

Weaving peace in Rwanda

Rwanda has the third highest percentage of women entrepreneurs of any country in Africa. Forty-one percent of businesses are run by women. Only Ghana, with 44%, and Cape Verde, at 43%, have more women active in business.

How did this come about? Part of the answer is: through tragedy. Following the 1994 genocide 70% of Rwanda's population was female. Even today, over a third of households are headed by women. There is a brighter side to the answer too: government reforms have helped tremendously expand opportunities for women. Rwanda was the first African country to enter the top-10 reformers' list in the Doing Business project. This has opened more possibilities for women to benefit from business activity.

Here is one story. A basket weaving tradition from the landlocked nation of Rwanda is now making its way from the department store Macy's to American households, changing in the process the lives of thousands of Rwandan women. In 2005, American talk show icon Oprah Winfrey promoted Rwanda's "peace baskets" in her magazine, causing a surge in demand. Proceeds from the export of peace baskets to the US have impacted more than 18,000 Rwandan children, who have better schooling and health as a result.

RWANDA
Population 9.2 million
GNI per capita \$250
Doing Business global ranking 150/178
Doing Business trading across borders ranking 166/178



Janet Nkubana

COMPANY PROFILE

Business Name: Gahaya Links
Business Type: Handicrafts
Annual Turnover: US\$300,000
Employee Number: 3,000
Business Reach: Africa, USA

Much of this success is due to Gahaya Links, a Kigali-based business run by the sisters Janet Nkubana and Joy Ndungutse. In 2007, the business produced 35,000 baskets with annual sales of US\$300,000. From its beginnings just over a decade ago, with 27 weavers, it now employs 3,200 women from across Rwanda. The basket weaving groups include both Hutu and Tutsi women, for whom working together helps heal old grievances. Hence the name: peace baskets. Says Janet: "I have survivors, I have widows, I have women whose husbands are in prison. To see them sitting under one roof weaving and doing business together is a huge achievement...these women are now together, earning an income. It is amazing."

Despite Janet and Joy's international success, trading across borders from land-locked Rwanda is still a major business challenge. Rwanda ranks only 166 among the 178 economies in the Doing Business 2008 report on the Trading across Borders indicator. It takes, on average, 47 days to fulfill the necessary requirements for exporting cargo. And a standard shipment costs nearly \$3,000 in fees.

Janet is now advising the Rwandan government to simplify export processes and lower transport costs. Among the recommendations she would like to see:

- the extension of customs opening hours to 10 p.m. as this would reduce the waiting time at borders for truck drivers arriving late.
- Faster reimbursements of duties paid on raw material imports.
- The creation of a joint border inspection post at the Ugandan border which would eliminate repeat inspections that currently take place.
- An advanced cargo information exchange and cargo tracking system amongst the customs authorities in East Africa.

Starting out

Janet Nkubana returned home from exile in Uganda in November 1994. She was now running a hotel in Rwanda's capital Kigali and kept running into women hawking baskets in front of her hotel. At first, Janet tried to convince them to move their business elsewhere and not pester her clients. This didn't work, as hotel guests were among the few people with money to spend. Then one day an inspiration came: she set up a small shop in the hotel and would also take their baskets to sell at flea markets when visiting her sister, Joy, who lived in the United States.

A long family tradition meant that weaving was familiar territory for the sisters. "I grew up in a weaving home. My mother is a master weaver. She used to do all the bead work and basket weaving in the refugee camp {in Uganda}," says Janet. "Weaving was a second nature to me." Indeed, basket weaving is an old tradition among women in Rwanda. Unique to Rwanda, the basket—now known as the "peace basket"—is on the national seal and currency.

These pagoda-shaped baskets were historically made as wedding gifts, and are hand-crafted from enzyme-washed papyrus and banana leaf. The traditional zigzag design tells an ancient story of friends walking together, visiting neighboring villages along the way.

The baskets were a hit, and she realized that there was a bigger business opportunity. The sisters started with 27 women weavers and used a mixture of personal savings and funds from winning a World Bank business plan contest to buy raw materials for their craftswomen. The business was formally registered in 2004 and proceeds from a property sale helped them open a showroom in Kigali.

While women returning from exile were more likely to have funds to purchase land, it was not until 1999 that changes to Rwanda's matrimonial and succession law gave women clear and equal property rights, including the right to inherit land. The law overrides traditional customs excluding women from land and property ownership. That Rwanda has the highest percentage of women parliamentarians in the world, at 45.3%, has resulted in laws promoting equal opportunity for women.

WOMEN IN RWANDA

Female literacy rate 59.8%

Percent of women in formal labor force 51%

Seats in parliament 45.3%

Gender Equity Index Ranking 3/154



Going for growth: obstacles and opportunities

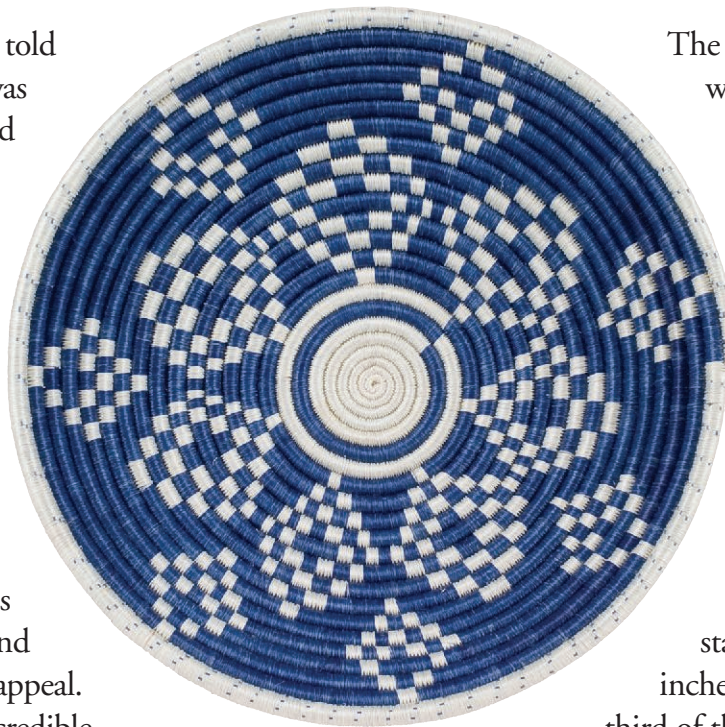
In 2003, Marie Claire magazine published one of the first stories about Rwanda's peace baskets and even sold over 1,000 baskets through orders placed with the magazine. After that, the photographer for that article, Willa Shalit, an artist and a producer of "The Vagina Monologues," saw a chance to help the women expand their business making the sisal baskets, which are used to carry wedding gifts.

"What struck me," she told the *New York Times*, "was that these women who'd suffered so horribly—who'd been raped, machete-hacked and watched their children get killed—had created this object that was so exquisite and elegant, with tiny, even stitches." The fact that the weaving groups included both Hutus and Tutsis, heightened the appeal. "I thought, what an incredible embodiment of reconciliation," Ms. Shalit said.¹

There was a hitch. The baskets were beautifully woven, but thin and flimsy looking. They needed a redesign. Enter Gahaya Links. Its weavers made firmer baskets using banana bark and papyrus. These would sell well on the US market. Needed - only a retailer.

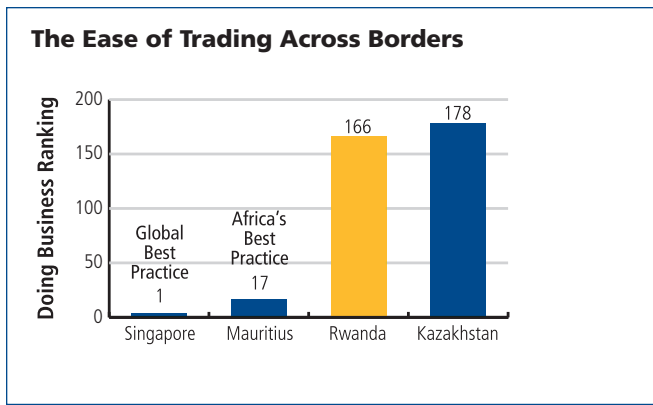
After a meeting at the U.S. Embassy in Kigali, Janet was linked with USAID, which sponsored

her participation in a New York trade show in 2005.² It was there that Janet made the link with Macy's buyers and reconnected with Willa Shalit of Fair Winds Trading, Inc., a marketing and trade company importing African crafts, who had previously visited her in Rwanda. This event brought about a transformation of her business, established Fair Winds Trading as a partner, and marked the birth of their joint venture Rwanda Path to Peace. "Willa is now our exclusive importer of baskets to the United States. This helps us focus on production," says Janet.



The first Macy's order was widely covered by the media and Rwanda's President, Paul Kagame, inaugurated the event at Macy's flagship store in New York. Following the opening, Macy's set up a window display in its New York store in 2005, and a feature on the website. The standard size is 12 by 7 inches and costs \$75. One-third of the retail price of sold baskets goes to the weavers.

Getting the baskets from the basket weavers to the Macy's window display has not been easy. "We had to go through a lot of redesign, a lot of trial and error," says Janet. Working with Joy who is the designer and oversees training to ensure quality control, Fair Winds Trading has helped develop the products to meet international standards. Initially, Gahaya Links had trouble meeting buyer demand, but managed to build its capacity over time by hiring and training more and more women.



Source: *Doing Business 2008*.

In a building that used to be their mother’s house, Janet and Joy have set up a large company site, including a sleeping room for women trainees, a restaurant, a show room, and a packaging and storage facility.

Gahaya Links has set up a rigorous training program, and prepares master weavers who in turn train other women. As the company grew rapidly, it had to recruit women from across the country, in churches, villages, and by word of mouth. With each of their women weavers, Gahaya Links has formal contracts and issues purchase orders to ensure commitment.

The government has helped too. It has organized the women weavers into cooperatives and built training centers for them. It also covers women’s travel and subsistence costs when they attend training in Kigali. Janet and Joy have seized the government’s focus on increasing exports to the

Trading across borders: Rwanda vs Global Best Practice

Trading Across Borders	Rwanda (166)	Singapore (1)
Documents to export (number)	9	4
Time to export (days)	47	5
Cost to export (US\$ per container)	2,975	416
Documents to import (number)	9	4
Time to import (days)	69	3
Cost to import (US \$ per container)	4,970	367

Source: World Bank. 2007. *Doing Business in 2008*.

benefit of their business. When Janet found out that Rwanda had joined the African Growth and Opportunity Act, which allows Rwanda’s crafts duty-free entry into the U.S. market, she went to the US embassy to find out about it. Baskets woven by the Gahaya Links weavers are now the number one export out of Rwanda under this Act.

Still, there are a number of challenges, which all exporters in Rwanda have to deal with. Shipping costs have been high and it usually takes a long time for the goods to reach the buyer.

Inadequate infrastructure, and the fact that the shipments have to pass through the poor port services at Mombassa, Kenya, has meant that it has taken up to two months for goods to reach the buyer. Gahaya Links has had to carefully manage its order delivery times and initiate production well ahead of time.

Gahaya Links imports raw materials such as organic dyes and packaging materials from other East African countries, including Mozambique and Tanzania. The time to import these goods has been even longer than the export process. Janet notes that the withholding tax on imports and the excise duty on her raw materials are a burden. “We get refunded eventually, but it takes a long time. In the meanwhile, we need those funds.” Gahaya was awarded a government trophy as one of five top tax payers in the country in 2006.

Janet says she hasn’t experienced any discrimination when running the business. Quite the contrary: government is supportive of the role her business plays in employing other women with traditional skills. “The revenue authority has now evaluated our performance and we have a special clearance through a facilitation program to boost exports.



Their officials have even come to teach us here at our offices how to benefit from their services.”

Following Gahaya’s success, other basket weaving groups have sprung up across Rwanda. Promoted by the Rwanda government, women are being organized into basket weaving cooperatives. Yet while some have managed to find buyers, no others have found as big of a success as Gahaya Links, and they are struggling with adopting the traditional basket weaving skill into a product that will meet the tastes and standards of international consumers. Limited ability to differentiate their product poses constraints for many of the new businesses.

Next steps

Janet’s aim is for Gahaya Links to change the way people live. The group has set up a communal bank, and she says the increased income in women’s hands seems to have diminished domestic violence for her employees. “Women weavers tell me that, because of their weaving and the income they now bring in, their husbands treat them with more respect.” There is probably some envy too.

Gahaya Links’ exclusive contract with Macy’s has assured it a steady stream of orders, for now. Janet notes that Macy’s is willing to buy as many as they can produce. The company realizes that it needs to diversify its product offering to satisfy

BUSINESS CHALLENGE: TRADING ACROSS BORDERS

OPPORTUNITIES FOR REFORM

- The extension of customs opening hours to 10 p.m. as this would reduce the waiting time at borders for truck drivers arriving late
- Faster reimbursements of duties paid on raw material imports would also reduce the amount of working capital tied-up
- The creation of a joint border inspection post at the Ugandan border would eliminate repeat inspections that currently take place
- An advanced cargo information exchange and cargo tracking system amongst the customs authorities in East Africa would also allow for faster cargo clearance since there would be less paperwork and bureaucracy.

changing consumer tastes. “We are looking to expand to other products, such as textiles. We are also experimenting with jewelry,” says Janet, holding up a black and white hand-woven earring. New export markets, too, are targeted, such as Europe and Canada.

Rwanda’s peace baskets have traveled far, from the homes of Rwanda’s basket weavers, to the windows of Macy’s store displays, and from there to the homes of U.S. consumers. The baskets are not only creating an income for the local women, coming from a country deeply marked by a devastating genocide, but they also spread a message of hope as Janet’s employees weave peace at home in Rwanda.

Footnotes and sources

1. The article can be read at <http://www.nytimes.com/2007/10/11/garden/11rwanda.html?fta=y>.
 2. This was done through USAID’s East and Central Africa Trade Hub project. Fourteen other companies were sponsored: from Ethiopia, Kenya, Madagascar, Tanzania and Rwanda. <http://www1.macys.com/campaign/rwanda/index.jsp>.
- Population: World Development Indicators, 2007
 Gross National Income per capita: World Development Indicators, 2007
 Doing Business Rank: Doing Business 2008
 Female literacy rate: World Development Indicators, 2004
 Percent of women in formal labor force: World Development Indicators, 2004
 Seats in Parliament (% held by women): United Nations 2007/2008 Report
 Gender Equity Index Ranking: Social Watch Gender Equity Index 2007