SUPPORT FOR ACCELERATED GROWTH AND INCREASED COMPETITIVENESS

ARTISAN TEXTILE VALUE CHAIN - SENEGAL

ANALYSIS AND STRATEGIC FRAMEWORK FOR SUB-SECTOR GROWTH INITIATIVES

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Senegal's Artisan Textile Sub-sector: Action Plan and Value Chain Analysis
September 2006

EXECUTIVE SUMMARY

Rationale for Sub-sector Selection

The USAID initiative, *Support for Accelerated Growth and Increased Competitiveness* (SAGIC), implemented by the International Resources Groups, has selected the artisan textile sub -sector as one of the preliminary industries targeted for assistance and collaborative effort. This sub-sector is among those identified by the Government of Senegal Ministry of Commerce as deserving immediate attention in economic development efforts. SAGIC supports this directive, and has selected artisan textiles as a focus area in order to complement work implemented by other institutions, leverage additional resources through collaboration, and build on potential market opportunities.

ATA Scope of Work

As part of SAGIC's efforts to increase the competitiveness of selected sectors in Senegal, Aid to Artisans (ATA) was contracted to:

- Complete a sector and value chain analysis of Senegal's artisan textile sub sector, with a particular focus on hand-woven textiles, and
- Develop a set of recommendations for USAID's Economic Growth Program and its long-term support to the sector.

The following assessment and action plan build upon Aid to Artisans' thirty years of experience in global artisan enterprise development, as well as a review of Senegal's craft and artisan textile industry performed by ATA in 2004.

Aid to Artisans assigned a three-person team to the task of analyzing the value chain during a two-week in-country visit in August 2006. The methodology consisted of the following components:

1) a preliminary review of previous sectoral studies and background information,

2) a series of meetings and interviews in Senegal with value chain actors, business representatives, and supporting institutions, which culminated in

3) a participatory stakeholder meeting attended by thirty-two representatives of artisan textile enterprises, government agencies, input suppliers, and international organizations. Aid to Artisans then processed the input from meeting participants and combined these observations with market research to develop a set of **recommendations** and an **action plan** for SAGIC's approach to the sub sector. ATA's suggested approach was then validated through a series of meetings in September 2006, attended by representatives of potential partner enterprises throughout the value chain as well as supportive government agencies and nonprofit organizations.

Opportunities/Constraints Overview
Senegal presents a range of **strengths** and capacity to build upon in the artisan textile sub sector. The value chain is populated with motivated entrepreneurs and innovative designers, represented strongly by a number of high-profile women, and contain skilled *main d'oeuvre* and trained human resources. The rich tradition of the artisan textile trade provides a source of identity and distinction to the sector, and attracts institutional and commercial partners that rally behind a range of interests, from economic growth, to community development and cultural preservation. Examples of urban and rural vertically-integrated production in the artisan textile sector provide models for research and quality assurance. The sector is strongly linked to the domestic cotton industry and there are plentiful opportunities for diversification in product offerings and target markets.

In spite of these supporting characteristics, the sector is also plagued by serious **constraints** that include a problematic enabling environment and limited varieties of input supplies. Many value chain actors act in isolation, unable to leverage the benefits of group representation or cooperation, and efforts to assist the sector lack overall coordination. This is due in part to an inherent sense of competition amongst members of the sector, inconsistent quality control across enterprises, and fear of infringement of intellectual property rights. While some designer boutiques represent the sector strongly, the local market is disbursed and in need of new product offerings. Artisan textiles also face severe competition on the world stage as Asian suppliers build on centuries of textile trade and lower labor costs to dominate the market.

In consideration of the artisan textile sector conditions, market **opportunities** can be identified that fit with the competitive advantages and the needs of value chain actors. The focus should be placed on appropriately-sized markets that match increasingly coordinated supply chains, and take advantage of developing trends toward African motifs and subject matter in the home décor and accessories markets, and the growing sales of "green" and ecologically-minded products which contribute to sustainable production processes over the long-term. Priority should be placed on opportunities that allow businesses to interact directly with markets, whether local, regional, or international, to develop capacity in business operations through experience and transactions.

Proposed Solutions

After detailing the circumstances of value chain actors, Aid to Artisans has developed a set of proposed solutions for enhancing the growth of the artisan textile sub sector. These recommendations are organized into three categories, including Capacity-Building & Technical Assistance, Product Design & Development, and Market Access. Each of these suggested activities are informed by an emphasis on enhancing value-added processes in Senegal, building on local resources and capacity, targeting high-end niche markets, and integrating long-term sustainability goals. All recommendations are reliant on the interest, input, and cooperation of partner entrepreneurs. Critical points of intervention and next steps are illustrated in more detail in the final portion of this document.

1: SUBSECTOR BACKGROUND

Textiles play an important role in the day-to-day life of Senegal, and have held an historical significance in the Senegalese culture and economy. Weavers produced essential fabrics for ceremonial uses, the St. Louis region was one of most important areas of indigo resist dyeing in West Africa, and the renowned sewing acumen of Senegalese tailors continues to be an integral part of cultural activities locally and in the region. In the past Senegal had an active textile industry including raw material processing, several mills, and apparel production. However, due to global competition and domestic economic restructuring, the current range of large-scale players is limited.

Senegal's textile sector has received a significant amount of attention in recent years in terms of analyses and strategies performed both by domestic and international agencies and institutions. The recent report and national strategy for support of the textile and apparel sector for the Ministry of Economy and Finance and UNIDO, completed by Gherzi, acknowledges that a dozen of sectoral studies related to the cotton value chain have been commissioned in the last three years, and many studies have expressed an interest in revitalizing commercial and industrial activities in the textile sector (Gherzi, 2006). This document also suggests that while the recommendations have been prolific, the majority have not reached implementation or resulted in improved conditions for the sector participants. The void of activity in industrial textiles precipitates an emphasis on the more flexible production units present in the artisan textile sub sector. The national textile strategy document, *Mise en oeuvre de la stratégie nationale d'appui au secteur textile et confection au Sénégal*, identified artisan textiles as a potential area of growth and the action plan proposed by Aid to Artisans directly complements the artisan textile component of this strategic vision.

Much of Senegal's artisan activity revolves around textiles, when considered relative to other activities such as woodcarving, pottery, and jewelry. An estimated 50.5% of all artisans incorporated in the 1992 national census of artisans[1] are involved in the production of textiles (including such activities as dyeing, weaving and spinning, knitting, and embroidery). Percentages range by district from 62% in Tambacounda to 21% in Thiès, representing a total of approximately 10,500 individuals directly involved in the sector as producers[2]. Many more individuals are involved in upstream and downstream activities that contribute to, and benefit from, the artisan textile sector.

The artisan textile sub sector in Senegal can be defined by a number of characteristics. As distinguished from more commercial or industrial portions of the textile sector, artisan textiles require a certain degree of handwork and an embedded creative process that is evident in the final product. The sub sector encompasses both semi-processed materials that require hand-processing (such as handspun cotton, hand-dyed yarn or fabric), as well as finished value-added products that may require a series of transformations before reaching the end-user (for example, portfolios made of leather and hand loomed fabric, or upholstered furniture). Products in this sector may enter into

[1] *Recensement National Des Artisans*, 1992.
[2] *Note*: The precision of these statistics may be compromised by the typically informal nature of many artisan businesses which renders the sector difficult to quantify. These figures do not include individuals involved in sewing.

a wide range of market categories, including home décor, office goods, gift items, children's items and toys, and fashion accessories.

In order to better describe the activities involved along the artisan textile value chain as related to the manufacture of these final products, the following section provides a review of stakeholders, their relationships to other actors in the chain, and identified strengths and challenges.

2. STAKEHOLDER OVERVIEW

Aid to Artisans reviewed a full range of actors along the value chain in order to identify the strengths, weaknesses, opportunities, and constraints experienced through different production processes and exchange relationships.

The following value chain analysis incorporates artisan textile sub sector production and conversion activities such as weaving, embroidery (machine and hand), and the treatment of commercial fabrics (dyeing, printing, batik, *thioup*). However, the analysis emphasized the role of **weaving enterprises** as a significant focal point of the value chain for the following reasons:

- Weaving leverages local resources such as domestically-produced cotton, and is labor-intensive (in its current form), making use of abundant human resources
- Weaving builds on local and regional traditions and holds a prestigious place in Senegalese cultural history
- Weaving has been identified in other assessments as an area of potential, yet as Gherzi notes, few significant results have been accomplished to date
- Weavers exhibit design skills, entrepreneurial drive, and market experience, which serve as a foundation for future development[3]

2.1. Value Chain Actors

2.1. Input Suppliers

2.1.1.1. Farmers (Cotton)

Agricultural inputs are essential to the textile sector in Senegal, particularly to weaving enterprises. Farmers tend to be small-scale, but efforts to protect their rights through federation and union formation have been initiated. In order to pursue **alternative**

[3] A select subset of the weaving community exhibits all or some of these characteristics.

income-generating streams, some farmers been incorporated into fair trade markets, and others have adopted organic practices and become certified in order to sell their product at a higher price[4].

Other natural resources may also be used as inputs for weaving and other activities in the artisan textile sub sector, such as alternative fibers (sisal, baobab, wild silk, *vetiver*, natural dyes, etc.), but additional research is needed to provide recommendations for improved links between suppliers and users in later parts of the value chain.

Critical Success Factors

Quality – Stakeholders throughout the value chain agreed upon the value of the cotton produced in Senegal, claiming it to be of high quality, with fibers of satisfactory length. This industry appears to be a source of national pride.

Visibility/Mobilization – Recent efforts on the part of ENDA, Oxfam and other international agencies raised awareness of the struggle of rural cotton farmers and the need for improved trade conditions. ENDA has also implemented years of activities focused on the organization of farmers' associations and organic cotton production.

Environmental Efforts – Farmers are willing to change, and increasing attention has been focused on fair-trade and organic certification in the hopes of expanding income-generation opportunities, diversifying production, and achieving long-term sustainability of the industry and land productivity. Certification services provided by Ecocert are timely and provide embedded capacity-building services.

Critical Points of the Chain to be Addressed

Supply **–** Organic cotton production is limited, and conventional production is also relatively small compared to other regional production (e.g. 20,000 tons per year[5] in Senegal, 500,000 tons in Mali[6])

Certification – Potential complications in the coordination of certification processes along the value chain (through different process in order to achieve a final certified product) should be considered in future planning[7].

Market – The market for raw cotton is controlled by a large-scale monopoly buyer that provides agricultural inputs to farmers and purchases their final

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4 Ginned organic cotton sells at 33% higher price than conventional cotton, and fair trade at a 45% increase, according to SODEFITEX.

5 This estimate should be considered in light of other data available online at Organic Exchange, which asserts that Senegal produced 50,000 tons of certified and traded organic cotton in 1998-1999, 125,000 in 1999-2000 and 200,000 tons in 2000-2001.
http://www.organicexchange.org/Farm/Reading%20and%20References/WUR%20science%20shop%20Sustainability%20of%20Cotton%20Apr06%20(2).pdf

6 Information obtained during interview with SODEFITEX representatives.

7 Concerns in organic cotton initiatives in Uganda were cited as "cost distribution throughout the supply chain" as well as issues of traceability and cooperation amongst different certification schemes". Organic Exchange website.

product. This relationship reduces the autonomy and negotiating power of cotton farmers.

Organic Pre-financing – In order to capture 100% of each year's organic cotton production, pre-financing is required to pay farmers at the time of harvest. If this down payment is not made on time, farmers in need of funds are forced to sell their certified cotton as a conventional product to get timely payment. In 2005, ENDA estimates that 30-40% of the harvest was lost to the conventional cotton market due to delayed payment by a Moroccan spinning mill.
Alternatives – Few other options of local fibers have been exploited for use in the artisan textile sector to date.

2.1.1.2. Industrial Cotton Ginning/Agricultural Inputs

SODEFITEX, a subsidiary of the French company DAGRIS (Développement des Agro-industries du Sud) is the sole raw cotton ginnery in Senegal[8]. While they note that they are at capacity in terms of meeting export demand, they express serious concern regarding losses when selling at world commodity prices. SODEFITEX processes an average 20,000 metric tons of ginned cotton per year, of which in the past year 500 tons were fair trade certified, and 12 tons were organic[9].

Critical Success Factors

Collaborative – SODEFITEX is a willing partner, collaborating with international agencies on such initiatives as an increasing organic production, a demonstration weaving project, and crop diversification.

Embedded BDS – They provide educational services to suppliers, including extension and outreach in order to improve crop productivity and other agricultural practices.

Organics and Fair Trade – SODEFITEX is supportive of diversification and attending to alternative markets. They plan to increase production of organic and fair trade cotton to 1,000 tons in 2007. The price of raw organic cotton in the market has doubled in the last two years.

Critical Points of the Chain to be Addressed

World Markets/Subsidies – Industrial cotton ginners are obliged to sell cotton as a commodity at world prices, competing against subsidized production from the U.S. and other nations. The price of cotton has fallen dramatically over the last two years, allegedly reaching an all-time low from previous decades.

2.1.1.3. Small-Scale Cotton Ginning/Spinning

A very limited number of processors are engaged in spinning cotton on a traditional cottage-industry basis[10], due to the decline of demand through the years. Due to the

[8] DAGRIS holds 51% of SODEFITEX shares, GoS maintains 46% and 3% are held by banks.
[9] Information obtained during interview with SODEFITEX representatives.
[10] According to ENDA, current production volume is only 400 kilograms per year.

limited timeframe of the in-country visit, Aid to Artisans was unable to obtain data related to rural cotton processors overall, but there is no evidence of rural ginning operations, and two or more businesses have performed small-scale experiments in sourcing handspun yarn. ATA met with one processor during the assessment that has developed vertically integrated operations that include the processing of cotton through to the finished value-added product with labor-intensive processes and relatively low-capital investments. This activity may be found in other parts of the country and could be a venue for increasing income in rural areas and implementing appropriate technology practices. Many weavers expressed interest in being able to source raw materials directly from processors, particularly if it allowed them more choices in terms of dyes or fiber content (organic and/or fair trade, etc.).

Critical Success Factors

Appropriate Technology – Labor-intensive techniques are available for processing cotton.

Value Added **–** Additional processing in rural zones captures more revenue for village-based industries. Handspun cotton allows for varied textures that lend interest and value to final products.

Flexibility – Smaller-scale operations are the solution for treating/preparing small volumes of organic cotton and specialty yarns.

Critical Points of the Chain to be Addressed

Revitalization – There is no current rural ginning reported in Senegal, and any effort to revitalize would require significant outreach and training.

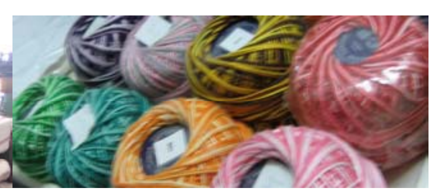
Inefficiency – Any efforts focused on hand spinning are reliant on industrially ginning, which requires additional transport and makes small processing units dependent on industrial intermediaries.

Infrastructure – Current equipment needs improvements for increased efficiency and safety[11].

Market – Communication and access along the supply chain is inadequate - processors and users are mutually uninformed of options for collaboration in fiber development.

Cost – Adding additional labor into the cotton value chain many translate into uncompetitive prices of finished goods.





[11] Additional research is needed on current conditions.

2.1.1.4. Industrial Spinning

The Cotonnière du Cap-Vert (CCV) is the sole industrial cotton spinning mill still functioning in Senegal - the result of a merger in January 2004 that combined the remaining “societies”. CCV purchases ginned cotton from SODEFITEX and processes it into a number of different yarn varieties (e.g. different plies, candle wick, etc.). They sell their products both to distributors and direct to weaving workshops in cases where a longer-term purchasing agreement has been established. These sales arrangements are not seen as a detriment to distributor relations as most retailers rely on CCV’s annual reimbursement to capture their profit margin.

Due to the ever-increasing pricing pressures imposed by imported goods, CCV has invested in a range of diversified income-generating activities in order to support their cash flow. These include: screen-printing (on imported apparel), weaving mops from waste fibers, importing synthetic thread, etc. They have also invested in direct marketing to end-users, employing their marketing team to promote their products directly to the weaving community. While serving as a survival technique, these activities are not necessarily in the best long-term interest of the company because they do not build on inherent strengths or comparative advantage, and are not able to achieve efficiencies due to insufficient domestic market demand.

Critical Success Factors

Outreach/Embedded Services – CCV provides direct outreach and marketing to end-users, building relationships with weavers.

Flexibility/Innovation – CCV has a realistic sense of their market due to their direct interaction with consumers, and exhibits a willingness to respond to customer needs with creative problem-solving (e.g. cones vs. skeins, packaging to ensure specified volume at retail). Leadership is aware of the power of marketing and has supported weavers through public relations in the region.

Capacity – CCV has a range of vertically-integrated operations and this infrastructure may be useful for further innovation in developing more value-added products. CCV has built on efficiencies and uses waste material for producing mops.

Critical Points of the Chain to be Addressed

Infrastructure/Energy – Inflated energy costs and irregular supply from the monopoly supplier leads to disrupted production, high spinning costs, and decreased efficiency.

Marketing Costs – CCV provides marketing and training services direct to end-clients to compensate for a somewhat passive role of retail vendors.

Market Competition – Domestic mills receive no advantages from the government, and therefore compete directly with imported Asian supplies.

Sampling – Current equipment dictates that 200 kilograms is the minimum quantity for custom dyeing – limiting the possibility to respond to trends and allow end-users to sample new color combinations.

Quality – Dyeing quality and colorfastness continues to be a concern amongst end-users. Higher quality dyes are cost-prohibitive for most CCV clients, and the relative level of informality in the weaving industry means that bulk-buying is difficult to coordinate.

Over-diversification – Using a self-described “épicerie” approach in order to capture additional profit streams to survive, the spinning mill is stretching its capacity and is unable to achieve economies of scale in its various activities.

Cost – Industrial spinning is very costly and multiplies the cost of ginned fair-trade, organic cotton by 2-3 times.

2. 1.1.5. Importers/Vendors

Importers and local retailers provide an essential supply of goods to the artisan textile sub sector, including: dyes (for yarn and imported fabrics), fabric (*basin/*jacquard weaves, commercial cloth for apparel, wax prints and *fancy,* etc.), yarn and thread (Senegal-made and imported cotton, imported synthetics), tools and equipment, and notions (manufactured zippers, clasps, etc. for finishing). Due to several factors, including the 50% devaluation of the CFA in 1994, and competition from cheaper imported brands, domestically-manufactured cotton thread is currently one-half to one-third the price it was ten years ago[12]. With no protective measures supporting the price of finished goods from local firms, and low tariffs for Asian imports such as thread and base fabrics, Senegalese cotton raw materials are consistently undercut.

Critical Success Factors

Experience/Flexibility – Senegal has a strong vendor class with experienced importers/exporters. They maintain their business through low overhead costs and have developed established reputations amongst consumers. They are well-versed in maneuvering through import bureaucracies and their longevity in the community and direct relationships with the end-user of raw materials make them a strong link to local market demand.

Critical Points of the Chain to be Addressed

Market/Incentives **–** Vendors do not depend on Senegalese products as their main source of income – their customers seek the least expensive options. They sell local products (e.g. yarn from CCV) at cost, relying on an annual discount to provide them with an estimated 5% margin on sales. They

[12] Interview with soft goods vendor, August, 2006.

do not extend their efforts to markets outside of Dakar and do not see a need to educate customers or invest in marketing activities.

***Low-cost Imports* –** Vendors are continually challenged to maintain a stock of Senegal-made products as cheaper Chinese products and second-hand clothing flood the marketplace. Low tariffs on imports exhibit a lack of support for domestic industries.

***Import Logistics* –** Importers noted difficulties in following government regulations and cited inconsistencies in tariff requirements and Customs procedures.

2.1. 2. Producers and Converters (Value-added)

This category of value-added production includes a wide range of **actors** and **activities**, including: formal and informal micro, small and medium-size enterprises, independent designers, cooperatives, and nonprofit associations. This part of the value chain encompasses the processes of adding value to, or transforming textiles to offer 1) unconverted fabric (e.g. dyed or woven cloth) or 2) finished/converted textile products (apparel, fashion accessories, upholstered furniture, etc.) to final end-users.

While some actors hold distinct positions along the value chain (such as informal weavers, small dyeing units used as subcontractors), many operations (often driven by design) have incorporated **embedded services** into their internal operations, covering multiple functions in the chain "under one roof". Examples include fashion designers who integrate weaving, printing, and pattern-making into their workshop for prêt-a-porter apparel, and interior designer-weavers who have established **vertically-integrated** production that includes custom dyeing yarn, furniture framing for upholstered goods, all the way to direct retail sales, as part of their businesses. Many of these businesses are owned and operated by women who have established national and international reputations for their work.

2.1.3. Weavers

As of the most recent statistics compilation in 2004[13], there were 1,828 weavers and spinners in Senegal, (a decrease from 3,146 in 1992[14]), the majority of whom are engaged in their work either **informal**ly or with the denomination of *artisanat* from the *Chambre de Métiers*. Many more additional participants in weaving activities may not be acknowledged by the statistics due to seasonal employment, migration, and informal employment. In the 1992 census, only 44 weavers were permanent salaried employees, 125 were temporary salaried workers, 508 were apprentices, 389 were associates, and 270 were family helpers.

Many of the looms are produced locally, and located outdoors to accommodate the length of the traditional warp. Production is therefore weather-dependent and limited by the season. Informal weavers traditionally provided for the needs of special events and

[13] Newly released national census (2004), citation to be confirmed.
[14] *Recensement National Des Artisans*, 1992.

celebrations, but this demand is declining as more options become available in modern markets.

Several weaving enterprises and associations have formalized their processes, and their workshop sites to provide more regular working conditions and consistent quality control. Most looms continue to be an evolved version of pit-looms, although floor looms have been adopted by a couple of workshops, and some workshops have incorporated fly-shuttle handlooms to increase productivity.

It appears that one of the primary **markets** for medium-scale workshops is corporate and protocol gifts (for New Year's celebrations), including a significant volume of conference portfolios and briefcases often ordered by government agencies and international institutions. Many workshops also convert the hand-woven fabric into home and fashion accessories, including an abundance of handbags and tabletop items. Several weavers expressed interest in developing horizontal linkages to increase capacity in order to respond to larger orders and to buy inputs in bulk to reduce costs, but it is unclear if there is sufficient demand for such arrangements and if workshops can maintain consistent quality standards. Weaving studios sell their fabric to other artisans for incorporation into leather trimmed products or finished home accessories, or finish product collections themselves for on-site retail shops or retail buyers.

Critical Success Factors

Production Capacity – Considering all producers, Senegal has significant weaving capacity (although declining numbers are suggested by the census); although only a small proportion is formalized and coordinated.

Cultural Significance – Weaving has an established role in Senegalese society, and is therefore a visible part of the country's history and recognized by governmental institutions.

Local Inputs – Primary inputs (cotton yarn) are derived from local resources (except for imported dyes), adding value to a domestic product (raw cotton) that is otherwise sold as commodities on the world market.

Visibility – Few weaving workshops have been able to establish a reputation and branding.

Critical Points of the Chain to be Addressed

Limited Inputs – Yarn selection is limited in Senegal in terms of color, texture, base material, and special treatments (e.g. anti-flammable).

Product Selection – Most products are designed for local markets and a majority of finished goods do not comply with international trends and quality standards. Many products lack a sense of collection development and successful merchandising and branding is found only in high-end boutiques.

Location/Space/Storage – Many weaving units note a lack of space for looms and stocking materials. This leads to repeated purchases at higher prices and enhances the seasonal fluctuations of production.

Lack of Coordination/Informality – There is a sense of competition between many weaving units and little evident cooperation. This minimizes opportunities for lobbying and advocating for effective policy changes, as well as bulk-buying inputs to lower costs and receive additional advantages in terms of customer services and attentive suppliers. Many weavers continue to operate as part of the informal economy, and therefore cannot benefit from sector-specific programs or promotions.

Finishing/Quality Control – While weaving possibilities abound in Senegal, the final execution and finishing of some product lines are insufficient for the demands of high-end markets. Functionality and quality assurance vary dramatically by producer.

Language – The predominance of the French language limits weaving units' access to other international markets.

Scale– Most weaving units have been unable to take advantage of AGOA benefits to date due to lack of market-readiness or variance from category requirements.

2.1. 4. Textile Treatment (Dyeing, thioup[15], batik, printing, embroidery, calendaring)

A number of micro enterprises, associations, and small companies are involved in treating predominantly imported fabrics, including such practices as dyeing and hand-calendaring *basin/*jacquard textiles for local formal apparel such as *boubous*, resist-dyeing (*thioup* and batik) or embroidering fabric for fashion and home accessories, crochet, and screen-printing for local consumption and high-fashion. These businesses many times sell their material to tailors, while fashion studios often maintain internal dyeing processes or subcontract for custom orders.

Critical Success Factors

Local/Regional Significance – Local demand is currently the primary driver of these techniques which are distinctive to Senegal and the region.

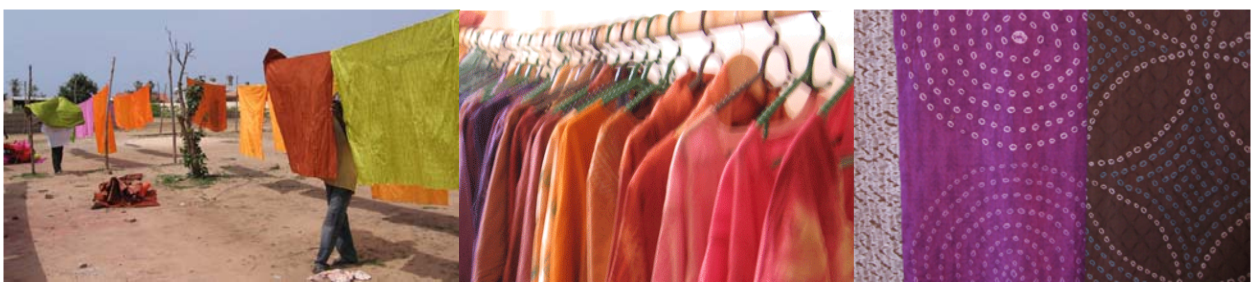
[15] *Thioup* denotes a particular resist-dye technique found in Senegal.

Potential Application – Dyeing and printing techniques have relevance for other parts of the artisan textile value chain. For example, block-printing could be used with hand weaving (e.g. warp-printing) for unique combined techniques and the home décor market offers more room for exploration.

Natural Dyes – Senegal is host to a variety of plants and minerals that can produce natural dyes and several enterprises have invested in research and development in this area.

Critical Points of the Chain to be Addressed

Safety/Health – Many textile treatment processes are performed amongst small subcontractors that have informal enterprises and infrastructure. Safety and health conditions are often unregulated, and cause concern regarding worker health and environmental damage.
Import Reliance – This portion of the value chain relies heavily on imported inputs such as fabric and dyes and is therefore vulnerable to market fluctuations and importer relations.



2.1.5. Sewing (Fashion, Tailoring)

Fashion designers, tailors, and seamstresses produce both prêt-a-porter and custom fashions that are sold in small shops around Dakar – this is a vibrant element of Senegalese society. However, this assessment did not focus on this section of the value chain due to the reliance on imported materials and the current institutional support provided by other institutions.

Critical Success Factors

Regional Reputation – Senegal is renowned in West Africa for the capability of its tailors and stylists.

Local Value – Tailors convert the services of several other producers (dyed cloth, embroidery, etc.) into final value-added products.

Positioning/Leadership/Visibility – Several high-profile designers have been able to develop and leverage local demand for fashionable apparel, creating successful events for the advancement of the industry (See *Designer-Entrepreneurs*).

Critical Points of the Chain to be Addressed

> ***Competition*** – Locally-produced clothing has become increasingly uncompetitive in terms of pricing compared with imported goods which face few tariff restrictions.
>
> ***Pricing*** – High fashion products are priced at international standards and leave little room for export and representation margins.

2.1.6. Designer-Entrepreneurs

Senegalese designers working in high fashion, home décor, and fashion accessories, play an essential role in the artisan textile sub sector, linking market demands to production and international design sensibilities. Most designers manage their own boutiques and maintain proprietary workshops with in-house production capacity in weaving and other material treatment processes (tailoring, dyeing, embroidery, etc.), with established agreements for specific outsourcing needs. They are heavily engaged in the promotion of Senegalese design and the development of their industries, and have established several noteworthy venues such as fashion reviews and participated in international exhibitions.

Critical Success Factors

> ***Gender Representation*** – Women are strongly represented in this arena, representing high-profile businesses, balancing a sub sector that has traditionally been managed by men.
>
> ***Embedded Services*** **–** Designers are able to capture the full margin of value-added products by combining design, production, merchandising, and sales as part of one integrated business.
>
> ***International Exposure*** **–** Many of the leaders in this field incorporate international experiences into the product development and business practices.
>
> ***Visibility/Reputation*** – Designers have established themselves in the local and regional market and lend attention to the sector.

Critical Points of the Chain to be Addressed

> ***Credit/Capital*** – Lending institutions are very conservative in providing support to the artisan textile sector, particularly in cases where businesses have formally employed a large number of people.
>
> ***Pricing*** – Product prices (ex-factory and local retail) tend to be at par with international retail price points, allowing no evident flexibility for export services and importer/retailer margins.
>
> ***Local Market Limits*** **–** Several renowned designers do not take full advantage of local market opportunities due to intellectual property rights

concerns. In addition, designers find it difficult to counter cultural expectations that textile products should be destined only for apparel (e.g. *bazin* is not for pillowcases).

International Market Access – Despite their successes locally, designers find it difficult to identify, and maintain a foothold in, key export markets. International opportunities tend to be fleeting.

Leadership – In many cases, the primary entrepreneur is responsible for all functions of the business and successes are dependent on a sole leader.
Infrastructure & Inputs – Designer-entrepreneurs often note their limitations in space and equipment (in terms of cost and availability) since their constraints are compounded by the number of processes they have integrated into one enterprise. Also, designers are constrained by a lack of quality notions, colorfast yarn, custom colors, woven labels/tags, and packaging options.

2.1.7. Market Players

2.1.7..1. Wholesalers/Retailers

Senegal hosts several sophisticated boutiques offering hand-woven products, a number of artisan markets, a range of tourist and informal markets, and several seasonal local fairs where artisans offer a range of products. However, at first glance the market is dispersed and divided and visitors need to venture out on their own to find the right retail venue for their needs and tastes. In most relationships along the textile value chain in Senegal, wholesaler and retailer functions are conflated. Many producers retail their own product lines directly and retailers who stock a variety of products (such as hotel shops) commonly buy direct from producers at ex-factory prices.

Critical Success Factors

Embedded Services – Designers who operate retail outlets can combine services and capture full margins. They also use their design-savvy to merchandise new collections.

Location – Retailers have chosen key locations for their venues, including hotels and areas of town known for new development and high-end real estate.

Critical Points of the Chain to be Addressed

Geographic Disbursement – The artisan textile retail scene is fragmented, and it takes time for customers to decipher their key destinations.

Promotion – Many retailers do not have formal marketing to draw new customers to their locations but rely on word-of-mouth.

Taxes – Value-Added Taxes are between 18 and 20%, severely limiting the price competitiveness of Senegalese products.

2.1.7.2 Exporters

Many producers export value-added products directly to international clients. They report no need for a special export license (company registration is apparently sufficient for legal purposes). Few independent **exporters** who have established their own international clientele currently exist, and others act as an arm of a foreign importer, providing **embedded services** to the value chain, such as preparing orders for shipment, providing quality assurance on location and prior to shipping, and implementing new designs requested by the buyer. Individuals also export on an **ad-hoc** basis to supply the Senegalese Diaspora in Europe, the United States, and other parts of Africa. These direct export operations may be due to conditions that leave no room for the cost of agents, which typically average an additional 5-15%.

Critical Success Factors

> ***Regulations*** – Compared to other textile exporting countries, Senegal requires relatively fewer documents and signatures for export procedures (Mbaye, p. 53). Other benefits accrue to exporters, such as forgiven Value-Added Taxes, and investors are often given preferential treatment by government agencies.

Critical Points of the Chain to be Addressed

> ***Packaging/Packing Materials*** – Limited options are available for packing, packaging, and labeling artisan textile products. Most materials are low-quality and difficult to obtain, and many times products need to be repackaged for final presentation to end-users in foreign markets, significantly adding to the final cost of the product and limiting its viability in export markets.

> ***Lack of Engaged Exporters*** – Few exporters service the artisan textile sector, and most do not have direct experience with international market expectations or long-term links with buyers.

2.1.7.3.. Agents/Shippers

They are intermediaries commonly known as "Transitaires" who play an essential role in export, processing export forms and clearing shipments through Customs, yet appear to be of nominal concern to export-ready firms when they report on the challenges they face. Many exporting producers acknowledge indiscernible and complicated logistics (e.g. related to Customs), and the cost of some of these transactions (formal and informal), but accept the procedures and the intermediary as a necessary part of the export process[16].

2.1.7.4. Importers

Importers of artisan textile products from Senegal have proactively sought to flatten the distribution chain by bringing items direct to retail due to the FOB costs of finished goods. These importers often provide embedded services to designers and producers by guiding new product development, providing trend and market information, and assisting with shipping logistics. Many invest in sourcing visits in order to make product selections and merchandising suggestions directly. No evidence of large-scale and repeated export in the artisan textile categories was noted amongst the stakeholders incorporated into the value chain analysis, and some established importer relations are deteriorating in response to shifting international distribution chains.

2.2. Institutional (Non-Value Chain) Actors

2.2.1. Government

While Government of Senegal institutions have voiced their interest in accelerating growth in the textile sector overall, the artisan textile sub sector falls within the jurisdiction of several agencies. This overlap of interests lends to some confusion over the source of leadership and budgetary resources for coordinated strategies in the sub sector. It was also noted amongst stakeholder groups that processes for providing support (e.g. sponsorship for show attendance, financial support) lack transparency, and few advantages are given to start-ups to ensure their continued growth (e.g. initial tax exemptions, etc.).

2.2.2. Associations/Cooperatives/NGOs

Artisan interests are represented through several regional and national forums beyond governmental agencies and chambers, including a national membership association. Also, a significant portion (an estimated one-quarter of artisan stakeholders visited during the assessment) of artisan textile enterprises are actually registered as associations due to the privileges this type of designation affords. Artisan textile activities are often supported through, or implemented in collaboration with, NGOs in efforts to improve economic conditions and employment opportunities in Senegal.

2.2.3. International Institutions and Donor Programs

Aid to Artisans did not perform a comprehensive survey of all international programs operating in Senegal with plausible links to the artisan textile sector as part of this assessment. However, there appear to be several initiatives offering services to the textile sector, but with a primary focus on apparel/fashion and industrial production. Other services are provided in human resource development, internet and technology development, agriculture, natural resource management, cultural preservation and the arts, and community development – there are possibilities for collaboration within each of these focus areas.

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[16] This analysis did not include a direct visit with a shipping agent to confirm observations.

3: ENABLING ENVIRONMENT

The infrastructure and conditions which comprise the enabling environment in Senegal provide both support and constraints to economic growth.

3.1. Energy

Cost/Quality – All actors along the value chain are affected by poor quality energy provided by a monopoly supplier, which dramatically increases their costs – Mbaye notes that energy accounts for the equivalent of 20% of total costs in production – and decreases their productivity and timely delivery (Mbaye, p. 22). Alternative energy sources, such as solar and bio-diesel, have proven successful in some rural areas but have not been developed sufficiently for larger scale needs.

3.2. Legislation/Policy

Registration – When asked, few participants in the analysis noted problems with company registration requirements.

Labor laws – More concern was voiced in regards to the difficulty of formal employment, required taxes and payments related to that process, and strict labor laws that forced enterprises to work more informally than they would choose. World Bank data suggests that in relation to other countries, it is difficult, yet inexpensive, to license workers in Senegal (Mbaye, p. 50).

Export/Import – Most value chain actors seemed ambivalent about export processes and requirements and seemed to have found a way to work around some of the constraints related to bureaucratic procedures and corrupt practices in import and export processes.

3.3. Capital/Credit/Financing

Established medium-size businesses, as well as micro enterprises, find it difficult to find appropriate financing for their business ventures. Interest rates are high and banks resistant to extending credit to value chain actors, even when they are formal companies with decades of performance history. Many stakeholders also noted that seed money is difficult to obtain for infrastructure investments that would greatly enhance their capacity.

3.4. Infrastructure and Resources

Transport, internet technology, and other infrastructural resources impact the growth of the artisan textile sub sector as well. Limited resources, such as packing and packaging materials, apparel labels, and a broad selection of quality notions, impose high costs and compromise the quality of final products delivered to buyers.

3.5. Sector Organization

The artisan sector has formal representation through that national association of artisans. However, the lack of coordination between artisan textile value chain actors and support services severely compromises the effectiveness of the sub sector. Informal weavers have no formal **representation** even though they make up the majority of producers in the industry. Producers noted that minimal **communication** between actors, including raw material suppliers, was the cause for stagnation and even decline, in the sub sector.

3.6. Capacity/Skills/Human Resources

The artisan textile sub sector represents a range of substantial human resources, including talented technicians, skilled designers, knowledgeable traders, and dedicated service providers.

Tertiary Training – There is limited support in the Senegalese **tertiary system** to guarantee the supply of trained individuals in design and applied trades – many of the leading entrepreneurs in the sector have obtained a significant amount of their education in other countries.

Language – It is also noteworthy that the predominance of the French **language**, while serving as a link to other French-speaking countries, may be considered a limitation in efforts to access broader markets.

3.7. Private Sector Services

Value chain actors noted the marked development of private sector services in recent years that support the growth of their businesses, including graphic arts and technology providers. These services are key to the development of commercially-viable solutions to challenges in the artisan textile sub sector.

4: VALUE CHAIN ANALYSIS

Value Chain Summary

The following value chain diagrams illustrate, in a simplified way, the major activities occurring in the artisan textile sub sector. A particular emphasis has been placed on activities related to domestic cotton input supplies, and value-added processes that can be adapted to non-apparel categories.

Diagram 1: Value Chain for Artisan Textile Sub sector (Current)

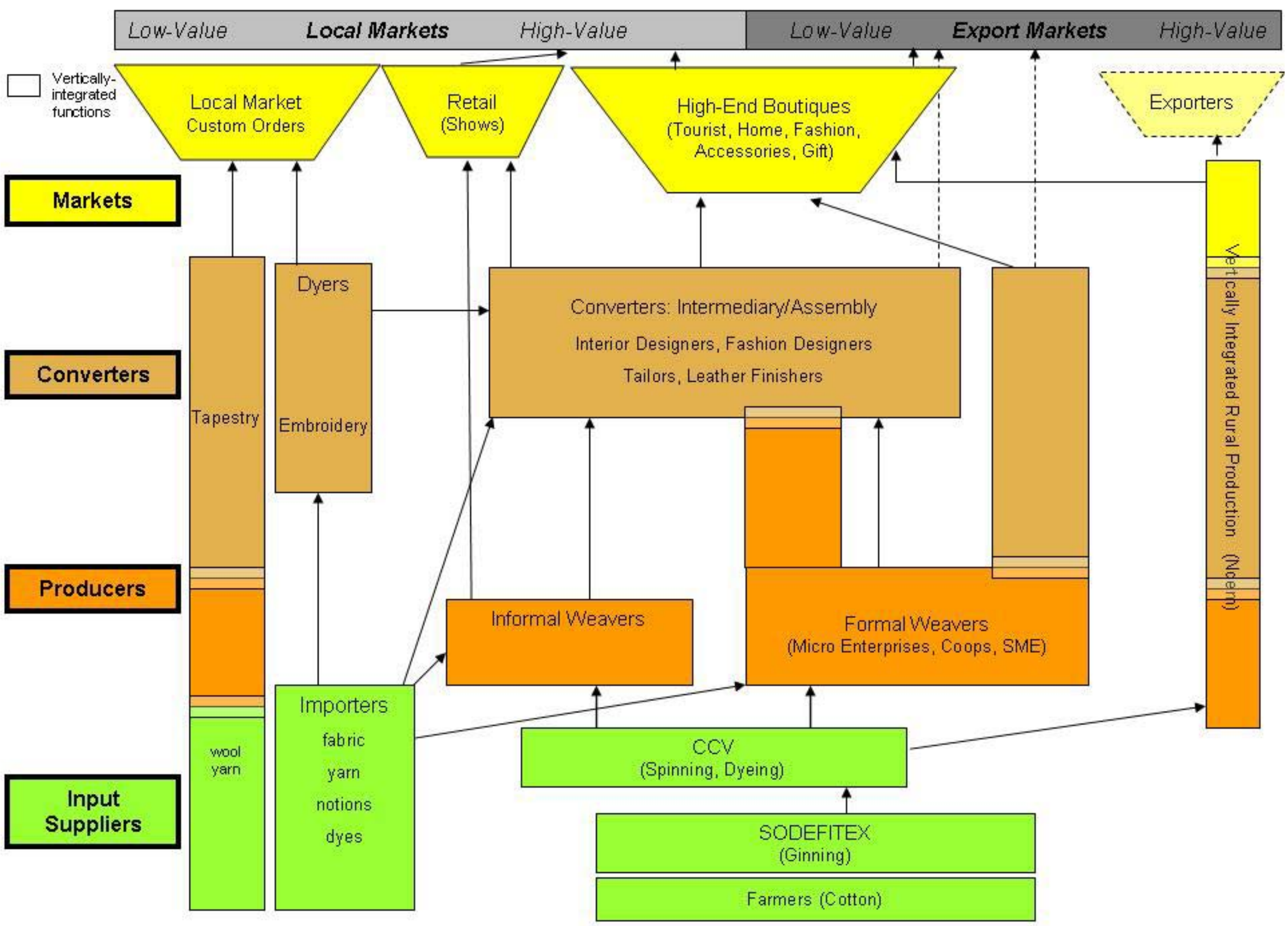
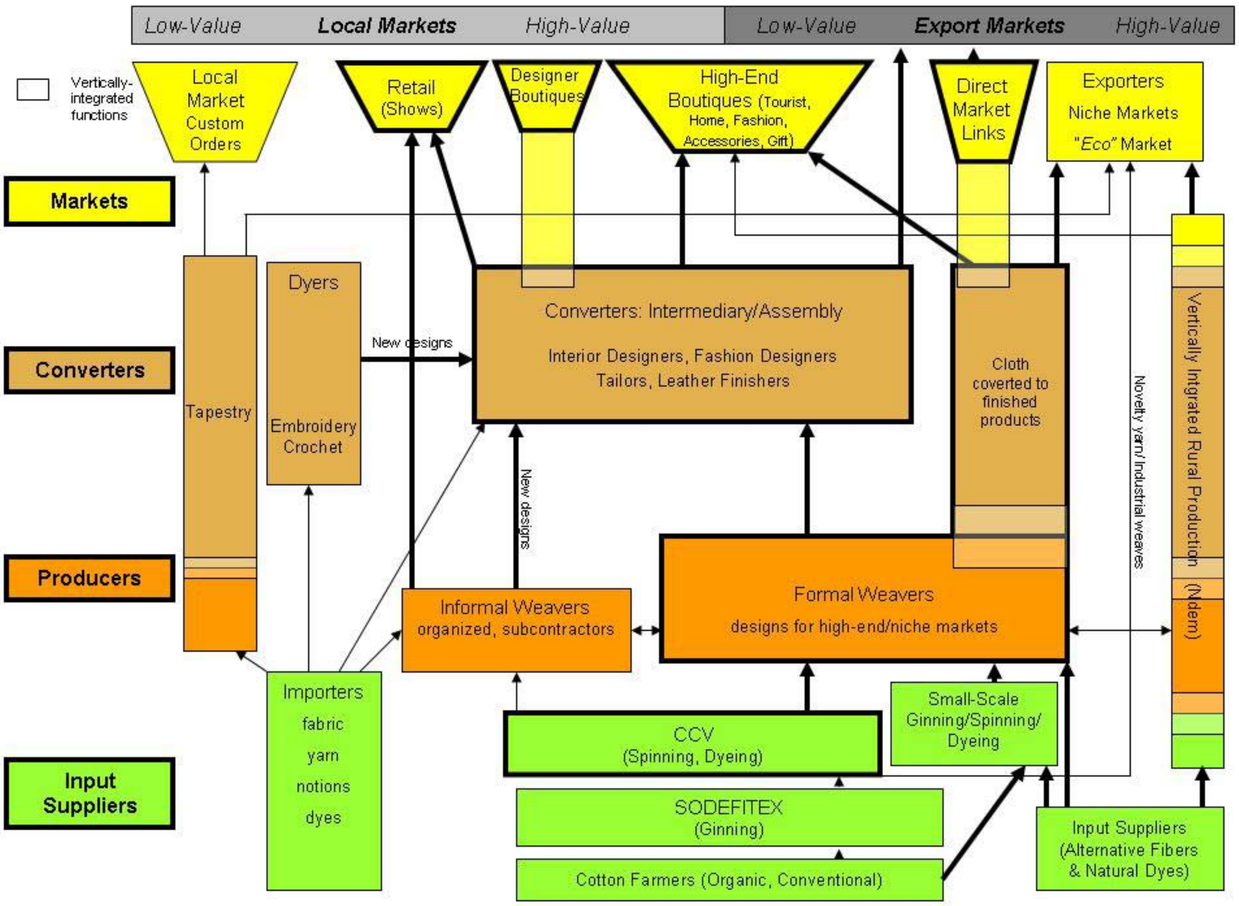


Diagram 2: Value Chain for Artisan Textile Sub sector (Proposed)



From Current to Proposed Vision

- Emphasis on high-end niche markets (local, regional, export) with a focus on "*eco*" products, alternative fibers, and natural dyes
- Developed high-end finished products with CCV (e.g. novelty yarn, blankets) for direct market.
- Improve inputs for local market (e.g. new color yarn, colorfast, textured, alternative fibers)
- Strengthened capacity of "Converters" in design, technical skills, mixed media design, market access, and merchandising, new collections developed for target audiences
- Utilized local leading producers as business models and training centers. Strengthen capacity in design, finishing, and appropriate technology
- Strengthened small-scale ginning/spinning for organic yarn for high-end export markets
- Informal weavers are organized and production capacity incorporated into more conversion/value-added processes
- Formal weavers improved collection development, on-trend designs, market access and production technology
- Local markets developed through exhibitions/promotion, enhanced merchandising, and juried shows and links to niche markets (e.g. corporate gifts, hotel interiors, tourism)

- Designer-retailers linked with new sources of artisan textile production, and emerging designers (fine-art, industrial design) mentored in market-oriented design services
- Tapestries introduced to wall art/corporate art dealer
- Sector coordination: Strengthened the vertical linkages (producers to intermediaries to markets) and horizontal linkages (producer to producer for bulk-buying, branding, etc.) and linkages to services (producers with less design skill to intermediaries & importers that provide design as embedded service)

Constraints and Proposed Solutions

Role in Textile Value Chain	Constraints	Possible Solutions
Raw Material Producers (organic cotton)	▪ Insufficient supply ▪ Undefined demand ▪ Monopoly buyer ▪ Coordination between certification schemes	▪ Design exclusive collections for targeted buyers ▪ Increase access to organic ▪ Link to small-scale processors
Raw Material Suppliers (other local fibers, e.g. baobab, wild silk, sisal, *vetiver*)	▪ Limited cultivation ▪ Limited demand and use ▪ Few links to buyers	▪ Coordinate with Wula Naffa projects ▪ Target *eco* markets ▪ Branding for *eco* markets
Input suppliers (cotton ginning)	▪ International competition/subsidy ▪ Energy costs	▪ Increase capacity of domestic value-adding market to absorb more cotton ▪ Alternative energy solutions ▪ Emphasize alternative materials with higher value ▪ Explore rural ginning/hand spinning with appropriate technology
Input Suppliers (Hand spinning)	▪ Availability ▪ Links to demand ▪ Cost considerations	▪ Direct link with buyers ▪ Increase efficiency with appropriate technology ▪ Functional upgrading (combine ginning, dyeing, etc.) for additional value-add
Raw Material Processors (industrial spinning)	▪ Basic twisting ▪ High electricity costs ▪ Limited color selection & sampling ability ▪ Poor dye quality ▪ Lack of value-added products ▪ Limited profitability (unstable) ▪ Overly diversified production	▪ Train in novelty twisting ▪ Novelty twisting equipment (cost-share) ▪ Produce new yarn varieties for local/regional markets ▪ Increase supply of handspun (texture) ▪ Develop new color offerings ▪ Increase profitability with value-added products: e.g. blankets
Importers/Distributors	▪ Import logistics ▪ Emphasis on imports over local products due to price/availability ▪ Prominence of *fripperies*	▪ Emphasize high-end/value-added markets (local/international)
Producers (dyers/hand-calendared cloth)	▪ Imported cloth ▪ Unsafe dyeing process ▪ Environmental damage	▪ Training in appropriate technology/safety ▪ Reintroduction of natural dyes ▪ Develop products in new categories (gift/home, bookbinding)
Producers (Weavers)	▪ Insufficient space ▪ Uncompetitive equipment ▪ Limited product selection ▪ Lack of innovation ▪ Lack of coordination in sector	▪ Cost-sharing for new looms ▪ Weaving workshop – new techniques ▪ Rejuvenated promotion

Role in Textile Value Chain	Constraints	Possible Solutions
Producers (Embroidery)	▪ Competition ▪ Finishing	▪ New product collections (home, toys)
Producers (Tapestry)	▪ Artificial (subsidized) pricing	▪ Market-based pricing ▪ Updated colors/motifs ▪ Gallery features ▪ Links to wall art buyers (trend)
Converters (Fashion Designers/Tailors)	▪ Pricing ▪ Scale – mostly custom ▪ Competition from imports	▪ Expand collection (home, gifts) ▪ Improve finishing for bags, etc.
Producers (Designer – Entrepreneurs)	▪ Lack of international markets ▪ Credit/Capital ▪ Pricing ▪ Lack of concrete results from other initiatives	▪ Direct links to market/ Transaction-based capacity building ▪ Develop cohesive brand ▪ Highlight at local exhibitions ▪ Product development with textiles (home/gifts) ▪ Design/cloth/technique archives ▪ Action-oriented programming
Retailers	▪ Dispersed locations ▪ Lack of cohesive merchandizing (select retailers) ▪ Strategic promotion ▪ Vale-added taxes	▪ Training in merchandizing ▪ Direct links to producers – exclusively branded collections ▪ Holiday gift collections ▪ Directory/guidebook
Producers/Exporters	▪ Lack of independent exporters ▪ Packing materials ▪ Language ▪ Sporadic international exposure ▪ Unprepared for market demands	▪ Identify experienced exporters interested in new markets ▪ Improve preparation for shows

5: MARKET OPPORTUNITIES

According to the *New York Times* Africa has "now been embraced by the masses" (Williams, 2006). Trends in home accessories and fashion are increasingly referencing African motifs and concepts, as evidenced in trade magazines, trend reports, and recent international trade shows, and Senegalese artisan textiles can be modified to align with current market demands. Tourism is up and students are choosing it as a destination for studies, excursions, and volunteer experiences. In short, Africa may be the new India when it comes to uncovering unique talent in fabric production. India has been both a destination and a dominant player as a regional and global exporter, as well as a design "driver". Though Africa has a way to go in terms of competitive pricing, it is positioned to become the next big design influence. In the textile world what makes West Africa unique are its hand-woven, hand-dyed wax, starch and stitched resist cloths, prints, and elaborate embroideries. All of these techniques can be applied to popular product categories that would appeal to tourists and a growing middle class in Africa.

5.1. Local Market

Senegalese textile artisans are in a good position to enjoy a strong local market. Dakar is a center of international development institutions which focus on West Africa and bring a large number of expatriates to the city. In addition, tourism is increasing, and a growing middle class in Senegal will likely broaden its taste beyond traditional clothing to include locally crafted gifts and home furnishings. Several opportunities present themselves in the local market, including:

- Tourist market (links with ecotourism destinations, hotel boutiques, hotel and restaurant décor, spa and luxury resort packages, etc.)
- Corporations and institutions (corporate and protocol gifts and office décor – formal offers for adapted exclusive designs with branding options)
- Value-added packaging (food, body care, and gift items)
- Interior designers/home décor (tabletop, lifestyle, home office, bedroom, bath, etc. for local boutiques, design services, and custom orders)
- Fairs and exhibitions (targeted holiday markets and gift-giving events)
- Fashion designers and boutiques (fashion accessories, branded designs)
- Gift shops

Coordinated strategies that include the following inputs will augment local marketing efforts and allow artisan textile firms to benefit more significantly for local purchasing power.

- Strengthen linkages between suppliers and retailers, tour operators, hotel management, event organizers, and ecotourism communities
- Develop new product collections with local and international designers that target potential buyers
- Help create branding and packaging
- Capitalize on established designer studios by introducing more product options and sourcing opportunities to retailers
- Support an annual (juried) craft fair of high quality products

- Strengthen retailer capacity to enhance shopping experience through better in-store design, improved merchandising, and innovative customer service
- Promote retail shops selling handmade textiles and other crafts through print resources and media outlets (including developing a map or guidebook to stores and workshops)
- Organize coordinated store tours and special promotions as formal outreach to the local expatriate community

5. 2. Regional Market

Regional markets pose appealing opportunities as well, due to trade agreements, transport networks, and decipherable cultural tastes. Several markets can be targeted, including:

- Yarn and raw material importers (for newly developed novelty yarns, unique color palettes, and processed alternative fibers)
- Hotel boutiques and chains (store merchandising, branded collections, and hotel interiors)
- Regional trade shows and direct-to-retail venues (e.g. participation at SIAO - *Salon International Artisanat de Ouagadougou* with improved booth display and merchandising)
- Regional designers (for production possibilities for fashion, home, and industrial designers)

5. 3. Export Market

An assessment of Senegal's textile sector has identified strengths in the artisan textile sub sector, including 1) the local resources and artisan-level manufacture (local cultivation, processing, dyeing, weaving and conversion of cotton products, with the possibility of integrating new and unusual fibers), and 2) a base of skilled designers experienced with European market preferences. Building on these value chain capacities, perceived **niche market opportunities**, with an emphasis on organic cotton, include:

- Specialty Gifts
- Stationery (fabric-covered books and journals)
- Spa (robes, bed and bath)
- Specialty Fabric (green clothing manufacturers, quilters, collectors, hobby)
- Organic Home (bed and bath, home textiles)
- Organic Baby (clothing and accessories)
- To-the-trade Interior "Green" market (drapery, upholstery, home accessories, floor coverings)
- Pet (clothing, toys, beds)
- Bridal (gift, fashion)
- Museum (gift, fashion, tapestry)
- Fashion & Accessory (clothing and accessories)
- Yarns (hobby knitting and weaving)
- Technical textiles (for industry)

5.4. Organic Cotton

Organic and organic fair trade cotton products have a unique value-added proposition that the Senegal textile sector should capitalize upon. According to Organic Exchange's Organic Cotton Market Report Spring 2006, the estimated global retail sales of organic cotton products increased from $145 million in 2001 to $583 million in 2005, reflecting an annual average growth rate of 35%. Manufacturer demand for organic cotton fiber increased from 5,720 metric tons in 2000 to 32,326 metric tons in 2005, an estimated annual average growth rate of 93%. Below is a table estimating global retail organic cotton products sales by 2008[17]:

Summary Chart 1: Growth in Estimated Global Retail Sales 2001-2008

Summary Table 1: Estimated Global Retail Sales of Organic Cotton Products

	2001	2005	2006	2007	2008
Estimated Global Retail Sales (millions USD $)	245	583	1,073	1,911	2,618

According to *Sustainable Business Insider* (www.sustainablebusiness.com), "…sales of organic cotton products are also growing quickly now. Over 1,200 (US) manufacturers and retailers offer organic cotton clothing and textiles, up from several hundred in 2001. Nike, Patagonia and Sam's Club/Wal-Mart use the most organic cotton. Worldwide sales are up to $583 million from $245 million in 2001, according to Organic Exchange's 'Spring 2006 Organic Cotton Fiber Report'. But that's just the beginning - Organic Exchange expects organic cotton product sales to achieve $2.6 billion in sales by 2009. They expect demand to exceed supply by 2008 if production isn't expanded in the next two years."

If Senegal's textile sector can capitalize on its vertically integrated supply chain, it is likely that finished products would be competitive enough to enter at the high-end of U.S. niche markets, particularly for products made from organic cotton.

[17] http://www.organicexchange.org/Documents/marketreport_2006.pdf

While developing an organic cotton strategy is the recommended priority, it will take time to transition the textile sector to a new viable vision. In the meantime, there are some steps that can be taken to adapt current textile products for the market:

- Establish new color palette of yarns for weavers through industrial venues (CCV), subcontracts, or pilot projects
- Develop or import novelty yarn to distribute to weavers
- Create fabrics that are similar to Senegal's trademark supplementary weft cloths companies with four-harness weaving capacity
- Experiment with sisal, *vetiver*, baobab and other natural fibers
- Mix handspun yarns with industrial yarns in weaving

The U.S. **hobby knitting market** is hungry for new yarns, whether organic or not. According to the Craft Yarn Council of American, "Overall, 36% of American women--53 million-know how to knit or crochet, a 51% increase over the past ten years…. and there are 94 million more potential consumers."

Another niche market in America is the **corporate art market**, which includes the market for traditional tapestries. At present retail prices on traditional tapestries start at approximately $2,400/m^2 and rise to $7,500/m^2. Senegalese ex-factory tapestry prices currently start at $1000/ m^2, so there appears to be room for incorporating export costs for the final pricing. Corporate art is one of the fastest growing art markets (e.g. a simple Google search of "corporate art consultants" yielded 22,800,000 possible links).

6: STRATEGIC INTERVENTIONS

Vision

Aid to Artisans proposes the following action plan for short-term activities to 1) engage entrepreneurial partners, 2) provide initial tangible results, and 3) set a path for longer-term sustainability of Senegal's artisan textile industry. ATA's recommends an action-oriented agenda that provides *transaction-based* learning for artisan partners as they develop their businesses by directly interacting with the market.

Much of the potential contained within Senegal's artisan textile industry resides in the **specificity** of its hand-woven cloth. The solution is not to modernize the sector in an effort to compete with Asian products, but rather to emphasize the value and unique regional quality of Senegalese hand loomed textiles. A focus on value-added products, created from local materials processed through local capacity, will aid in capturing an appropriately-sized market while maintaining a sense of history and credibility within the local market. The ecologically-minded market is a key target across a variety of interior décor, gift, and fashion accessories. Organic product trends are accelerating, and offer opportunities for increased value-adding and long-term sustainability. Collaboration with natural resource management projects could augment market appeal by providing "carbon-neutral" or "zero carbon footprints" options related to sales.

Aid to Artisans proposes the following set of potential activities to complement the current efforts of other organizations, institutions, and entrepreneurs working in the artisan textile sub sector in Senegal. Opportunities for collaboration should be sought in order to leverage additional resources for the sector and to ensure deeper and longer-term benefits for artisan partners. Assistance in capacity and technical ability, product development, and market access are complementary and integral components of the following recommendations.

6.1. Capacity-Building & Technical Assistance

6.1.1 Sourcing Options

One of the most serious constraints in the value chain, particularly in reaching the high-end home, gift, and fashion textile markets that may be open to sourcing products from Senegal, is the limited varieties and inconsistent quality yarn available for weaving.

6.1.2 Color Palette Development

The current palette of thread offered through the domestic spinning mills' standard production is limited (and allegedly not always colorfast), and minimum quantities of custom dyed lots are 200 kilograms – prohibitive for most hand weaving operations. ATA proposes to work with the mill, or smaller-scale dyers, to develop an initial test range of contemporary, **on-trend colors** to offer to weaver. This process includes discussing color preferences with prominent weaving workshops, proposing cost-share arrangements for the production and distribution of the new supplies, and conceptualizing the business model that would make custom runs more profitable. This may include testing new approaches to **batch dyeing**, including subcontracting agreements with small hand-dyeing units, with supervision, safety inspections, and technical assistance in waste management.

6.1.3 Sourcing Alternative Fibers & Ecological Marketing

In response to market trends, and long-term sustainability goals, ATA proposes a project sub sector emphasis on **organic cotton**. While production is currently low in Senegal (see *Stakeholder Overview*), market demand is on the upswing (see *Market Opportunities* section), and several initiatives are investing in the development of this agricultural effort. Further feasibility investigations should be performed to determine the likelihood of achieving target price points and minimum quantities. Proposed activities include coordination with farmer cooperatives and certification programs, further investigation of local ginning and spinning possibilities, estimation of supply, and planning for direct access to organic cotton for weavers of high-end goods. The project should be prepared to discuss needs of pre-financing in order to reserve quantities of organic cotton for domestic value-adding processes.

In addition to developing new novelty yarn options with the industrial spinning mill, ATA recommends alternative fiber development that can build on natural resources in the country. For instance, further investigations **baobab fiber** harvesting and treatment in collaboration with the USAID-funded baobab management project in Wula Naffa may uncover possibilities for further use of baobab as a source of fibers in hand-woven items – building on the signature flora of Senegal, which lends to future possibilities in terms of identity development, branding, and merchandising. Other possibilities should be explored, including sustainably harvested sisal, *vetiver* grass, other plant materials, and wild silk, which may be sourced domestically or regionally.

Incorporating alternative fibers, such as organic cotton, into value-added products is an appropriate fit for target ecological markets. Senegal can build on environmental themes and long-term sustainability goals by providing customers with “carbon-neutral” purchasing options linked with local reforestation projects. These efforts can be highlighted in marketing and promotional tools, increasing the visibility of the value chain in regional and international markets.

6.1.4. Natural Dyes

Currently, several enterprises are experimenting with dyeing, including **indigo** and other **natural dyes**. These dyeing processes tend to be labor-intensive, relying on Senegal’s abundant human resources, reduce dependencies on imported dyes, and add value to natural fiber fabrics for ecological and high-end markets. The cultivation of vegetable-dye sources could also be developed as a new agricultural commodity for local sales. Current dyeing units may act as a training resource for other groups around the country, and new recipes and techniques can be introduced by international specialists.
Village-based Cotton Processing: Ginning/Spinning

Hand spinning adds value and possibility of new textures to yarn production, capturing more of the value for the rural regions and amongst smaller production units that are in need of employment opportunities. For every weaver, an estimated ten spinners is required to produce the necessary amount of raw material. This consolidated processing of yarn is particularly useful for specialty fibers, such as organic cotton, that are currently being produced in small quantities and cause complications in industrial ginning and spinning operations[18]. Additional research is necessary to determine the feasibility of revitalizing small-scale ginneries, and time trials and pricing exercises need to be conducted in order to determine the viability of these processing services in the targeted value chains.

6.1.5. Novelty Yarn

While CCV is constrained by many factors (including a limited market, price pressure from imported goods, and astronomical energy costs), the leadership appears to be willing to make changes to improve the business. Aid to Artisans recommends developing new **novelty twisting** with the company, using different twist and ply options, to increase the offer to local, regional, and possibly international hobby knitting yarn markets. This exercise could include on-the-ground development, distance communication (review of samples, etc.), and may require cost-sharing for training or new equipment to produce the desired effects. In addition, the selection of textured and unique yarns for use in hand loomed items could be improved over the short-term by assisting **importers** in sourcing quality yarns for specific market-oriented product development.

6.1.6 Industrial Weave Development

[18] CCV mentioned their intentions to produce a trial run of organic cotton yarn, but noted the difficulties in shifting their production for such small quantities.

CCV currently produces low-grade woven mops from waste materials for the local market – but this **industrial weaving** capacity may be used to add value to the cotton yarn produced by the mill. Further product development trials are needed to determine whether the current machinery can be used for higher-quality products such as blankets and throws, and partnerships can be pursued with home furnishings and bedding companies.

6.1.7. Technique and Production Capacity

Weaving Techniques Workshop
Senegalese traditional weavers exhibit a range of designs and motifs in their cloth, but with improved options for fiber texture and color arrangements, Aid to Artisans foresees a need for technical training in color combinations, **weaving** techniques, finishing, and efficiencies. These trainings could be adapted to the needs of associations as well as more sophisticated enterprises as they adopt fly-shuttle multi-harness looms for increased production, or dobby looms to achieve more complex weaves. For example, companies with four-harness weaving capacity could develop fabrics that are similar to Senegal's trademark supplementary weft cloths.

6.1.8. Quality Control, Finishing, and Functionality

A wide array of products is currently produced in hand loomed and converted fabrics, however, in many cases the finishing details detract from the value of the final product. ATA suggests a review of **finishing techniques** available both for urban and rural producers, and for technical assistance on developing more precise finished pieces, as well as more functional items through pattern-making workshops. For example, the use of hand-woven cloth in such items as handbags is appealing, but requires specialized knowledge, and in some cases tools, to obtain the desired effect that can fulfill buyer demands. **Quality standards** across artisan textile units is also important in order to improve the possibilities of strong horizontal linkages between producers, that may be established by an active network or a "platform approach" to expand production capacity.

6.1.9. Appropriate Technology – Looms

Infrastructure inputs in the form of equipment, with appropriate training and support, could greatly enhance the sub sector's production capacity. Inexpensive looms, models of which have been developed in India and other countries with an expertise in hand loomed goods, may be purchased or constructed in order to decrease the cost of hand-woven material by increasing efficiency for labor inputs.

6.1.10. Financing

One of the primary stated needs of artisan textile producers and institutions supporting the sector was the lack of seed money for infrastructural improvements and bulk-buying of raw materials. **Cost-sharing** agreements with transparent criteria could be linked with specific interventions and demonstration projects to expand the impact of technical assistance. Links should also be facilitated with partner institutions that provide appropriate lines of credit or peer lending that are suited for the needs of artisan textile enterprises. In some cases, financial backing could be linked with appropriate technology resources to ensure successes for artisan partners.

6.2. Market-Orientation and Business Skills

6.2.1. Commercial Training

ATA proposes a range of capacity-building interventions to prepare artisan enterprises for a range of target markets. These training activities can be integrated with product development exercises and buyer interactions, but should include such topics as: line development, costing and pricing, market trends, customer service, production management, and operations such as accounting and inventory control.

6.2.2. Merchandising and Buyer Relations

Collection development and a renewed emphasis on merchandising, branding, and promotion amongst smaller workshops will increase visibility and revenues for lesser-known producers. Direct links to retail stores, with exclusive branding and well-designed packaging can improve sales and develop future marketing opportunities. ATA recommends training in merchandising, display, and customer service to increase sales in the local market.

6.2.3 Export Services Development

Several leaders in the sector have experience with direct export, but few independent exporters provide services to the artisan textile businesses. As particular target markets become identified, the project should work with textile companies to define export needs and identify possible **export partners**, or provide **training** in export standards and procedures.

6.2.4 Sector Coordination

ATA recommends increasing the visibility and coordination of the artisan textile sector in Senegal. Working collaboratively with other institutions, a **directory** of businesses and institutions related to the textile sector could be published, or targeting the direct retail buyer, a map or **guidebook** of workshops and boutiques could be developed and promoted through national and international agencies and tour operators. This type of effort would bring together both the cultural and business interests of a range of possible partners.

In order to support the long-term development of the artisan textile sub sector, it is necessary to provide support and validation to existing institutions and representative organizations along the value chain. ATA recommends **strengthening associations** from the onset of project activities, building local partnerships and capacity as a component of the project exit strategy. Informal artisans could also benefit from efforts to organize small production units. The format of this support might be **outreach services**, association development, collaboration with the GoS proposed *Training Institute* or direct links between smaller producers and larger businesses for outsourcing needs. Official recognition of micro enterprises will also allow them to be identified as potential beneficiaries in future project activities.

6.3. Product Development

Drawing on local skills, current collections, and available materials, ATA proposes that product development activities be implemented in line with selected **niche markets** and targeted to **specific buyers**. In the case of international markets, ATA can identify potential buyers for particular product ranges, and designers can work with weavers (and embroiderers, dyers, tailors, etc.) to develop initial collections according to buyer requests and trial sample orders (e.g. blankets, towels, toys). For local markets, product development should be similarly targeted for specific retail venues and final client profiles (e.g. tourist market, high-end fashion accessories, international holiday gift items, etc.), and draw on the expertise of local designers through formalized collaboration.

Based on specific target markets, new **techniques** and **combinations** can be applied to create cohesive collections in new categories. Some ideas for further development with hand-woven and dyed and converted fabrics include: variations with color mixing, warp-printing, added elements and mixed-media (horn, shells, beads, etc.), toys and dolls, block-printing on hand-woven, lamination, paper-backing, hammocks, value-added packaging for other products (e.g. exclusive food products), hotel décor, tapestry and wall art, jewelry, and bookbinding.

6.3.1 Design Inspiration & Research

Senegal's rich history in artisan textiles is a valuable resource for emerging designers, yet research and resources on traditional designs is difficult to locate. Building on collections such as the textile museum on Gorée Island, a virtual repository of local and regional designs could be collected as a way to preserve cultural resource and provide a source of inspiration for local design professionals and a learning resource for university programs. This project could also incorporate training on design research using internet technology so that local designers can communicate with international clients and collaborative partners.

6.4. Market Access

6.4.1 Local Retail Environment

- **Exhibitions and Promotion**

ATA recommends coordinating with established **fair** venues and annual events, or developing an exclusive exhibition, to increase promotion of, and professionalize the appearance, of artisan textiles in the retail arena in Dakar. This kind of **exhibition** would build on new product collections developed in collaboration with designers, and entail targeted publicity, training in booth display and customer service, and technical assistance in merchandising, packaging, and fair organization. Potential partner organizations could include cultural institutions, embassies, international organizations and museums.

6.4.2 Local and Sub-Regional Market Linkages

The local market is a prime arena for direct sales, testing new product lines, customer service learning. Aid to Artisans proposes to develop several **retail store partnerships** in order to develop retail models for merchandising, branding/packaging, customer service, and promotion. Additional **commercial linkages** can be made via corporate gift strategies and exclusive hotel décor with dedicated local staff to develop relationships between artisan businesses and buyers.

6.4.3 Export Markets

Senegal has potential to build on current experience with export markets in the artisan textile sector, incorporating new knowledge in product collection development, to approach new target markets. Direct market links should be facilitated with potential buyers in select niche markets who may provide future inputs of design services and guidance to the production partners. Aid to Artisans recommends program activities that provide preparatory **orientation** to buyer expectations, as well as ***transaction training*** which takes advantage of learning opportunities embedded in exporter and importer relationships as producers are introduced to markets. In order for textile artisans to gain fully from international exhibitions and trade shows, ATA recommends a pre-market training program that would complement current efforts targeted at European, U.S., and regional show venues. This might include assistance with booth design, merchandising plans, and promotional material preparation, as well as the development of market research strategies at international fairs using techniques to recognize trends and sales opportunities.

6. 5. Public-Private Partnerships

The artisan textile sub sector can be greatly impacted by collaborative efforts between public entities and the private sector. One overarching area for investment, that would improve the competitiveness of a range of other industries at the same time, is **energy** resources and infrastructure. Electricity prices and quality diminish the viability of all artisan textile businesses that rely on commercial energy at some point in the value chain. Aid to Artisans recommends an initiative that would provide sources of reliable energy at more reasonable rates to artisan textile sub sector actors, including alternative energy options, targeted reduced tariffs, or the introduction of additional providers at the national or regional level.

Public-private partnerships that focus on improving the supply of quality, economical packing and **packaging materials**, as well as woven labels, could impact a broad range of sectors and increase the competitiveness of artisan textiles in all target markets. ATA also proposes a partnership with industrial agricultural input suppliers, cotton processors (SODEFITEX and CCV), institutional partners, and the appropriate governmental agencies, to increase the supply of certified **organic cotton** yarn and natural dye inputs. This may require up-front investments in the cotton harvest in terms of deposits in order to guarantee a maximum quantity for processing, domestic value-adding, and commodity exports.

Public-private partnerships may also be pursued in improving **local market opportunities** for the artisan textile sub sector. Investments in professionalizing juried shows in collaboration with **show managemen**t firms and governmental institutions committed to the growth of artisan textile sales as part of the national strategy will improve the visibility and profitability of local management companies while raising the profile of the sub sector. **Corporate gift** programs that offer exclusive lines to willing corporate partners and government agencies for protocol needs also benefit sponsors and producers at the same time.

6. 6. Policy environment

As a result of conversations with stakeholders in the sector, ATA proposes the following policy reform efforts:

- Labor laws: Modifications to employment regulations may allow more flexibility during a company's start-up phase and encourage more enterprises to hire workers on permanent basis.
- Phased business requirements: Tax exemptions and other benefits for companies that reduce initial operation costs in the artisan textile sector will translate into stronger growth and more stable businesses.
- Import tariff reductions: Support for imports of needed supplies for the artisan textile industry (e.g. packing/packaging materials, notions, novelty yarn, etc.) will facilitate higher quality finished product offerings and effectively generates a more competitive sector.

7: CRITICAL POINTS

In the short-term, ATA proposes that the SAGIC respond to sector constraints through the following activities. These interventions can build momentum for the sector's development and provide key results and visibility, lending credibility to the project's approach.

- Input supply – improving variety and quality: ATA proposes that some initial activities focus on collaborations with input processors/suppliers to increase the supply of unique and reliable raw materials for domestic value-adding and direct marketing to international hobby knit markets.
  This includes further development in the areas of: handspun, textured, organic, and alternative material yarns, as well as dye and color options that are colorfast, custom, and on-trend.

- Product development and integrated training: Product design and collection development activities can take advantage of new input supplies to target export markets and provide a point of reference for initial buyer contacts. New product lines can also highlight diversified production and new offerings to local clientele. Design projects can incorporate multiple value-adding techniques, mixed media, and hand-woven cloth.

- Pre-market training: Initial capacity-building in commercial activities is essential and can be applied immediately in local market activities, such as pre-holiday fairs. Trainings can benefit a significant number of enterprises and emphasize techniques and skills in customer relations, merchandising, trends and market research, display, and costing and pricing.

- Local market enhancement: ATA proposes that initial activities for local market stimulation be targeted at an initial promotional and sales event before the holiday season. These efforts can be made in collaboration with partner institutions and/or fair organizers in order to build on established networks.

8: NEXT STEPS

Aid to Artisans proposes that the next steps be comprised of developing detailed **action plans at the enterprise level** in consultation with selected business owners. This process will develop increased partner buy-in and deepen the project team's familiarity with company capacities and needs. These plans should be directly related to a series of **initial applied activities** (mentioned above) that will focus on a preliminary selection of enterprises, but include offerings open to all actors in the sub sector in order to engage additional artisan partners and impact a broad audience. This first set of interventions will follow an **institutional agreement** with the SAGIC project in regards to Aid to Artisans' proposed activities.

The development of specific **working groups** will be important to promote a learning agenda for this project, ensuring that project activities and interventions are adapted to meet changing needs as the sector develops. However, to leverage current momentum and to combat existing donor fatigue, ATA recommends that the formation of the working groups should not precede concrete project activities where value chain actors can experience tangible interventions like some of the above named critical points. This will build credibility for the project and lead to richer working group sessions in the future.

ANNEX 1: REFERENCES

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Mbaye, Ahmadou Aly (2005) *Etude diagnostique du sous secteur textile industriel*.

Recensement National Des Artisans, 1992.

Sadi, Ahmed Lamine (2005) *Rapport Provisoire: Comite Technique de la Stratégie de Croissance Accélérée, Group de Grappe Textile Habillement, Sous Secteur Artisanal*

Williams, Alex (2006) *Into Africa.* New York Times, 13 August 2006, p. 1.

ANNEX 2: CONTACTS – STAKEHOLDERS

Entreprise	Activity	Representative
Tapestry Workshop of Thies	Tapestry	Mr Abdoulaye Mbodji
Atiss	Weaving & Design	Aissa Dione
Association Villageois de Ndem	Weaving & Dyeing	Amet Bamba Diongue
Tissafric	Weaving	Mariame Traoré
Navette d'or	Weaving	Mamadou KENEME
ACOMA	Weaving	Victor SAGNA
Promofil	Weaving	Maiga Habi SANATA
Cheik Tall	Weaving	Cheik Tall
Arame Pathe Ndoye	Weaving	Arame Ndoye
Suska	Weaving/Interior décor	Suska Meyer
Urpac	Weaving/Leather	Mr SEYE
Darmanco	Weaving/Leather	Mme Bintou Mbodj Rasoul
Eberis Gallery	Interior décor	Clarisse Dionne
Balla Creations	Interior décor (turned wood, lighting)	Balla Sidibe
Caracolo	Interior décor	Mr Barbe
Africa-Design	Interior décor (*thioup, bazin, etc.*)	Oumou Wane
Nulangee Design	Interior décor	Babacar Niang/Octavio Abdoural
Fashion & Apparel		
Bineta SALSAO	Fashion Designer	Bineta SALSAO
Colle Sow Ardo Créations	Fashion Designer/Weaving	Collé Sow
Made in Africa	Fashion Design/Weaving	Claire Kane/Claire Domergue
Atelier Leydi	Fashion Designer/Weaving	Oumou SY
Toolah	Fashion Designer	Angélique Diédhiou
Complexe Sadia	Apparel	Sadya Gueye
Dasha Creations	Apparel	Dasha NICOUE
Kira Lingerie	Apparel/Resentex Rep	Khady Soumaré Gaye
Laay Diarra Couture	Apparel/Resentex Rep	Mr. Laay Diarra
Symbyoze	Dyeing (apparel, interior décor)	Mamadou Mbaye/ Maria Caterin
Barou Teinture	Dyeing	Maguette SECK
Groupement Yala Yana	Dyeing	Ndeye Fatou Diouf
MAM Productions	Embroidery	Marie Amy MBOW
Projet 10,000 filles	Sewing/doll-making (girls' empowerment project)	Wodé Senghor
WHEPSA	Association	Viola Vaughn
Exporters		
CSAO	Exporter	Amy Sow
Interface Trading	Exporter	Mr FALL
Input Suppliers		
SODEFITEX	Cotton Fiber Supply	Mamadou Diagne
Cotonniere du Cap-Vert	Yarn Production	Djibril Ngom
Institutions		
Fédérations Nationale des Artisans du Sénégal	Association	Mr Sow Amath
ASEPEX - Agence Senegalaise de Promotion des Exportati	Association	Amadou Ba
APIX - Agence nationale chargee de la Promotion de l'Inve	Government Agency	Mr Maguette Niang
APDA - Agence Sénégalaise pour la Promotion et le Dévelo	Government Agency	Mr Seydou Toure
USAID - Project WATH	USAID Program	Aminata Ciss Séne
CEPOD - Centre d'Etudes de Politiques pour le Developper	Government Agency	Omar Diakhaté
Direction de l'Artisanat	Government Agency	Abdoulaye Diakhate
CDE - Délégation de la Commission Européenne	CDE	Aliou Abdoullahi
Résentex/CDE	Association	Mr LAAY diarra
Résentex/CDE	Association	Mme Khady soumare Gaye
ENDA Tiers Mondes	International Organization	Jorg John
Institut Français Léopold Sedar Senghor	International Organization	Christian Saglio
Ambassade de France (Economic Mission)	International Government Agency	François-Xavier Flamand

ANNEX 3: DRAFT TIMELINE FOR ACTIVITIES

	Yr 1				Yr 2				Yr 3			
Activity	*1*	*2*	*3*	*4*	*1*	*2*	*3*	*4*	*1*	*2*	*3*	*4*
Project Startup												
Conduct initial assessment	X											
Coordinate admin requ's w/ SAGIC/ hire staff	X											
Solidify collaboration w/ key enterprises		X	X									
Coordinate ongoing technical assistance and training		X	X	X	X	X	X	X	X	X	X	X
Oversight visits			X			X			X			
Product Design & Development												
Market strategy development	X		X		X		X		X		X	
In country design workshops		X			X			X		X		
PD follow-up, sample preparation			X			X			X		X	
US based Internet distance design			X			X		X		X		X
In-country product and quality workshops and TA			X		X		X		X		X	
Capacity-Building												
Source alternative fibers (organic, baobab, etc.)	X											
Conduct local business / organizational development training		X		X		X		X		X		X
Train artisans, exporters, designers at MRP		X		X		X		X		X		X
Pre-market training (local)												
Support local fair												
Merchandising sessions for local boutiques		X	X	X	X	X	X	X	X	X	X	X
Provide ongoing coaching, mentoring		X	X	X	X	X	X	X	X	X	X	X
Market Linkages/Marketing												
Introduce collections to buyers (*Tier 1*)		X		X		X		X		X		X
Support regional trade fair			X				X				X	
Ongoing marketing to targeted buyers, provide market feedback			X	X	X	X	X	X	X	X	X	X
Corporate gift strategy			X				X					
Merchandise exclusive retail collections			X				X				X	