

CHAINS AND CHALLENGES: Craft Supply Chains in Africa

DECEMBER 2023



“ How do we influence consumers in Kenya and globally? For craftwork, this is difficult as consumers always want to pay less for crafts because they are not valued as much as other products.”

(HOME-BASED WORKER, KENYA)¹

Because crafts are such an important source of work and income for home-based workers in Africa, HomeNet Africa, in partnership with WIEGO, initiated research to unpack the complicated supply chains. The aim is to provide home-based craft workers and their organizations with the information they need to begin engaging with supply chain actors and governments and, ultimately, to improve their livelihoods.

Following a literature review,² three countries were chosen for in-depth research – Kenya,³ Ghana⁴ and South Africa.⁵ This snapshot summarizes key findings in the full report.⁶

1 WIEGO and KEFAT. 2021. *Home-based Workers and Supply Chains*. Kenya National Workshop, Nakuru, 13-14 July 2021. Report.

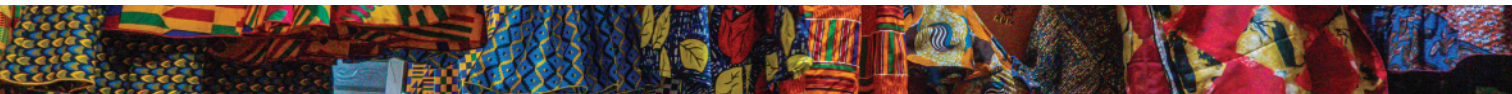
2 Noleen Chicowore. 2022. *Craft Value Chains in Africa*. HNA and WIEGO.

3 Joseph Sanna. 2023. *Kenya Crafts Value Chains*. Kenya Report. HNA and WIEGO.

4 Owusu Boampong. 2023. *Overview of the Ghanaian Craft Value Chain*. Ghana Report. HNA and WIEGO.

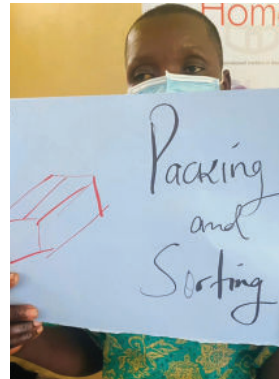
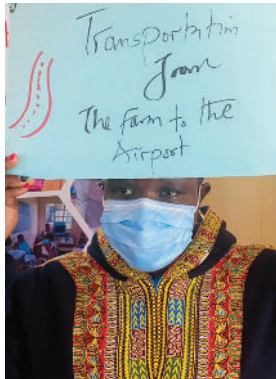
5 Boitumela Matlala. 2023. *Craft Supply Chains in South Africa*. SA Report. HNA and WIEGO.

6 WIEGO. Forthcoming. *Craft Supply Chains in Africa. Consolidating our Findings*.



Economic Contribution

As the home-based worker quoted above says, craft makers and their products are undervalued, but we know that they are important contributors to country economies. Ghana showed an increase in craft exports from US\$3.5 million in 2011 to \$45.1 million in 2021, for example; in South Africa exports of “cultural goods” stood at \$316,46 million in 2020 (from \$448,86 million two years earlier); and in Kenya a list of the “Top 30 Handicrafts Products Exported by Kenya” shows an increase from \$22,964 million in 2016 to \$39,410 million in 2021. We don’t have up-to-date figures for domestic sales revenues, but we know that they are substantial. In South Africa, a 2007 report shows that domestic sales far exceed exports: the local markets accounted for 7% of sales, local tourist craft markets 68%, tourist boutiques 17% and exports only 8%.

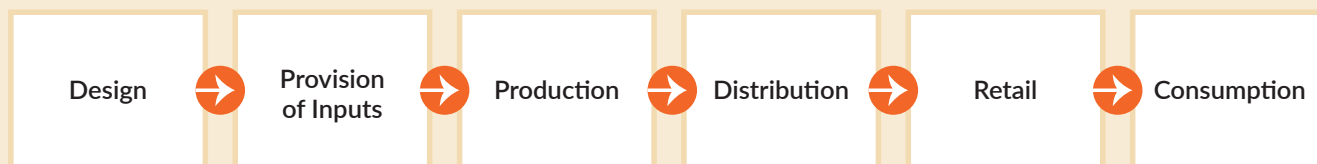


Kenya workshop on supply chains. Photos courtesy of HomeNet Africa

Supply Chains: From Craft Maker to Craft Consumer

“The term supply chain describes the system and the practices through which products move from conceptualisation to the customer” (SA REPORT: 14). The craft supply chain in Africa has many products and actors, as well as differing practices and routes, which makes it complicated and difficult to understand. Each country has its own particularities and often uses different terms to describe similar actors or processes. We can, however, draw out the basic and common links in the chains as shown in the diagram below.

Simple Craft Supply Chain



Source: SACO (2019); (SA Report:15)

Design

In this simplified version, the supply chain begins with the design of the products. The craft maker may design her own products or work with a group to do this. Or actors higher up the chain, such as an international retailer, may require new products or designs in response to new trends.

Production inputs

The craft maker acquires raw materials, accessories, tools and equipment. She uses her labour. Some craft makers obtain their raw materials locally, through growing, collecting or buying natural products such as grass used in basket making. Others rely on outside suppliers for their materials, some of which are imported and expensive. Recyclable materials, such as the paper, wire and plastics used in jewellery making, are another important source.

Production

Craft makers – including self-employed, sub-contracted home-based workers and employees in commercial enterprises – produce a variety of crafts using different techniques and hand tools. Production takes place in workers’ homes or collective spaces, in small workshops at the side of the road, in the employers’ premises and so on. Combining home as a workplace with working in a collective space is common, especially where the intermediary or buyer wants to supervise production, such as when making a new product or design.



*Kenya workshop on supply chains.
Photo courtesy of HomeNet Africa*

Distribution

Distribution takes place either by direct sale to the consumer by the craft maker or through intermediaries. Typically, the chain is longer and more complex when crafts are being exported. Crafts pass through several intermediaries before reaching the consumer. Intermediaries buying from craft makers include non-profit organizations and social enterprises some of which are fair trade organizations; private companies exporting crafts made in-house or sourced from home-based craft makers; and small-scale enterprises, individual agents, brokers and traders who sell on to actors further up the chain or directly to consumers.

Export agents and wholesale importers based in the country act as local representatives of international buyers. They conduct buyers’ exhibitions, consolidate and coordinate export orders, provide quality assurance and perform shipping and logistical services on behalf of the international buyers.

While internet marketing, sales and distribution channels are becoming more important and changing the nature of supply chain operations, craft makers generally rely on intermediaries to perform these functions.

Retail and consumption

Domestic markets are important for craft makers’ livelihoods. Cheaper household and traditional products are commonly sold at local informal markets. Higher priced crafts and home décor are sold in tourist shops and markets, and in national retail outlets. Tourists, upmarket hotels, restaurants, businesses, middle-class residents and expatriates buy such products.

All three countries export crafts primarily to Europe and the USA or to other African countries. International buyers are global brands buying in bulk, or smaller buyers purchasing low volume and good quality home décor. There are also fair trade enterprises, such as Austrian company Eza Fairer Handel, which buys from Kenya and other countries and sells through a network of 90 retail outlets in Europe under the brand name “World Shops” (see table below).

Export markets and products

Country	Export destinations	Product examples
Ghana	USA, Holland, Italy, Germany, Japan, Burkina Faso, Togo, Benin	Ceramic products, basketware, beads, hides and skins, paintings and drawings, statuettes and traditional musical instruments
Kenya	Ethiopia, Rwanda, Uganda, DRC, Tanzania, South Sudan, USA (no. 7), Germany (no. 9), UK (no. 15)	Basketware, soap stone and wood carvings, textiles, jewellery, home décor, metal crafts
South Africa	USA, European Union, South African Development Community countries	Jewellery, beaded products, baskets, textiles, home décor

Source: Country reports

Chains and Challenges

Production and Markets

Design limitations

Craft makers have difficulty adapting their products to meet customer demands as trends change. They need to know of these trends and be able to adapt their products to reach export and high-end markets.

Access to raw materials

Craft makers struggle to access regular, cost-effective raw materials, unless supplied by the intermediary or buyer. Those who use their own or local organic materials have a cost advantage. However, some are faced with declining volumes resulting from over use or the effects of climate change. In Ghana, for example, wood for carving is becoming scarce. When purchasing local or imported materials, limited suppliers and high prices are problematic.

Low productivity

Home-based craft makers are generally unable to respond to large orders. This limits their earnings, especially for women. Home-based craftwork allows women to attend to domestic activities but can disrupt production. Other factors affecting productivity include poor home infrastructure, inadequate transport and weak internet connection.

Quality constraints

Craft makers cannot always produce the quality of products required by buyers. Often, if the quality does not reach the buyers' standards, the products are rejected and there is no payment. Ghana reports that sometimes the buyer imposes a "charge-back", i.e. the seller has to pay the buyer a fee, or they "seize" the products and the craft maker cannot sell the rejects.

Market barriers

Markets are central to livelihoods. Without selling products, there is no work, no production and therefore no income. Finding channels to sell products is a major concern. Craft makers lack information about markets and products, have poor access to trade fairs and exhibitions, and other marketing channels such as the internet. Competition from cheap imports, especially from China, is another challenge.

Power and Agency

Crafter makers and intermediaries

Craft makers complain of exploitation by intermediaries. They say that they make less money from their products than the intermediaries do. Home-based workers in Kenya reported, “... *brokers sell these products at whatever price they want and make handsome profits over and above the price HBWs [home-based workers] want to sell their products at*” (KENYA REPORT: 20). One of the reasons is the uneven power relationships between craft makers and intermediaries.

However, most craft makers do not have the knowledge or means to reach buyers further up the chain. They depend on intermediaries to market their crafts, link them to supply chains and provide services such as logistics. In many cases they rely on NGOs and fair trade organizations, among others, for business support and capacity building. This dependency is difficult to break.

Women and men

Due to tradition or culture, women are not always able to participate in the most value-added craft making activities. In Ghana, for example, women are not allowed to touch the Kente cloth weaving looms. In other examples, men have taken over traditional basket weaving, leaving women with fewer opportunities. Also, men have set up NGOs to mobilize women weavers for the export market. The “*men control the weaving... [and are] living off the women*” (GHANA REPORT: 19). This suggests that, while craft making provides a means of livelihood and agency for women, power often remains with men who capture or hold higher value occupations and more powerful positions in the chain.

Payment and price

There are many problematic payment methods. The common piece-rate method can result in inequitable pay as it favours faster or more skilled workers who earn more than those who are slower or less experienced. In the consignment method, the buyer agrees to sell a product in exchange for a percentage of the sale price. This is the least popular method for Kenyan home-based workers because retailers give poor terms.

With all methods, the amount paid is influenced by the final selling price. This, in turn, is influenced by the value that consumers (and intermediaries) place on craft products. It cascades down the chain, ultimately affecting the price that the craft makers can command, even where the craft makers are able to negotiate with intermediaries on price.

Moving Forward

The challenges for home-based craft makers are many, but the reports indicate that there are opportunities too.

Build and strengthen organizations

Organizing is essential if home-based craft workers are to make an impact on the supply chains that they depend on. Existing national organizations,⁷ supported by HomeNet Africa, provide a base from which to strengthen the voice, visibility and power of home-based craft workers.

Engage with governments and their agencies

Finding out more about the policies and institutions affecting the livelihoods of craft makers will be an important first step towards identifying opportunities for engaging governments on practical support and policy change. Ultimately, home-based workers, through their organizations, must be involved in policy negotiations on issues affecting them. Negotiations training would be valuable.

Improve production and marketing capacity

Training institutions, government agencies, supportive NGOs and intermediaries can be drawn into strategic partnerships for training and capacity building. The focus of training needs to shift from entrepreneurial skills to production, particularly design and product development, and markets. This should include digital literacy, especially for women craft makers. For this training to be useful, it is essential that stable and affordable internet access is available, including electronic devices and data.

Increase knowledge

It is essential that craft makers keep up to date on markets and consumer trends. They should have access to regular market and supply chain research, better data on domestic and export sales, and targeted product information. The craft industry has many supportive civil society organizations that could be drawn on to support such research.

⁷ HomeNet Kenya, Home-based Workers South Africa Association. There are also national networks in Uganda and Tanzania.

Appendix:

Craft Supply Chains in Africa – the Actors

