



**Santa Clara
University**

Artisans as Regional Economic Drivers

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ALL ACROSS AFRICA

COMPANY PROFILE

All Across Africa (AAA) is a social enterprise that accelerates artisan integration into the global economy by facilitating access to foreign markets. The company designs and produces unique home décor products and employs artisans in Rwanda, Kenya, Burundi, Uganda and Ghana.

Unlike other socially oriented businesses, AAA actively transforms livelihoods through a continuous flow of income and employment opportunity. The success of All Across Africa is measured not only by products sold or service delivered, but by how the lives of the artisans and their communities improve over time.

In 2016, AAA paid its Rwandan artisans over 300 million RWF in total. Supporting women by providing access to quality and decent work improves their livelihoods and is essential to reducing poverty and achieving broader development goals.

EXECUTIVE SUMMARY

The social impact of All Across Africa (AAA) is as deep as it is wide. With access to global markets, women artisans dramatically increase their incomes. In Rwanda, an artisan's livelihood significantly improves the wellbeing of her family, and benefits spill over into her community and local economy.

The genius of AAA is found in its efforts to recruit, support, and create livelihoods for artisans in their own communities, which transforms them into catalysts for economic development within their communities. They become economic "dynamo" generating local community benefits and initiating broader economic change. The sustained social and economic impacts are pervasive.

RESEARCH

As noted, AAA's impact does not stop once the artisan is paid. Impact flows to family and community with beneficial secondary and tertiary effects, which are important, but difficult to quantify. AAA requested research from Miller Center for Social Entrepreneurship to better understand these effects and provide a more complete picture of AAA's social impact.

AREAS OF IMPACT

Explicit and Tangible

Farming, housing, banking, healthcare, education, materials, food, and more.

Implicit and Non-Tangible

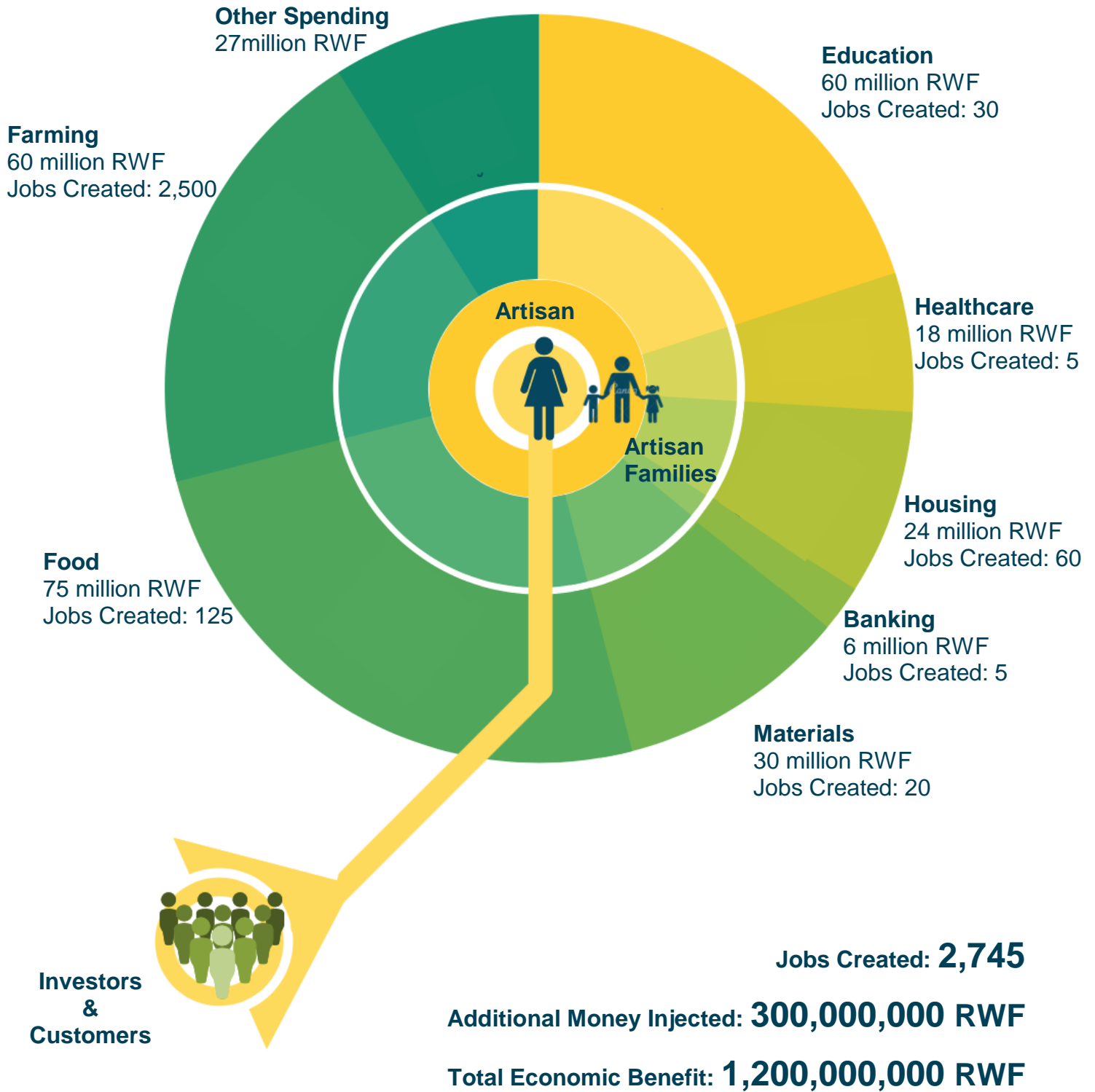
Self-confidence, community respect, positive energy throughout the community, and more.

KEY FINDINGS

- 1) Women are indeed a key leverage point for improving social and economic well-being of local and regional communities.
- 2) Successful female artisans become central "assets" because of her role and position in their families and local communities;
- 3) Artisans' increased spending in their own community creates more jobs for their neighbors;
- 4) Artisans' repeat experience with their own business success deepens their confidence and leads them to become entrepreneurial leaders in their own communities.

This study conducted in Rwanda demonstrated the local system-level change resulting from the work of AAA in this region, and suggests the social impact potential of scaling in Rwanda and beyond.

Artisans are at the center of community economic development



Total economic benefit was calculated using the multiplier effect.
 Jobs created were estimated based on artisan, industry, and cooperative leader interviews.

Figure 1: Artisans Economic Impact

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PART 1

WOMEN AS ECONOMIC AGENTS

Improving livelihoods by investing in the sustained employment of artisans requires significant capital, training, and commitment. Compared to socially conscious efforts that serve a single need through a one-time transaction, improving livelihoods requires ongoing relationships. Such an undertaking ultimately pays off because it generates **more robust and sustainable impact** in the long term.



With additional income, artisans fuel the **eradication of rural poverty** by advancing regional prosperity. In this way, improved livelihoods are an engine, not an endpoint. Economically empowering an artisan to become self-reliant is a powerful mechanism that allows her to become a **catalyst for development** in her community. The outcome of this investment generates an immediate impact and also creates a multiplier effect for years to come.

A CHANCE TO SUCCEED

*“When you give a woman money, she knows **what to do** with it and **how to spend** it. Women are responsible. We spend to **improve daily life** as well as **society**. We are good at communicating and quick to understand every situation. This is why I am so grateful for All Across Africa, because I see them **giving women a chance** to succeed.”*

Kabasinga Concilide
47, Cooperative Leader



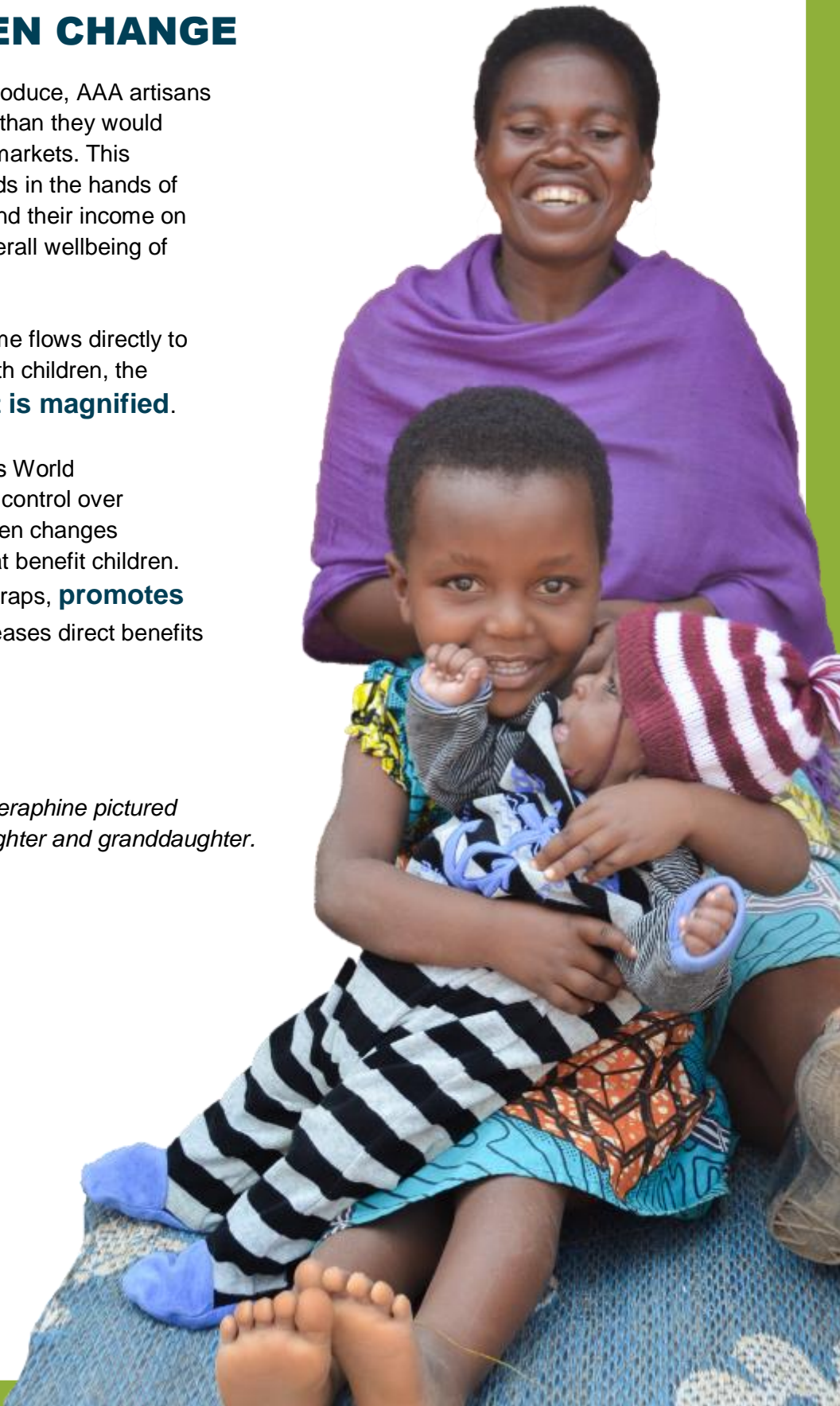
FEMALE DRIVEN CHANGE

For every product that they produce, AAA artisans make around 4-5 times more than they would otherwise receive from local markets. This increased income usually lands in the hands of women who are prone to spend their income on the health, education, and overall wellbeing of their children.

When additional earned income flows directly to women, especially women with children, the economic and social **impact is magnified**.

According to the World Bank's World Development Report, greater control over household resources by women changes spending patterns in ways that benefit children. This in turn combats poverty traps, **promotes system change**, and increases direct benefits for an artisan's family.

Artisan Uwiziyimana Seraphine pictured with her youngest daughter and granddaughter.



ARTISANS AS COMMUNITY LEADERS

Understanding how artisans impact their communities establishes a broader context for understanding the profound change AAA has in East Africa. The confidence and agency that accrue to the artisan from engaging in her craft and producing goods from these efforts, though intangible and difficult to quantify, is a subtle but powerful way artisans have disproportionately positive social impact due to their increased AAA income.

As a result, secondary impacts expressed in this report may not capture the full extent to which intangible benefits to these artisans affect their communities.



REACHING OUT

*“Not only has All Across Africa helped me take care of my children and give them a **better life**, but it has also inspired me to reach out to the **greater community**. I was elected to serve on a council of women in my sector, where I advocate for the **advancement of women** in my community. In the past, women in Rwanda stayed at home, but now society is encouraging women **develop their own skills**. I was also elected to serve as a health advisor to improve community healthcare and wellbeing. I hope that my role as a **strong female leader** encourages other women to be strong leaders as well.”*

Nyanzira Eugenie
53, Group Leader



LASTING IMPACT

"I am the **primary income provider** in my family. Before, I didn't always know if I could afford food if the crops failed or medicine in the case of an emergency. Now, I can comfortably say that I am able to pay for a hospital visit, **medical treatment**, or additional **food** if needed.

The increase income made it easy for me to get **loans**, which I used to build my **house**, invest in **land**, and purchase **livestock**. Once I pay one loan off, I go to the bank and request another one so that I can continuously improve my living situation and daily life.

I aspire to have a **lasting impact** on my family and community by working to lift up and others."

Niyitegeka Liberte
53, Cooperative Leader

PART 2

ARTISAN COOPERATIVES AS REGIONAL DRIVERS



All Across Africa **Investors** create employment opportunity

99%

of the company's artisans are **women**



For every **Artisan**, there are . . .

5.7

dependents

1.5

jobs created



and . . .

650,000 RWF

of added economic benefit

RIPPLE EFFECTS OF ARTISAN SUCCESS

The effects of artisan spending proliferate far beyond initial transactions. Because community members spend most of the money they receive from artisans, money flows through the economy one person at a time, creating a ripple effect. The magnitude of this impact can be measured by the multiplier effect, an economic concept.

The estimated total economic benefit artisans have on the Rwandan economy is 1.2 billion RWF

The multiplier effect accounts for increased economic benefit as a result of new demand and new monetary injections into the economy. Assuming that artisans spend .8 and save .2 of every RWF of extra income, the multiplier will be the marginal propensity to consume divided by the marginal propensity to save, or 5. Using this multiplier, the estimated total economic benefit artisans have on the Rwandan economy is 1.2 billion RWF.

Therefore, employing a single AAA artisan results in the creation of 1.5 additional jobs and over 650,000 RWF in added economic benefit.

REGIONAL SOCIAL IMPACT

When AAA economically empowers an artisan to create new opportunities for herself, it creates new opportunities for others as well. AAA artisans increase productivity and employment in 8 areas: education, healthcare, housing, banking, materials, food, farming and others. Figure 1 illustrates how much of the initial 300 million RWF is spent in each of these sectors and the number of jobs created by artisan spending.

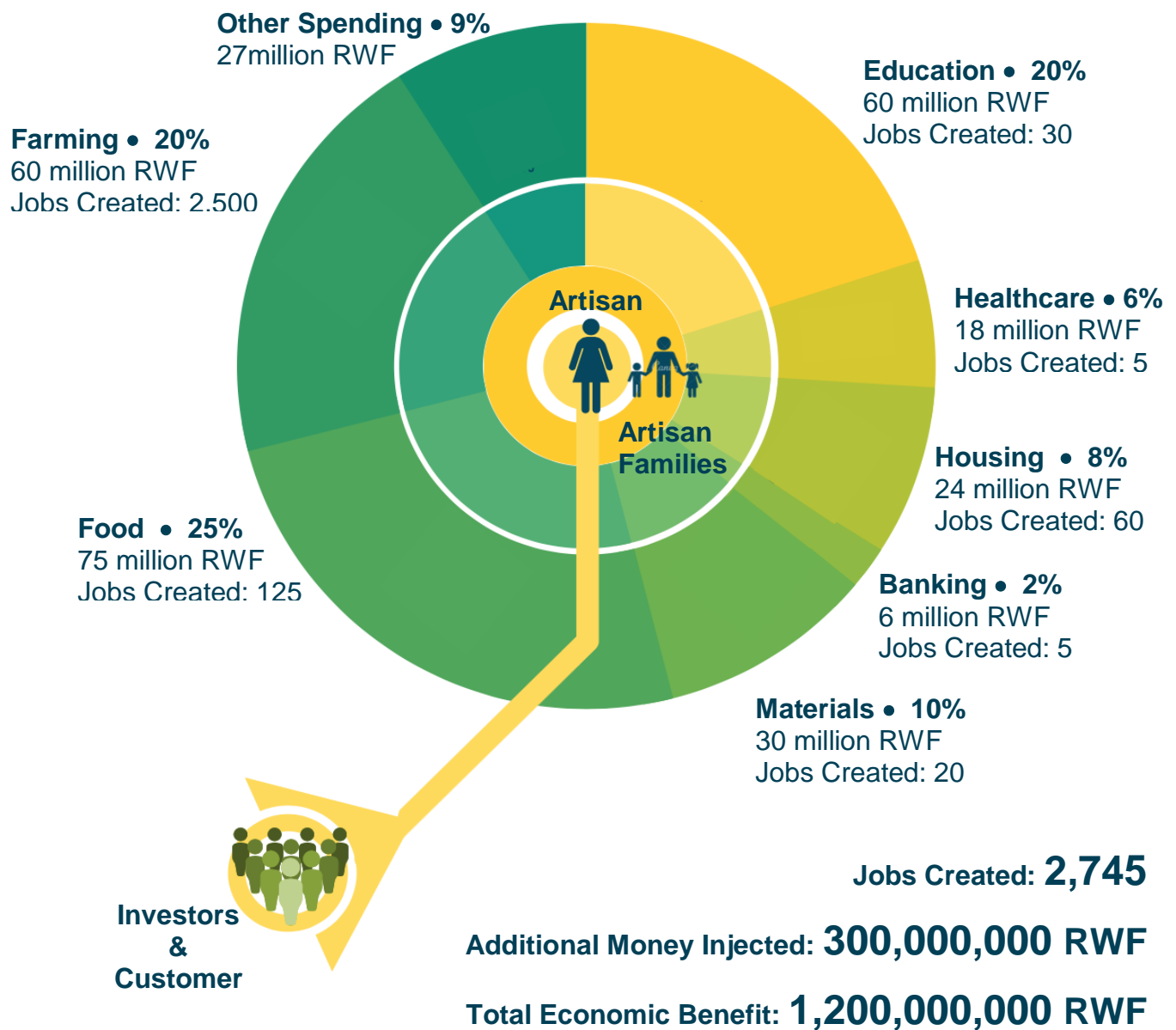


Figure 1: Artisans Economic Impact (Repeated)



Understanding the ripple effect of an AAA artisan starts simply with the increase in cash flowing to the artisan as a result of increased access to foreign demand for their products. Cooperative leaders are responsible for distributing weekly payments and allocating cooperative savings. AAA's culture of savings ensures that with each order a portion of the payment is put into a cooperative bank account. Some of the savings are used for taxes and transport expenses, but all of it eventually circles back to the community. Taxes benefit the community through the creation of public works and funding government health and educational institutions.

While this report specifically focuses on artisan impact, AAA employees also act as regional economic drivers. In 2016, over 240 million RWF were paid in salaries to AAA employees. The salaries paid to AAA employees move money out into different areas of the community.

Money always ends up in the Rwandan community, through some participant of All Across Africa.

Though the ripple effect starts with the western consumer, money always ends up in the Rwandan community, through some participant of All Across Africa. Through this business model of economic development and flow of new money, alleviating poverty in deep rural areas becomes possible. Appendix B shows the cash flows from consumers to artisans to the community.

PART 3

ECONOMIC BENEFITS BY SECTOR



Education

Researchers estimate 15-20% of artisan money received each year is spent on education expenses, funding teacher salaries, learning institutions, and school supply retailers. Artisan income pays for their children’s tuitions, books, paper, and uniforms. Different levels of schooling require different financial commitments:

Preschool	Payments are usually provided on a voluntary basis.
Primary (1-6)	Primary school is, for the most part, free of charge, with parents responsible only for providing school supplies.
Secondary (7-12)	Secondary schooling costs 180,000-300,000 RWF per year. The researchers estimate that 30,000,000-40,000,000 RWF of AAA artisan money is spent on secondary schooling each year.
Basic Education (1-12)	Fees amount to 12,000-50,000 RWF per year per child. The researchers estimate that 6,000,000-7,000,000 RWF in total are spent each year on basic education.
University	While some artisans pay to send their children to university, it is uncommon. Artisan children that attend university usually have some type of government scholarship.

Data collected from AAA’s annual social impact survey could be used to improve estimates of artisan children in secondary school and basic education thereby providing a yearly estimate of the amount spent in this sector.



Healthcare

Around 6% of artisans visit a private doctor each month, seeking care for themselves or family members. This amounts to approximately 109 visits a month, or 1,302 visits a year in aggregate of all artisans. The exact price of each visit is unknown, as it depends upon the necessary treatment and medication a patient receives. What is known, however, is that artisans contribute financially to the monthly revenue at private health clinics and pharmacies, which contributes to the salaries of doctors and other healthcare employees.

Healthcare in Rwanda is primarily reactive, meaning patients see a doctor when they are sick, but do not usually seek or receive regular annual check-ups or receive preventative care. Government covered health insurance is compulsory in Rwanda. While artisans and their families usually go to government hospitals, private care is sometimes preferred because of quicker and better services or more convenient locations.

Additionally, Artisans often use their income to purchase medicine at pharmacies for themselves and their family members. Some common illnesses include malaria, HIV, or diarrhea.



Housing

A significant portion of artisan income is spent on building or improving their houses. Depending on the structure type and size, building a house may cost anywhere from 300,000-2,000,000 RWF. After building a house, artisans' savings are often spent to paint, furnish, and improve their houses, which may cost anywhere between 100,000-500,000 RWF. This money is used to employ builders their assistants as well as pay retail stores.

The researchers estimate that 8% of artisans build a new home each year, which may be their first, second, or even third, house. Many more spend to improve their homes because the upkeep of one's home is a source of pride and wellbeing. The number of people hired to perform these tasks depends on the size and skill requirements of the job. In addition to spending to improve the infrastructure of their homes, some artisans also purchase amenities like running water, solar, or electricity.



Banking

Through loan payments and general use of the banking system, artisans support bank employees and microfinance institutions. About 10% of artisans take out loans every year to fund a variety of activities, from buying livestock to building a home. The typical loan amount varies but is generally 1 million RWF or less, with the majority under 500,000 RWF. Artisans borrow from microfinance institutions where they must repay loans at a relatively high interest rate. One MFI in Muhanga that is near the AAA basket house charges a 24% interest rate. Due to the credibility of working with the company, artisans are able to quickly and easily receive loans from banks.

Although some artisans take out large loans, the money spent on interest payments only accounts for 1-2% of the total income that is distributed to artisans each year. Artisans are more likely to borrow from informal saving networks such as their cooperative or cares.

AAA encourages a culture of saving and requires all cooperatives to receive their payments through cooperative bank accounts. Many artisans also open personal or family bank accounts.



Material Inputs - Sisal and Sweet Grass

According to the team's interviews, observations, and subsequent calculations, AAA artisans spent around 8-10% of each payment received on material inputs. This amounts to around 24,000,000-30,000,000 RWF per year paid out to local harvesters or resellers. Sisal and sweet grass naturally grow throughout the country and are a renewable resource.

When All Across Africa artisans receive an order, they are responsible for sourcing their own sisal and sweet grass. Using traditional weaving techniques, artisans wrap dyed sisal around sweet grass to create products. Due to increasing demand for these material inputs, it is common for artisans to source and purchase these inputs from local harvesters or street vendors. Because sisal and sweet grass are a necessary and recurring expense for artisans, local suppliers rely on artisans as a weekly revenue source.

The number of sweet grass bundles required depends on the size of basket produced, and the number of sisal bundles required depends on product size and number of colors used in that design. Though price per bundle may vary between sellers, the average price for each input is approximately 100 RWF/bundle of sisal, and 100 RWF/bundle of sweet grass.



Food

Artisans spend anywhere from 8,000-35,000 RWF a month to purchase food, which stimulates economic activity at local markets and restaurants. Through their purchases, artisans support the income of street vendors and restaurant owners.

Although most artisan families rely on food they harvest themselves, they rely on outside sellers to improve their nutrition or increase their dietary options. At local markets, vendors sell locally grown fruits, vegetables, starches, beans, and meat. They also sell rice, sugar, and oil, which artisans cannot cultivate themselves.

It was difficult to calculate average spending totals on outside food due to differences in artisan behavior. Some spend money at the markets every month, while others every three months. Artisans who do not farm a plot of land may need to go once a week, while those who have large plots of farmland may not need to go at all. Food purchases also vary based on the season, the success of artisans own crops, or dietary preferences.

When cooperative leaders gather to collect or ship out orders, many eat at the nearby restaurants or purchase food from street vendors. Due to the fact that this is only once or twice a week, it is not a substantial amount of extra money when viewed on an aggregate basis. However, it does boost the revenue of restaurant owners each week.



Farming

It is common for AAA artisans to own or rent agricultural land because most artisan families farm to supplement weaving income and provide additional food to their families. Most AAA weavers hire farmers to help them prepare, plant, and harvest their crops. This creates jobs for others in the community who most often rely on farming as their sole source of income. Farmers hired by artisans are paid about 700-800 rwf per day. This is considered a high paying farming job because a farmer that is not employed by an AAA artisan would typically make much less. As an aggregate group, artisans spend 27,000,000-53,000,000 RWF a year on hiring farmers. This is approximately 20% of total income for all artisans.

Farmers that are hired by artisans are able to receive a higher income because of the artisans substantial income. The number of workers artisans hire with their wages from All Across Africa depends on the season. There are two rainy seasons in Rwanda from February to April, and from November to January, resulting in about 6 months of rainy season work and 6 months of dry season work per year. During the rainy seasons, more help is needed because there are more crops to harvest. During the dry seasons, work consists mostly of preparing the fields for the rainy season. This seasonal variability changes how many farmers AAA artisans employ throughout the year.

All Across Africa provides women with the means to hire outside help. This creates jobs for those in their respective communities. For a hired individual, farming income may mean the difference between purchasing food or going hungry. Artisans also increase economic activity by purchasing seeds for their crops at local markets.



Other Spending

Most artisan money goes towards necessities for the family and is spent on the categories previously listed. However, a relative increase in income consistency as a result of working for AAA enables artisans to purchase mobile phones, clothes, livestock, and solar lanterns. These products enhance artisan livelihoods, while the purchase of such goods support local businesses.

Compared to their rural Rwandan counterparts, AAA artisans are more likely to own cell phones. Purchasing these phones supports local cell phone retailers. Additionally, cell phones require the continuous purchasing of air time for texting and calling. Through these payments artisans support cell phone companies and their employees.

Clothing also is very important in the Rwandan culture, with artisans taking great care in the way they dress. The ability for an artisan to dress “smart” is a source of pride because it represents that a family is doing well enough to maintain proper appearances. This changes the way others in the community view artisans and their families. Stores in Rwanda sell ready-made or custom clothing in traditional prints. Tailors and retailers gain from artisan spending in this industry.

In Rwanda, livestock is not just a food resource; it is an indicator of household status, a form of savings, and an investment opportunity. From local markets or other community members, artisans commonly purchase cows, goats, chickens, and pigs. They may also purchase rabbits, guinea pigs, and sheep. The average price of commonly purchased livestock are listed below:

Goat = 25,000 RWF
Hen = 3,000 RWF
Pig = 15,000-20,000 RWF
Cow = 300,000 RWF

Solar lanterns increase daily productivity, provide access to off-grid energy, and improve the overall quality of life for weavers. These lanterns may be purchased from retailers in town.

APPENDIX

Appendix A: Research Brief

Employing a single All Across Africa artisan results in the creation of 1.5 additional jobs and over 650,000 RWF in yearly additional economic benefit.

In Rwanda, All Across Africa advances livelihoods by employing over 1,800 artisans who become economic agents of female-driven change. This results in the creation of 2,475 additional jobs, and 1.2 billion RWF in total yearly economic benefit.

Artisans increase productivity and employment in 8 areas: education, healthcare, housing, banking, materials, food, farming and others.

Recognizing this collateral impact, All Across Africa partnered with the Miller Center for Social Entrepreneurship and requested two Global Social Benefit Fellows to:

1. Conduct independent field research
2. Identify areas of collateral impact
3. Provide qualitative estimations for each category

The research team collected qualitative and quantitative data from formal and informal interviews with, Artisans, Industry beneficiaries, and Cooperative leaders. This report creates a baseline for future research efforts.

Appendix B: METHODS

Drawing on existing company knowledge, researchers collected qualitative and quantitative data from formal and informal interviews with artisans, industry beneficiaries, and cooperative leaders in Rwanda. Interviews were conducted with the help of a translator.

Artisan Interviews

First, the researchers conducted non-structured interviews to gather information about how artisans spend their monthly income. From these interactions, the research team recognized trends in artisan spending and identified the most significant industries where artisans spent their income.

Industry Interviews

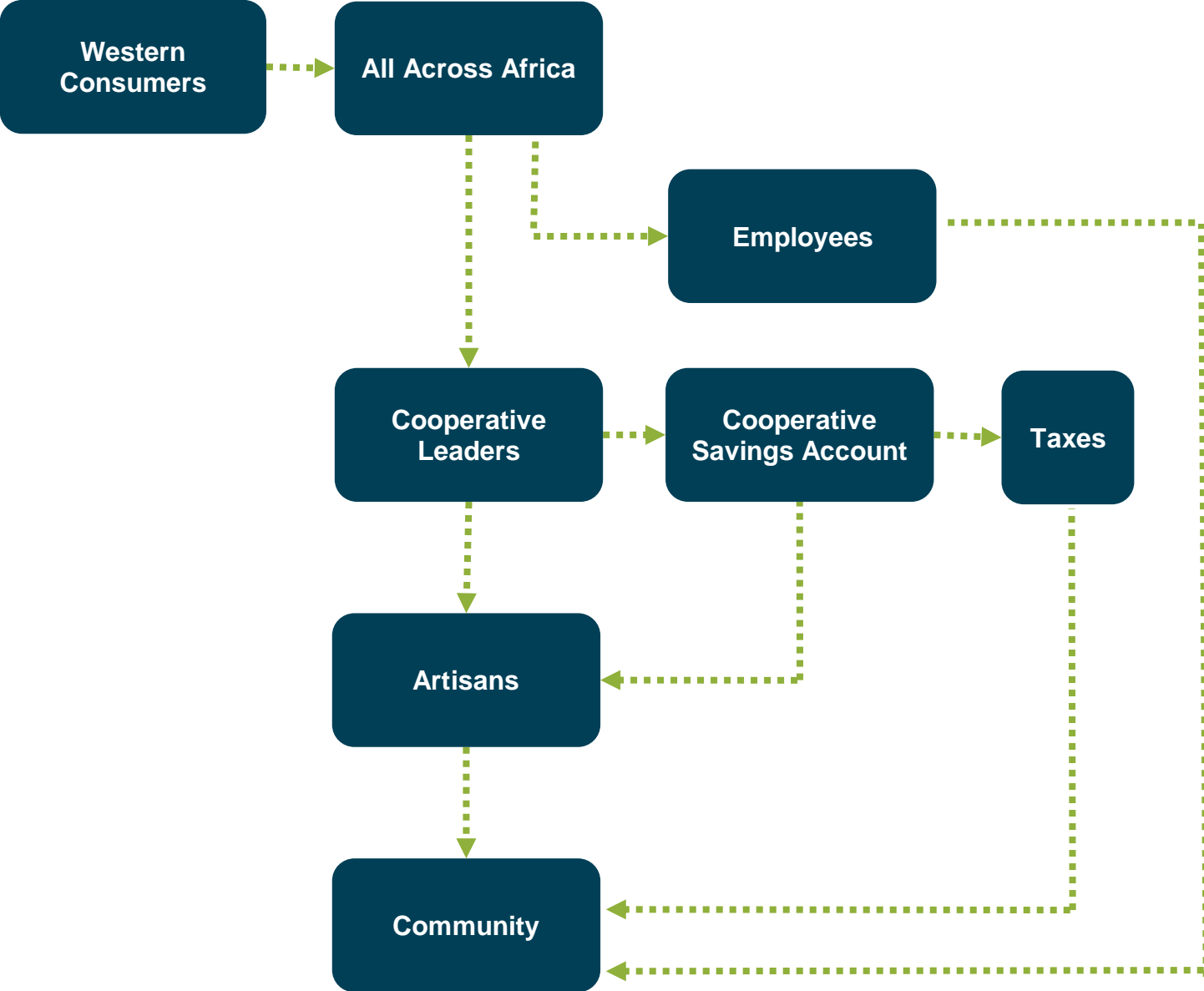
After interviewing individual artisans, the research team identified eight key sectors that benefit the most from artisans income: health services, banking, education, housing, material inputs, farming, nutrition, and additional spending.

In order to gain more knowledge about each sector, the researchers interviewed different beneficiaries from each industry. In these interviews, the researchers gathered information about the professionals' income, the details of their job, and how community members benefited from each industry. While this information was useful, it was difficult to gather qualitative data about the specific amount AAA artisans spend in each industry, a necessary factor to isolate AAA's specific impact on the community.

Cooperative Leader Interviews

To investigate this further, the research team set up interviews with cooperative leaders. Leaders are very knowledgeable about the spending behavior of artisans in their cooperative and understand how money flows from All Across Africa to the rest of the community. Researchers developed questions that targeted how many artisans were spending money in each sector. This type of information was gathered from eleven different cooperative leaders who represent over 800 AAA artisans. While more research is needed, preliminary numerical findings are described in this report.

Appendix C: CASH FLOW DIAGRAM



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