following values:

- Transparency or openness about business practices.
- Ethical and effective work places.
- Equal employment opportunities.
- Concern for people and environment.
- Education and advocacy of fair trade.

As part of their support for artisans, ASHA makes advance payments from its own working capital to artisan groups to help them purchase raw materials

ASHA exports a range of handicraft products:

Textiles	Handloom, Block printed home furnishing
Wood	Small gift items useful in homes and offices; toys, and furniture made from Sesham wood, Haldu wood, Mango wood
Leather	Embroidered bags, spectacle cases, chair backs, embossed coin purse wallets made from buff leather, nappa leather wallets and bags etc
Ceramic	Vases, candle holders soap dishes
Stone	Boxes, candle holders, animals, photo frames, card holders, penholders
Brass	Vases, candle stands, bangles, boxes with horn inlay and Dokra animals. Copper bowls and boxes.
Jewellery	Necklaces, earrings finger rings, bracelets etc made with semi-precious stones, silver and German silver
Musical	Variety of folk musical instruments of India. Instruments mainly made with wood/ bamboo.

Textiles and wooden products represent 40% of their total turnover.

ASHA's mission is to preserve traditional regional Indian craft skills, by buying products from all over India for the export market. Migration of labour from rural to urban areas in India has threatened traditional village industries, such as craft production. ASHA believes that by helping to promote and develop small businesses in rural areas, it is helping to prevent rural families being pulled to the cities, where they are likely to join the growing number of landless slum-dwellers. Thus they would describe their business activities as having a focus on alleviate poverty.

They recognise too that a significant number of the individual artisans who make the goods they purchase are women (in 2000, 187 of the 795 artisans purchased from were women); and that the extra income this provides to families helps them to survive. ASHA say they are committed to equal opportunities, and that female artisans are paid the same piece rates as males.

ASHA exports to a number of European and US fair trade organisations, including 10,000 Villages (USA); Tearcraft (UK); Oxfam Trading (Australia); Caritas (Switzerland). They are also one of the trading partners listed by PEOPLink (USA), though have sold very little via their e-commerce site to date.

They provide a range of services to both overseas buyers and local producers, recovering the cost of these by marking up products sold on to buyers. These services, as described by ASHA, include:

For overseas buyers:

1. Locating Indian crafts made by producers who are paying fair wages to the artisans.
2. Follow up with the producer groups to ensure timely deliveries.
3. Quality assurance of crafts exported.
4. Repackaging with appropriate packing for air/sea consignments.
5. Consolidating shipments from different producers thus saving on their freight and handling costs.
6. Craft information to help promote their products abroad.
7. Liaison between clients speaking foreign languages such as Dutch, Spanish, Italian, French, German and English, and craftsmen who speak different Indian languages.

Services to artisans:

1. Marketing support for their products.
2. Advice on reaching and maintaining quality standards.
3. Inputs on systems of administration such as costing of products, personnel policies etc.
4. Guidelines to practice fair trade.
5. Product development and design inputs with certain materials.
6. Financial support by way of advance.
7. Market information.
8. Improvement of working conditions.
9. Financial aid for education and medical expenses.
10. Grants to better producer organisations, family groups and master craftsmen.

ASHA, which means ‘hope’ in Sanskrit, also has a team of regionally-based welfare workers who help producers develop their small businesses, and could also provide needy artisans and their families with medical help and educational grants irrespective of caste or creed.

A national co-ordinator supervises the work of the welfare workers, visiting the workshops of producers around India. *‘As a fair trade organisation, we are equally concerned about the working conditions of our craftsmen. We have begun a program to improve the working conditions in our producers’ premises. We have targeted wood workers in Saharanpur and stone workers in Agra, since there is lot of dust particles, by providing them face masks and vacuum cleaners.’*

*‘We have installed fire extinguishers in the premises of many of our producers to make them safe from accidental fire. We hope to complete many more in phases. Another project is to provide pure and safe drinking water for the craftsmen at their place of work.’<sup>2</sup>*

### **3.1.1 ICT and E-commerce experience**

*For the purposes of this study, we define ICT (Information and Communication Technology) to include a broad range of electronic and computer-based communications. We primarily focus on the use of the Internet, email, computer and network systems, e-commerce applications, as well as the use of digital media (eg for photography, video, audio etc).*

Two staff members have received training locally in digital imaging, and how to use PEOPLink’s new catalogue generating software CatGen ([www.catgen.com](http://www.catgen.com)), which ASHA believes will be of significant benefit to them (see section 9.1.2).

Although this is still under development, they are hopeful this will enable them to create a simple catalogue of products which can be used for promotion to buyers on and off-line, which will be easy for them to update regularly. However in common with a number of producers we spoke to during the course of this project, they were concerned about illegal copying of their designs by both other artisans locally, and by commercial companies in China and the Far East. For this reason ASHA plans to display only a selected range of merchandise publicly, preferring to deal directly with known buyers.

ASHA have a web site (as part of the PEOPLink web site), but are considering developing their own separate web site, using the independently registered domain name [www.ashahandicrafts.org](http://www.ashahandicrafts.org). They would like to develop their ability to communicate the stories of individual producers and their products for marketing purposes, and see the Internet (and possibly an email newsletter) as being a suitable vehicle for this.

---

<sup>2</sup> Overview of ASHA Handicrafts, presentation supplied by Director Lucas Caldeira, 2000.

At the same time they are wary of investing time and money from their limited resources on a web site which has so far delivered few tangible returns. Director Lucas Caldeira has previously investigated advertising through the Hong Kong company Global Sources Ltd ([www.globalsources.com](http://www.globalsources.com), see section 9.1.8), which runs a number of business to business (B2B) vertical portals (including sites dedicated to a number of handicrafts and giftware categories, such as: ceramics and porcelain, furniture and furnishings, kitchen and tableware, bags and footwear etc). Global Sources also have a site dedicated to Indian sources ([www.indiasources.com](http://www.indiasources.com)), and claim to have over 300,000 active buying members worldwide (January 2002).<sup>3</sup>

Lucas Caldeira has heard positive reports from local contacts, indicating that advertising has led to substantial new business. However he estimates that advertising through the Global Sources B2B site would cost around \$9,000 per year, which the organisation cannot currently risk.

Most of ASHA's producers can be contacted by telephone or fax (the smaller groups using the facilities of a neighbour, or local bureaus). Although ASHA themselves use email extensively to liaise with buyers and organisations in Europe and the USA, none of their producers had email at the start of this research project. During the course of the project at least five producers set up their own personal email addresses.

ASHA's web site can be found at:

[http://www.peoplink.org/scripts/web\\_store/web\\_store.cgi?page=./products/in/ah/index\\_frames.htm&cart\\_id=312309.22387](http://www.peoplink.org/scripts/web_store/web_store.cgi?page=./products/in/ah/index_frames.htm&cart_id=312309.22387)

	
28 Suren Road, Andheri (E), Bombay 400093 India. Contact: Lucas Caldeira Tel: 91-22-8301884, 91-22-8325516, 91-2-2-8235404 Fax: 91-22-8391603 E-mail: <a href="mailto:partner@bom3.vsnl.net.in">partner@bom3.vsnl.net.in</a>	
<b>Producer Groups</b>	Asha Handicrafts serves many producer groups from all regions of India, concentrated in the states of Uttar Pradesh, Gujarat, Maharashtra and Andhra Pradesh.
<b>Agha Handicraft</b> Products: Paper Machie Agha Handicrafts is a group of artisans which came into existence as a result of centuries of great grand fathers who were also in the same business of manufacturing paper mache crafts.	 <p>PAPIER MACHE DECORATIONS</p>
<b>Amina Enterprises</b> Products: carved seshamwood lamp stand, plate stand, brass inlaid incense holder, letter rack jali, and letter rack brass inlaid. This is a cooperative society registered under Cooperative Act 1860 having 18 members.	 <p>SESHAMWOOD TOWEL HOLDER</p>

<sup>3</sup> See section 9.1.8.

### 3.2 HEED Handicrafts (Bangladesh)

HEED Handicrafts was set up in 1978 with the aim of creating jobs and employment for poor and marginalised people, specialising in handicrafts production, using locally available resources. They support the activities of more than 400 producer groups, representing around 12,000 beneficiaries. It is a project of the national ngo HEED Bangladesh, and achieved sales in 2000/01 of \$509,000).



HEED Handicrafts operates as a self-financing project, accountable to HEED Bangladesh's Board of Directors, supported by an Advisory Committee.

Sales breakdown for the past four years is as follows (converted at \$1=56 Bangladeshi Taka).

	1997/98	1998/99	1999/00	2000/01
<b>exports</b>	Tk 22274750 \$464,057	Tk27701979 \$554,039	Tk21,066,238 \$376,200	Tk 19057228 \$340,307
<b>local sales (Shetuli)</b>	Tk 12172716 \$ 253,598	Tk9807063 \$207,200	Tk7,280,000 \$145,600	Tk 9462885 \$ 168,980
<b>gross profit</b>	Tk1,397,000 \$29,104	Tk2807800 \$56,156	Tk1,137,009 \$22,740	Tk 1130434 \$20,186

Figure 3 HEED Handicrafts sales 1997/98-2000/01

HEED Handicrafts currently exports to 50 buyers in 14 countries, mostly to Alternative Trading Organisations (ATOs) in Europe and the USA. The UK is their biggest buyer (sales of \$163,529 in 1999/2000), followed by the USA (\$70,592) and the Netherlands (\$70,566). Generally speaking, HEED Handicrafts say that 60% of their sales are exports; 40% local sales.

HEED Handicrafts run five retail shops in Dhaka under the *Shetuli* brand, one of which (the most profitable) is located in the luxury 5 star Sonargaon Pan Pacific Hotel.

The 1999/2000 HEED Bangladesh report notes that local sales by HEED Handicrafts through their chain of 5 *Shetuli* shops were adversely affected by the major floods of 1998, the increasing number of *Hartal* (general strikes), and strong local competition, such that local sales decreased by 30% compared to the previous year. This year also saw increased one-off costs as offices and workshops were relocated to be under one roof in Tongi; a move which it is hoped will reduce operational costs by at least 20 per cent.<sup>4</sup>

The organisation describes its main purposes as being to:

- organise and supervise effective production centres in which producers get fair wages and which are responsive enough to meet the demands of overseas buyers

<sup>4</sup> HEED Bangladesh Annual Report July 1999-June 2000.

- market and promote the products of producers in the local and overseas markets to increase sales and ultimately create employment in crafts and cottage industries
- help research and support new products and skill development, to expand the range of producers' quality products
- help producers' communities through welfare services

HEED Handicrafts has its own production centre, employing more than 100 artisans, who work on tailoring and embroidery, handloom textiles and straw art. Otherwise they purchase products from external producers, sometimes giving assistance with product design and small business consultancy. Producer groups may be independent co-operatives, groups linked with ngos, family groups and commercial enterprises.

HEED Handicrafts employs their own team of designers who work with producers to develop products for the export market. In fact 90% of export items are designed by HEED themselves in response to their own market information of handicraft buying trends in Europe and the USA. For perhaps 10% of export products, the design is initiated by the overseas buyer (who may send drawings or designs; or possibly just photographs or magazine cuttings showing items similar to the desired product). Although HEED uses the traditional designs of local artists in the local market; these products are never used for export.

### 3.2.1 ICT and E-commerce experience

HEED Handicrafts is a trading partner of PEOPLink in the USA, but has sold very little products through their web site to date. They have also developed their own web site, under their own domain name: [www.heedbangladesh.org](http://www.heedbangladesh.org). This includes a section on HEED Handicrafts, giving background history, contact information, details of producers and types of handicrafts. The site includes a catalogue of current products (with description, dimension and product code) – but does not give any illustrations or photographs.

On our visit in May 2001 we noted that the web site then included only photographs and details of old stock from the previous season. HEED Handicrafts say this is because they are concerned that unscrupulous competitors will copy their designs, and gave several examples of how this has happened to them and other craft producers in the past. Since this was also raised by a number of participants during the e-commerce options workshop presentation at the IFAT conference in June 2001 (see section 9.6), this fear would seem to be a significant barrier to the public promotion of craft goods using the Internet. HEED and others however say they would be happy to promote their goods using a catalogue or web pages accessed by know customers and buyers using a password protected site. The new CatGen software from PEOPLink allows password protection (see section 9.1.2).



While HEED Handicrafts began by promoting their products on the PEOPLink site, they have developed their own site at: <http://www.heedbangladesh.org/handicrafts/home.htm>.