Background

Production of crafts in Bangladesh is a long-standing tradition that has turned into a profitable business, benefiting vast numbers of producers, retailers and exporters throughout the country. The most popular exported crafts include basketry, jute-diversified products (JDP), rugs and mats. In 2007, the export volume of Basketry and JDP was about USD 6.5 million and USD 8 million respectively. More than 150,000 people are involved in this sector as producers and suppliers, 80% of them are poor women as artisans.

Craft exporters in Bangladesh are experiencing steady growth in sales to Japan, the European Union and the USA. Despite the opportunities, there is lack of skilled artisans with sufficient technical knowledge, low quality designs and a lack of innovation which threat this emerging market.

Since June 2008, Katalyst and its co-facilitator Action for Enterprise (AFE) have worked together to improve the competitiveness of export-oriented companies with an objective to create opportunities for increasing the income of the poor female producers.

Target Beneficiaries

Katalyst’s overall target group in craft sector is small and marginal producers, 90% of them are female. The average annual income of these producers varies from BDT 5,000 - 12,000. Furthermore, the marginal rural people are also involved as suppliers of raw materials; hence the growth of the sector also creates income opportunity for them.

Locations

The intervention was conducted in partnership with four craft exporting companies who has producer groups all over the country. The pilot intervention activities were conducted mainly in Greater Rangpur, Bogra, Dhaka, Norshingdi, Gazipur, Jessore and Noakhali. The visit will take place in Gazipur.

Major activities

Katalyst and AFE worked with four of the largest private-sector craft exporters of Bangladesh i.e. ASK Handicrafts, Conexpo, Creation Private Limited and San Trade Limited (STL). The objective was to provide technical support to develop the capacity of the staff of these four companies ensuring better quality and quantity of products. At the same time support was given to the companies to enter into export markets by linking with buyers, showing them best practice in terms of technology, product quality and design at the national and international level.
Training manuals were developed in order to roll-out formal producer trainings in various clusters. New modules were added during the last two years. New orders were received and lead firms gained a better appreciation of buyer trends, through various marketing initiatives such as participation in international trade fairs and “buyer-seller” meetings with European buyers.

Training of Trainers (ToTs) was conducted with the training staff of the exporting firms. The training personnel include both master trainers (producers particularly skilled in craft production and have demonstrated the necessary management and facilitation skills) and training supervisors (company employees or craft suppliers as intermediaries to link producers and companies in the value chain).

Over the last two years, 1,378 female producers have been trained directly and majority of them were employed after completing the training. Moreover in some region more neighboring females started producing new products with the support from group leaders.

**Key achievements**

This market based intervention has yielded significant results, improving quality and efficiencies in the supply chain, generating employment and increased incomes for rural craft producers, the majority of who are women.

- 4,000 producers, directly and indirectly, improved quality output and received more orders
- 16% increase in sales due to improved ability of lead firms to meet export orders
- Estimated average net increase in income among target group: BDT 17,193 (approximately 240 USD) per producer, per year.

The intervention has created additional employment for poor rural women. As a result of which, women gained improved access to, and control over economic resources and could earn at least BDT 3000 (USD 40) per month. The additional income is mainly spent on household nutrition, medicine, school supplies for children and savings for future need. Shifts in intra-household allocation of power have been observed as women now contribute in household expenditure. With increased skill, women have gained bargaining power and can negotiate the price of products. This commercial model is conducive for women who have to balance multiple tasks, as they are able to work from home and take orders according to their convenience and availability.

Currently Katalyst is working to link artisans with high value markets, like craft as furniture accessories, and to promote jute diversified products in export markets, thus creating income opportunity for more poor rural women.