

## 7 Alleviating poverty through craft production

Where then does this leave handicrafts as a livelihood option for alleviating poverty?

DFID encourages the use of the sustainable livelihood framework for analysis and planning of development interventions. The following section discusses sustainable livelihoods in order to place the commentary on the specific subject of handicrafts and e-commerce linkages to handicrafts in context.

**Three interviews with craft producers from HEED Handicrafts (Bangladesh) and ASHA Handicrafts (India).<sup>47</sup>**

### ***7.1 Kalachand Pal, 38, potter***

HEED Handicrafts, Dhaka, Bangladesh

**Kalachand Pal**, 38, is a male potter from Madhumpura, Patuyakhali, 300km from Dhaka. His father and grandfather were both potters before him. He is married with one son (11) and produces pots for both the local market, and for HEED Handicrafts for export.



---

<sup>47</sup> Interviews conducted by Mike Webb in Dhaka, Bangladesh and Mumbai, India in January 2002.

## ***Capital***

Capital	Description
Human	<ul style="list-style-type: none"> <li>• He attended Primary School to class 7.</li> <li>• He has traditional skills as a potter making ceramic pots.</li> <li>• He says he is in good health.</li> </ul>
Physical	<ul style="list-style-type: none"> <li>• His village (Madhumpura) has electricity and water from a tubewell (though there is now a big problem and national scandal in Bangladesh with water contaminated by arsenic). He says it is a good place to live.</li> <li>• His father owns the plot of land for their house – but no land for a paddy field. Kalachand will inherit this with his two brothers on his father's death.</li> <li>• He owns a manual potters wheel, bought 15 years ago (worth c 5,000 Takka c £60)</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• He has savings (enough to sustain his family for one year)</li> <li>• He owns a cow (worth 10,000 Takka: c£125) for producing milk; plus with his brother owns 100 rain trees (<i>kri</i>), whose wood is used for building.</li> <li>• He has a workshop which can accommodate up to 100 workers (if he has many orders to fulfil)</li> </ul>
Social	He has many customers for his pots: a wholesale buyer, individuals and HEED Handicrafts.

## ***Vulnerability context***

Shock	Occasional sickness.
Trend	Inheritance between brothers means that the family plot will be jointly owned after his father's death.
Seasonal	Bangladesh suffers from seasonal flooding.
Seasonal	His local buyers are dependent on good harvests to create cash to buy his pots. So if the harvest is poor, as it has been for the last two years, his local sales are reduced.

## ***Policies, Institutions and Processes***

Culture	Corruption/bribery is widespread
Structure	Communications with Dhaka are difficult. Telephone system is poor and unreliable; post cannot be trusted.

### ***Livelihood Strategies***

	He is not dependent on just one buyer or market, so is confident he will also be able to sell his pots.
	He can take on additional part-time workers to cope with seasonal orders; and to cope with sudden larger orders from HEED Handicrafts
	He wants to make samples from his own designs (eg vases and decorative items) for both local and export markets
	He has not taught his son to be a potter. He wants his son to get a degree, so he can become a doctor or professional. He wants his son to have a better job than him.

### ***Livelihood Outcomes***

	Good harvest this year, so he is selling a good number of pots.
--	---

## 7.2 Saleh Khatung, 40, spinner

HEED Handicrafts, Dhaka, Bangladesh

**Saleh Khatung** works as a spinner for HEED Handicrafts in their workshop in Dhaka. She has two daughters, aged 20 and 14, who are both working. Her husband is a weaver too, and works for HEED, though this is dependent on orders.



### *Capital*

Capital	Description
Human	<ul style="list-style-type: none"> <li>• She has traditional spinning skills</li> <li>• She is in good health.</li> </ul>
Physical	<ul style="list-style-type: none"> <li>• She lives in a rented house in Dhaka. She has access to gas, water, electricity.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Her husband owns a small plot of land in Norshindi village (150km away) – suitable for building a house (not big enough for a paddy field)</li> </ul>
Social	<ul style="list-style-type: none"> <li>• They work as a family. Her daughters also work for HEED in a different part of the workshop.</li> </ul>

### *Vulnerability context*

Shock	<ul style="list-style-type: none"> <li>• She has a little sickness in her stomach sometimes.</li> </ul>
Trend	<ul style="list-style-type: none"> <li>• As the number of children increase, inherited land is divided, leading to land shortages.</li> </ul>
Seasonal	<ul style="list-style-type: none"> <li>• Work for both her and her husband is highly dependent on local/export orders of HEED Handicrafts. They had not worked for the previous three months. Her whole extended family is dependent on HEED.</li> </ul>
Trend	<ul style="list-style-type: none"> <li>• HEED Handicrafts is operating in a very competitive market place.</li> </ul>
Seasonal	<ul style="list-style-type: none"> <li>• Flooding affects their home, which was flooded in 1988 and 1998.</li> </ul>

### *Policies, Institutions and Processes*

Culture	<ul style="list-style-type: none"><li>• She (and her four sisters) were not sent to Primary School. They stayed at home, doing chores, spinning etc.</li></ul>
Culture	<ul style="list-style-type: none"><li>• Endemic corruption.</li></ul>

### *Livelihood Strategies*

	<ul style="list-style-type: none"><li>• If they cannot find work, they will go back to their village, where it is cheap to live (no rent, no bills)</li></ul>
	<ul style="list-style-type: none"><li>• Her husband will do different work if he cannot work as a spinner – he has also worked as a packer for HEED Handicrafts.</li></ul>
	<ul style="list-style-type: none"><li>• She believes that if she cannot find work, her husband will find work for her. ‘That is his responsibility,’ she says.</li></ul>

**7.3 Kiran Jamsandekar, 40, artisan in copper and enamel  
ASHA Handicrafts, Mumbai, India**



*Left to right: Kiran Jamsandekar, daughter Anuja, and father Hareshwar.*

**Kiran Jamsandekar**, 40, learned his skills as an artisan in copper and enamel from his father, Hareshwar Jamsandekar, a recognised master craftsman, now 79. Kiran has been making bowls, key rings and vases for both local and export markets for the last ten years; and is a third-generation artisan in his family. He employs up to 25 producers at their workshop in the village of Bhaimalla, Alibaug, 100km from Mumbai. The metalwork he specialises in is a traditional skill of Maharashtra District (of which the capital is Mumbai).

***Capital***

Capital	Description
Human	<ul style="list-style-type: none"> <li>• He is a Graduate in Commerce, University of Bombay (B.Com 1982); also completed Construction Management post-graduate course</li> <li>• He says he is in good health, with no problems</li> </ul>
Physical	<ul style="list-style-type: none"> <li>• He has a secure home: he lives at his father's house (where his father has lived for the last 50 years) in a desirable suburb of Mumbai. This 3,000 sq ft family home is estimated to be worth 7 million rupees (c £10,000).</li> <li>• His house has good facilities: electricity, running water etc. The suburb has good schools, colleges and hospitals; and attracts IT and communications companies.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• He owns a 25 per cent share of the production workshop in Bhaimalla (he estimates this is worth c £6,000). This employs up to 25 producers, depending on demand.</li> </ul>

***Vulnerability context***

Shock	<ul style="list-style-type: none"> <li>• His four-year-old daughter Anuja is very sick at the moment, requiring regular hospital treatment. This means he has less time and energy to spend on his business.</li> </ul>
Shock	<ul style="list-style-type: none"> <li>• Raw materials, such as copper, are imported. He is dependent on the fluctuating global commodity market.</li> </ul>
Shock	<ul style="list-style-type: none"> <li>• For the last two years Monsoon flooding (June-October) near the workshop has delayed production. Also telephone is unreliable (breaks down for 2-3 days each month), and electric power fails for 1-4 hours every week. There is no power on Fridays (scheduled power cut). Kiran thinks this is partly because neighbouring states are stealing electricity from Maharashtra (eg families making illegal connections to overhead power cables).</li> </ul>
Shock	<ul style="list-style-type: none"> <li>• In the aftermath of the September 11 bombings in USA, export orders have been reduced; and fewer tourists are coming to India (he is dependent on selling to tourists as part of local sales).</li> </ul>
Trend	<ul style="list-style-type: none"> <li>• The market has been depressed for the last two years. Local middle-class buyers face rising unemployment, and increasing costs for education, healthcare and medicines: leaving them with less disposable income to buy his handicraft products.</li> </ul>
Seasonal	<ul style="list-style-type: none"> <li>• The local market for his products is highly seasonal (this represents 60 per cent of his sales). Local customers are businesses (buying corporate gifts) and families (traditional marriage gifts). Peak times are Diwali (Hindu Festival of Light in October/November), when company contacts expect gifts; and Christmas/New Year. Slack period is June-August.</li> </ul>
Seasonal	<ul style="list-style-type: none"> <li>• Workshop employees must also work on their rice fields, sowing and reaping, so they are not available to work during these seasons.</li> </ul>

***Policies, Institutions and Processes***

Culture	Corruption/bribery is widespread.
Structure	Telephone and power supplies to workshop are unreliable.

### *Livelihood Strategies*

	<ul style="list-style-type: none"><li>• Kiran wants to develop his export business (currently 20% of sales). He recognises one current vulnerability: his dependency on one main US buyer, who is price sensitive. ASHA Handicrafts is helping him try out different designs and colours to show buyers from US, UK and Germany.</li></ul>
	<ul style="list-style-type: none"><li>• To improve local market sales, he wants to try some local publicity and marketing.</li></ul>
	<ul style="list-style-type: none"><li>• To improve local sales to companies, he is trying to develop products which can be branded with screen-printed company logos and colours (eg keyrings, coasters etc).</li></ul>
	<ul style="list-style-type: none"><li>• He wants to teach his two daughters (aged 8 and 4) his skills: 'so the craft will not die out'. 'It will provide them with bread and butter,' he says.</li></ul>

### **General overview**

From these specific interviews, and other research data we can make the following observations.

### *Vulnerability context*

At the grass roots level, handicraft production of goods can seem a useful livelihood strategy but only where the market is assured. We have noted that the international market is becoming more competitive, and the poor must take this into account in their livelihood strategies. The interviewees noted this within their comments on the seasonality of the work. The long term viability of their products in a changing world could be in question.

Producers are still vulnerable to the shocks that are a normal part of life in India and Bangladesh. Handicrafts do little to alleviate this vulnerability. There is a minor contribution to security by offering an alternative to rain-fed agriculture.

### *Capital*

It is worth noting that most of the craft producers were trained by apprenticeship either with their parents or a master craftsman. The human capital resource is diminishing as the new generation are working towards more formal educational opportunities and different careers. Handicrafts is often undertaken by the landless and in this sense is a livelihood strategy that does not rely on land ownership.

As it uses residues, handicrafts are often a good use of the natural capital. However there is an increasing use of chemicals to enhance products which can have pollution effects, and where the handicraft is based on unsustainable resources (eg hardwoods) the costs of the resources are increasing.

### *Policies, Institutions and Processes*

India in particular has had a national strategy to encourage handicrafts.

### *Livelihood Strategies*

The intended outcome of being a handicraft producer includes - to achieve –

- **generating more income** - however this depends on constant sales and there is a big difference between repeat products (food and consumables) and crafts.
- **increased well being** – this often depends on the fair trade organisation assisting the family with appropriate knowledge and extension services. This is true for all poor families and handicrafts itself does not add value to this well being.
- **reduced vulnerability** – however the producers remain vulnerable to ATO decisions and to market shifts.
- **improved food security** – this outcome is dependent on achieving the increased income.
- **more sustainable use of NR base** – many crafts do use natural resources that might otherwise be wasted eg weaving of crop residues. However, there are also challenges where non-sustainable use of resources threatens the longer term eg use of hardwoods in small crafts.
- **retention of culture** – this has been promoted by the ATOs as a key reason for encouraging craftwork, however the increasing market trend is towards modern traditional hybrids which sell more easily (eg Indian hand made boxes with Celtic inlaid brass designs for the UK market).

### *7.4 ICT impact on handicraft livelihood strategies*

- **Natural Capital** – opportunities for accessing national government policies – thereby giving people the possibility of forming an advocacy or lobbying group to change policies that restrict land ownership (giving indigenous people the rights to their land).
- **Financial Capital** – identification of lending organizations and communication with them may be enhanced by ICT. At the most basic level (mobile) telephones have increased communication potential (eg as in Bangladesh, where Grameen has marketed mobile phones to women in poor communities).

- **Human Capital** – ICT is unlikely to affect labour inequities or lead to new opportunities for accessing labour requirements. ICT might yield increased knowledge of global markets and the processes required for certification and offer distance learning for required new skills.
- **Social capital** - ICT offers the opportunity for building social capital beyond the immediate community. Friends in distant places can sometimes open doorways.
- **Physical capital** – apart from perhaps affecting the financial constraints of the livelihood outcomes, ICT is unlikely to affect physical constraints. Lobbying for the provision of basic infrastructure might be affected by ICT.

As Heeks puts it '*ICTs are not the only "technology" that handles information*'. ICT is based on digital information held as 1s and 0s, and comprise computer hardware, software and networks. Other information-handling technologies include (Heeks, 1999):

- **'Intermediate'** technology, still based largely on analogue information held as electro-magnetic waves such as radio, television and telephone.
- **'Literate'** technology, based on information held as the written word such as books and newspapers.
- **'Organic'** technology, based solely on the human body such as the brain and sound waves.

Any study of information and small enterprise must therefore encompass these other technologies since there may be situations in which they are more appropriate than ICT.

Like Heeks we found:-

Sources and channels of informal information were characterised by:

- A high degree of reliance on information obtained through the knowledge and experience of the business owner.
- Information received through informal local networking within the business community.
- Information received through contacts with family and friends.
- Information accumulated through enterprise-specific learning.
- Information gaps are certainly an issue for small entrepreneurs, but a more important part of the total small enterprise development picture are resources like skills, markets and money. Addressing information alone may be a necessary step in small enterprise development but it is far from being a sufficient one. And what is true for information must necessarily be true for the ICT which provides more efficient or effective means of handling that information.

## 7.5 Conclusions

The key recommendations to empower producer groups are therefore:

- **Consider first the market for any product.** While this is common sense for any business, the global market for crafts has changed since many handicraft projects were first set up. Consider producing something which wears out or is consumed - long life 'single' products (eg brass boats) are not a good strategy; food products can be very effective once the initial hurdles have been overcome (since these are repeat products).
- **The local market is often as important, or more important, than the export market.** Local producer groups and ATOs would do well to strengthen their outlets in their own country before attempting to tackle the global market through the Internet.
- **Business to consumer Internet sales are still evolving** and the idea of selling handicrafts over the Internet is in its infancy. There are considerable difficulties with disintermediation between producer groups and consumers involving the supply chain, instant delivery, quality control, trust of financial controls amongst other factors. Consumers still generally distrust the Internet in general and in particular will distrust Internet sites originating in the so-called Third World.
- **Internet web sites are good for advocacy.** Simple sites (not necessarily with shopping facilities) can be used for educating the public to the conditions of the handicraft producers and lead to improvement of conditions, encouraging direct longer term contact etc.
- **Business to business opportunities do exist on the Internet.** ATOs and producer groups can access new commercial outlets for their products. This may be as simple as a demonstration of their wares on the Internet (an advertising brochure), or application to selling gateways (eg [globalsources.com](http://globalsources.com)). There are some difficulties in product protection - commercial copyright of latest designs.
- **There are opportunities for improving the supply chain** of existing handicrafts through ICT. This includes the items stated above.
- **There are some opportunities for 'digital crafts'** using the Internet to protect indigenous knowledge and create income streams from it. Producer groups who offer handicrafts should explore these opportunities (see the following section 8.6.2).

- **There are opportunities for ethical tourism** which can be built on the experience of handicrafts. The promotion of this through the Internet avoids many of the difficulties associated with delivering handicrafts to the consumer (see next section 8.6.3).

While ICT may enhance the livelihood strategies of the poor by timely provision of information and communication, it is unlikely to significantly affect the trends of handicraft production. Producers will continue to be among the poorest of a community and be vulnerable to market trends.