Designing Innovative Craft Enterprises in India: A Framework for Change Makers

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Abstract
Although artisanal crafts and craftsmanship are in high demand globally, the benefits artisans receive are often negligible. The rules of the open market also make it difficult for them to compete. A number of Indian enterprises have introduced innovative organization models to catalyze social change and support artisans' wellbeing by involving them more directly in the organization. Based on a review of literature on social entrepreneurship and organization design using a design thinking lens, and three case studies on craft enterprises in India, we find that artisans cannot be empowered separately from their communities. Further, any design intervention seeking to bring about social change through artisan participation must be grounded in an in-depth understanding of local context, artisans' needs, and market dynamics. We contribute new knowledge about the crucial role of the change maker in successfully transforming a design intervention into a sustainable enterprise, and propose an original framework for designing innovative organizations based on effective participation and empowerment of the artisans producing goods for sale.

1   Ministry of Textiles, Government of India, *Fourth All India Handloom Census 2019–20* (New Delhi: Office of the Development Commissioner for Handlooms, 2019), accessed April 12, 2022, http://handlooms.nic.in/assets/img/Statistics/3736.pdf.

2   Ritu Sethi, "The Building of Craft Policy in India," in *A Cultural Economic Analysis of Craft*, ed. Anna Mignosa and Priyatej Kotipalli (Cham: Palgrave Macmillan, 2019), 103, https://doi.org/10.1007/978-3-030-02164-1_9.

3   Radhika Singh, *The Fabric of Our Lives: The Story of Fabindia* (New Delhi: Viking, Penguin Books India, 2010), 13.

4   Tirthankar Roy, *Traditional Industry in the Economy of Colonial India* (Cambridge: Cambridge University Press, 1999), 22.

5   Planning Commission, Government of India, *The First Five Year Plan: A Draft Outline* (Delhi: Government of India, 1951), 19–20, accessed May 4, 2022, http://14.139.60.153/bitstream/123456789/7205/1/The%20First%20five%20year%20plan%20a%20draft%20outline%20Planning%20commission%20July%201951%20CSL-IO016212.pdf.

6   Jaya Jaitly, *Viśvakarmā's Children: Stories of India's Craftspeople* (New Delhi: Concept Publishing Company, 2001), 34.

7   Ashoke Chatterjee, "The Invisible Giant: Economics of Artisanal Activity in India," in *A Cultural Economic Analysis of Craft*, ed. Anna Mignosa and Priyatej Kotipalli (Cham: Palgrave Macmillan, 2019), 203–12, https://doi.org/10.1007/978-3-030-02164-1_16.

8   Singh, *Fabric of Our Lives*, 23.

9   Chatterjee, "Invisible Giant," 203.

10 Sethi, "The Building of Craft Policy," 108.

11 Singh, *Fabric of Our Lives*.

Introduction

The handicraft and handloom industry is the second largest unorganized industry in India after agriculture in terms of employment generation. Most of the minority communities and lower-caste marginalized sections of society comprising its workforce are economically disadvantaged.[1] Although crafts are in high demand globally, only a small margin of the profits generated actually makes it to the artisans. From the absence of organized assistance to the unavailability of working capital through to a lack of access to markets, the list of challenges for artisans on the open market system is extremely long.[2] All of these issues also serve to deter younger generations of artisans from pursuing craft activities.

British colonial policies transformed rural and agrarian India into a supplier base of raw materials for Britain's rapid industrialization and a market for machine-made products.[3] Indian craftspeople were forced to lower the quality and price of their products to compete with industrial outputs, consequently turning handicrafts into an industry driven by the economically disadvantaged.[4] Post-independence, India adopted a socialist economic model. The government's first Five Year Plan[5] included measures to boost the cottage industries via subsidy, to check widespread unemployment and provide economic and moral regeneration for rural India through cooperative organization and planned aid from the State. An All India Handlooms and Handicrafts board and Cottage Industries Emporium were set up.

In the 1960s, the craft sector was reenergized by the introduction of the co-operative movement.[6]Individual producers were able to join together and create small-sized businesses, allowing them to leverage economies of scale and receive government subsidies. India was one of the earliest developing nations to include artisans and crafts in its national economic development framework.[7]

That development was only partial, however. Members of the financially unstable craft community have not been trained to innovate in ways that make their small businesses more resilient, nor are they accustomed to market and financial risk-taking, and government support in marketing, quality standardization, and product innovation was too limited.[8] By the 1990s, craftsmanship had become archaic[9] in the wake of global economic shifts and Indian policymakers' attempts to adhere to the Western ideal of mechanization as the standard of modernity.

There are still a great many traditional cooperatives today—and they continue to struggle to compete on the free market. At center stage are profit-driven enterprises that place craftspeople at the lowest level of their value chains, creating an unsustainable and inequitable production system and widening the gap between producers and the individuals earning the profits.[10]

There have been a few exceptions, one being the Fabindia organization. Founded in the 1960s, Fabindia was an export-oriented entrepreneurial venture created to promote Indian craft traditions globally and ensure that craftspeople earn a decent living.[11] After William Bissel took over, Fabindia's focus shifted to internal markets and the concept

12 RangSutra's homepage, accessed May 2, 2022, https://RangSutra.com.

13 Chatterjee, "Invisible Giant," 203.

14 Joseph E. Stiglitz, *People, Power, and Profits: Progressive Capitalism for an Age of Discontent* (London: Penguin Publishers, 2019), 46.

15 David Byrne, *Social Exclusion*, 2nd ed. (Maidenhead, UK: Open University Press, 2005), 20.

of community ownership was introduced. Even if the experiment was eventually suspended, it contributed much to our understanding of innovative enterprises in the craft sector.

Bissel's initiative was the driving force behind the creation of present-day alternative organizations such as RangSutra Crafts, an example we explore in greater detail later in the article.[12] Greater consumer awareness, the worldwide popularity of fair trade, and the establishment of the United Nation's Sustainable Development Goals (SDGs) awareness, have bolstered efforts from the private and not-for-profit sectors to ensure equitable, inclusive growth in the Indian craft industry. Entrepreneurs are exploring ways that inclusive innovations can contribute to sustainable development in the craft sector and also combat poverty and promote fair and equitable growth.[13] In light of these new developments, here we carefully explore a gap in knowledge regarding alternative enterprise models and organizational forms as well as their effects on artisans' lives. We present an original review of three types of ownership and participation models, describe the role of change maker as crucial to the success of innovative enterprises, and propose an adaptable framework change makers can use to help create positive social change in their local craft sector.

Literature Review

This section presents the key findings from a review of the literature spanning social innovation, entrepreneurship, the role of change maker, organization design, and design thinking. We continued along through to literature on craft producers in India and different forms of organization and management. We discussed and made these choices together, because our topic requires a multidisciplinary approach—especially given the lack of research on innovative organization design, especially in the context of craft enterprises and the craft economy in India.

Innovative Enterprises and Social Innovation
We are witnessing a growing body of research on alternative models of capitalism that devote greater attention to the social, economic, and environmental sustainability of an enterprise. The fact that the Global West's largest developed nations are currently plagued with economic instability fueled by mad dashes for profit is evidence that traditional capitalism is in trouble.[14] Weak investments in human capital for decades have led to rising inequalities within and among nations and to the social exclusion of the world's economically disadvantaged populations.[15] Policymakers have begun to introduce alternative economic theories such as inclusive capitalism and progressive capitalism into their discussions. These theories promote social innovation, alternative ways to design an organization, and the formation of innovative social enterprises that each contribute to socio-economic sustainability. There is a demand for entrepreneurial innovation around social issues caused by the exploitative nature of capitalism and ways to catalyze change by

16 Frank Figge and Tobias Hahn, "Sustainable Value Added — Measuring Corporate Contributions to Sustainability beyond Eco-efficiency," *Ecological Economics* 48, no. 2 (2004): 173–87, https://doi.org/10.1016/j.ecolecon.2003.08.005.

17 James Austin, Howard Stevenson, and Jane Wei-Skillern, "Social and Commercial Entrepreneurship: Same, Different, or Both?," *Entrepreneurship Theory and Practice* 30, no. 1 (2006): 1, https://doi.org/10.1111%2Fj.1540-6520.2006.00107.x.

18 Coimbatore Krishnarao Prahalad and Stuart L. Hart, "The Fortune at the Bottom of the Pyramid," *Estratégia & Negócios* 1, no. 2 (2008): 1–23, https://doi.org/10.19177/reen.v1e220081-23.

19 George Carpenter and Peter White, "Sustainable Development: Finding the Real Business Case," *International Journal for Sustainable Business* 11, no. 2 (2004): 51, available at https://www.pg.com/content/pdf/01_about_pg/corporate_citizenship/sustainability/reports/Corporate%20Environmental%20Strategy%20Journal%20PRW%26GDC.pdf.

20 Bradley D. Parrish, "Sustainability-Driven Entrepreneurship: Principles of Organization Design," *Journal of Business Venturing* 25, no. 5 (2010): 510–23, https://doi.org/10.1016/j.jbusvent.2009.05.005.

21 The Young Foundation, "Social Innovation Overview" (Paper forms part of Deliverable of the Project: "The Theoretical, Empirical, and Policy Foundations for Building Social Innovation in Europe," European Commission, DG Research, 2012), 18, https://youngfoundation.org/wp-content/uploads/2012/12/TEPSIE.D1.1.Report.DefiningSocialInnovation.Part-1-defining-social-innovation.pdf.

22 J. Ramachandran, Anirvan Pant, and Saroj Kumar Pani, "Building the BoP Producer Ecosystem: The Evolving Engagement of Fabindia with Indian Handloom Artisans," *Journal of Product Innovation Management* 29, no. 1 (2012): 35, https://doi.org/10.1111/j.1540-5885.2011.00877.x.

23 Francesco Mazzarella, Andrew May, and Val Mitchell, "A Methodological Framework for Crafting Situated Services," *Journal of Service Management* 32, no. 5 (2021): 752–82, https://doi.org/10.1108/JOSM-05-2020-0188.

24 Makaela Kingsley and Misty Thomas-Trout, "Statement of Practice Everyone a Changemaker: Social Entrepreneurship and Its Role in Design," *Design and Culture* 13, no. 2 (2021): 233–42, https://doi.org/10.1080/17547075.2020.1794368.

25 Abel García-González and María Soledad Ramírez-Montoya, "Social Entrepreneurship Education: Changemaker Training

rethinking organization design and addressing the needs of all stakeholders equally.

An enterprise is an organization that handles its expenses through steady income. It exists inside a unique milieu — people, formal and casual establishments, and different associations.[16] Social enterprises generate economic value while possessing the means to support their operation, but their main purpose is social.[17] In their seminal work on inclusive capitalism, C.K. Prahalad and Stuart Hart[18] suggest that fulfilling urgent societal needs creates inroads to many profitmaking opportunities. Many still consider this an ideal business case argument for social change through alternative economic policy.[19] Bradly Parrish[20] argues that holding this ideal limits the range of potential new business cases to enterprises whose primary concern is for increased profits and who exploit assets to obtain large monetary returns in the least possible time. Research devoted to the roles played by key actors in the change process is equally lacking; most scholarly work is focused on the money-making potential of a given innovation.

Design for social innovation is the practice of developing and implementing "new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources."[21] Contemporary discourse on social innovation presents social innovation as a collective process aimed at activating social change,[22] requiring one or several "change maker(s)" to be present in the community.[23] The job of a change maker is to identify a common purpose for the enterprise, enlist the participation of a variety of stakeholders, and build partnerships — all of which can benefit considerably from design thinking methods and tools.[24] Thus, in the context of innovative entrepreneurship aimed at activating positive social change, we need new knowledge about dynamic organization design processes that leverage values and ethics, and about the societal role of the change maker — rather than about how to secure financial success. Beyond technical and financial expertise, innovative social entrepreneurship requires transversal skills if actors are to meet the needs of vulnerable communities through social innovation processes.[25]

Organization Design and Design Thinking

Historically, organization design was approached as a technical issue[26] — a matter of defining the economic and hierarchical structure of an organization, rather than addressing questions regarding the organization's morals, ethics, values, relationships, work cultures, and social roles.[27] However, recent research highlights that organizations are the result of genuine design, and developed in line with specific aspirations through a dynamic process of stakeholder network building.[28]

Organization design is a continuous process rather than a final outcome; it greatly benefits from the design mindsets and practices of entrepreneurs and organizing teams.[29] Design thinking reveals ways to tackle economic

at the University," *Higher Education, Skills and Work-Based Learning* 11, no. 5 (2021): 1236–51, https://doi.org/10.1108/HESWBL-01-2021-0009.

26 Roger L. M. Dunbar and William H. Starbuck, "Learning to Design Organizations and Learning from Designing Them," *Organization Science* 17, no. 2 (2006): 171–78, available at https://www.jstor.org/stable/25146022.

27 Rodrigo Magalhaes, "The Resurgence of Organization Design and Its Significance for Management Education," *She Ji: The Journal of Design, Economics, and Innovation* 6, no. 4 (2020): 482–504, https://doi.org/10.1016/j.sheji.2020.09.002.

28 Saras D. Sarasvathy, "Making It Happen: Beyond Theories of the Firm to Theories of Firm Design," *Entrepreneurship Theory and Practice* 28, no. 6 (2004): 519–31, https://doi.org/10.1111/j.1540-6520.2004.00062.x.

29 Haridimos Tsoukas and Robert Chia, "On Organizational Becoming: Rethinking Organizational Change," *Organization Science* 13, no. 5 (2002): 567–82, https://doi.org/10.1287/orsc.13.5.567.7810.
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30 Peter F. Drucker, *Innovation and Entrepreneurship Practices and Principles* (New York: Harper & Row, 1985).

31 Richard Buchanan, "Worlds in the Making: Design, Management, and the Reform of Organizational Culture," *She Ji: The Journal of Design, Economics, and Innovation* 1, no. 1 (2015): 15, https://doi.org/10.1016/j.sheji.2015.09.003.

32 Buchanan, "Worlds in the Making," 14–15, especially Figure 5.

33 Magalhaes, "The Resurgence of Organization Design," 483.

34 Parrish, "Sustainability-Driven Entrepreneurship."

35 Ken Botnick and Ira Raja, "The Subtle Technology of Indian Artisanship," *Design Observer*, May 24, 2010, https://designobserver.com/feature/the-subtle-technology-of-indian-artisanship/13748.

36 Vandana Bhandari, "New Directions for Social Enterprises: The Role of Design in Empowerment," *Scope: Contemporary Research Topics (Art & Design)*, no. 15 (2017): 24–28, https://www.thescopes.org/assets/Uploads/7b4d8eec0b/15.4.-Bhandari.pdf.

crises, influence employees' behavior, and create positive impacts on stakeholders and society at large. Peter Drucker's[30] *Innovation and Entrepreneurship* is an early work on the application of design thinking inside organizations. Drucker highlights the importance of applying design thinking to an organizational setup to achieve innovation through entrepreneurship. In relation to Drucker, Richard Buchanan[31] defines design thinking as "an art comprised of four dialectical moments in the sequence of thought and action—moments of questioning and reflection as well as action." These four steps are invention (of a new idea), judgement (assessment of the idea's viability), connection and development (of all themes central to idea execution) and integration and evaluation (of the value of the idea).[32] Buchanan argues that these steps should be components of the organization's design and its management process, and used from preplanning new products and processes, to taking care of administrative issues, to achieving an organization's vision. Rodrigo Magalhaes[33] proposes five design logics that advance the discourse on design thinking in organization design. According to Magalhaes, design inside an organization should be dedicated to meaning making (to create the organization's identity); aspiration/desiderata (to remain in a state of permanent innovation through effectual reasoning); ethics (to ensure the welfare of all stakeholders); systemics (to ensure a balance between interactivity and hierarchy within the organization); and service (to co-create a functioning network of stakeholders for effective service). Parrish's[34] research on sustainability-driven entrepreneurship outlines five guidelines for organization design that differ significantly from the traditional standards of entrepreneurship. He suggests that organization design should be guided by concerns for resource perpetuation (maintaining and enhancing quality of human and natural resources for the longest time possible); benefit stacking (aggregating maximum possible benefits into each operational activity); worthy contribution (providing opportunities for worthy contributions to the enterprise); strategic satisficing (identifying outcomes that satisfy multiple objectives); and qualitative management (using expected quality of outcomes as decision criteria).

These studies together point towards the larger process flow of organization design in the context of social change observed through the lens of design thinking. They are summarized in Table 1, which is organized from left to right. The table presents the three different sources in three rows from top to bottom and unpacks the interrelations between the three sources based on our analysis of them.

Design is relevant for Indian craft enterprises looking to innovate given the utilitarian, problem-solving, experiential culture of Indian crafts.[35] Design has been acknowledged as a means of innovation in the craft sector, but the focus of most studies has been limited to design's implications for product development and not on the organizational set-up as a whole. Vandana Bhandari[36] studied Sadhna (a social enterprise aimed at catalyzing sustainability and the independence of its artisan members) to understand the challenges it faces operating in the dynamic fashion industry and building a sustainable enterprise. Her study, which focuses

Table 1   **Links between eminent works on design thinking in organization design.**

Sources of Reference

Buchanan (2015) [i]	Magalhaes (2020) [ii]	Parrish (2010) [iii]	
Steps in the Process	**Design Principles and Logics**	**Guidelines**	**Interpretation**
1) Invention (Create a new idea)	**Design as Meaning Making** The logic of identity and identification (to create an identity) **Design as Desiderata (Aspiration)** The logic of effectual reasoning (designed through processes that allow the organization to remain in a state of permanent innovation)	**Resource Perpetuation** (Produce benefit streams by enhancing and maintaining the quality of human and natural resources for as long as possible)	New ideas are created by identifying aspirations and meanings. Aspirations and meanings change as organizations achieve targets or pivot in other directions. Even if "invention" (i.e., idea creation) is the first step to designing an organization, it remains a continuous process throughout the organization's life. Innovative social entrepreneurs create meaning/identity knowing that their agenda is to perpetuate and expand the lifespan/viability of all potential resources, including human resources. Maintaining and enhancing resource quality would be an important guideline. For BoP artisans, enhancing human resource quality would mean enhancing quality of life: fostering new undertakings, supporting livelihoods, and creating an environment suitable for learning, reinventing, and growing.
2) Judgement (Assess viability and feasibility)	**Design as Ethics** Normative logic (a moral duty to ensure the welfare of all stakeholders, which will generate financial gain as well as customer and employee satisfaction)	**Benefit Stacking** (Stack as many benefits as possible into each operational activity)	Assessing the feasibility of an innovative idea for social good should be grounded on ethical principles. Ideas are only feasible if they bring substantial benefit to all stakeholders, including artisans, customers, and shareholders. Each decision or step taken by the organization should thus keep in mind the range of benefits available to different groups of partners.
3) Connection and Development (of central themes)	**Design as Systematics** The logic of interactive structure (an emphasis not on the characteristics of hierarchy but on the properties of hierarchical interactivity and the challenge of ensuring an appropriate balance between both organizing modes)	**Worthy Contribution** (Structure benefit streams to privilege worthy recipients by providing opportunities for actors to contribute to the enterprise)	An enterprise is a dynamic system of individuals, interactions, structures, and groups of stakeholders. Establishing intercommunication among them is key to producing an interactive network able to balance the hierarchy of formal operations with informal human interactions and processes. Multi-stakeholder interaction keeps innovation alive within an organization, and brings about new perspectives and approaches. All are considered equally worthy contributors to the development of the enterprise. Contributions should be acknowledged and rewarded by means of inclusion in the collaborative process of enterprise building, including the dialogue and decision making process.
4) Integration and Evaluation (Assess the value of new ideas)	**Design as Service** Service-dominant logic (businesses co-create services with a network of stakeholders)	**Strategic Satisficing** (Strategically identify satisfactory outcomes in relation to multiple objectives) **Qualitative Management** (Use anticipated quality of outcomes and processes as decision criteria)	In a multi-stakeholder service network environment, it is impossible to benefit everyone equally with every decision. Regardless, an optimized and satisfactory outcome for all relevant stakeholders should be the basis of all decisions. New idea evaluation is considered complete once benefits for all stakeholders have been determined. Customers might want increased supply, shareholders might want increased sales — but to make handmade products which are authentic to their craft, artisans can only produce so much, using natural materials at a certain pace to avoid excess exploitation of resources. All these needs will create tension within the enterprise. However, the duty of the enterprise is to serve all its stakeholders fairly, thereby devising optimal output that mutually benefits all.

i   Richard Buchanan, "Worlds in the Making: Design, Management, and the Reform of Organizational Culture," *She Ji: The Journal of Design, Economics, and Innovation* 1, no. 1 (2015): 5–21.

ii Rodrigo Magalhaes, "The Resurgence of Organization Design and Its Significance for Management Education," *She Ji: The Journal of Design, Economics, and Innovation* 6, no. 4 (2020): 482–504.

iii Bradley D. Parrish, "Sustainability-Driven Entrepreneurship: Principles of Organization Design," *Journal of Business Venturing* 25, no. 5 (2010): 510–23.

37   Vandana Bhandari and Jaspal Kalra, "Design Practice and Craftsmanship: Reimagining the Craft Sector in India," *Art, Design and Communication in Higher Education* 17, no. 1 (2018): 61, https://doi.org/10.1386/adch.17.1.61_1.

38   Chatterjee, "Invisible Giant," 203.

39   The Economic Times, "There Is Lot of Room at the Bottom of the Pyramid," *The Economic Times*, last updated December 1, 2018, https://economictimes.indiatimes.com/there-is-lot-of-room-at-the-bottom-of-the-pyramid/articleshow/66893979.cms.

40   Santosh Meherotra, "Six Steps to Job Creation," *The Hindu*, last modified October 13, 2017, https://www.thehindu.com/opinion/lead/six-steps-to-job-creation/article19856022.ece.

41   B. Syamasundari and Seemanthini Niranjana, "Valuing the Non-market," *Economic and Political Weekly* 41, no. 31 (2006): online, https://www.epw.in/journal/2006/31/special-articles/valuing-non-market.html.

42   Aneel Karnani, "The Mirage of Marketing to the Bottom of the Pyramid: How the Private Sector Can Help Alleviate Poverty," *California Management Review* 49, no. 4 (2007): 109, https://doi.org/10.2307/41166407.

43   Abhijit V. Banerjee and Esther Duflo, "The Economic Lives of the Poor," *Journal of Economic Perspectives* 21, no. 1 (2007): 141–68, https://doi.org/10.1257/jep.21.1.141.

44   Francesco Mazzarella, *Crafting Situated Services: Meaningful Design for Social Innovation with Textile Artisan Communities* (Loughborough: Loughborough University, 2018), 258.

45   Ikujiro Nonaka, "Toward Middle-up-down Management: Accelerating Information Creation," *MIT Sloan Management Review* 29, no. 3 (1988): 9, https://sloanreview.mit.edu/article/toward-middleupdown-management-accelerating-information-creation/.

46   Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).

47   Susan Strawn and Mary A. Littrell, "Beyond Capabilities: A Case Study of Three Artisan Enterprises in India," *Clothing and Textiles Research Journal* 24, no. 3 (2006): 207, https://doi.org/10.1177/0887302X06294686.

on innovating by introducing design during product development, suggests that the organization is at a stage where it needs to innovate to stay relevant. Bhandari and her colleague Jaspal Kalra have also studied attempts to innovate within the Indian craft sector by introducing design practice to rural craftspeople.[37] Our understanding of extant literature is that design and design thinking are extremely relevant when it comes to issues of modern-day organizations in the Indian craft context beyond mere product development.

Craft Producers in India

Indian craft producers have historically represented social and individual freedom and self-sustenance.[38] The craft sector currently employs around 880 million people, mostly from rural, marginalized, and vulnerable populations. Craft producers often fall into the BoP (Bottom of the Pyramid) bracket. The BoP in India comprises more than 60% of the population (over 750 million people), who earn GBP£0.44 (US$0.57) or less per day; more than two-thirds of this population live in rural areas.[39] A total of 4,000 traditional manufacturing clusters — including crafts, handloom, and other production processes — have been identified by the Indian government.[40] Within the craft sector, a wide range of ownership- and management-related organizational models exist: government-funded cooperatives, self-help groups, non-governmental organizations (NGOs), producer companies, master weavers, and private firms. Regardless of their financial success, these organizational set-ups have very rarely managed to bridge the gap between the profit earner and the producers; moreover, very few successful innovative entrepreneurial initiatives have emerged from within these BoP producers.[41] Aneel Karnani[42] argues that there is a need to further investigate market-driven, producer-oriented interventions to alleviate poverty, enhancing the chances of their income generation rather than mercilessly tapping into their purchasing power. Abhijit Banerjee and Esther Duflo[43] have also identified BoP markets as potent zones for entrepreneurship propelled by frugality, need, and compulsion. The need to examine the constraints faced by Indian craft producer groups and explore how such challenges can be overcome continues to grow.

Due to the small-scale cottage industry format of the craft sector historically, artisans naturally tend towards entrepreneurship. However, due to the bottom-up approach used by most independent producer-owned enterprises, scaling up or out becomes a key challenge. Francesco Mazzarella[44] observed this in research in South Africa and the UK. He found that a hybrid "middle-up-down"[45] approach to management proved effective in association with a designer acting as a change maker, co-designing situated services and social innovations with artisans. Hernando De Soto[46] also states that poverty is the reason BoP producers fail to access property rights, credit, and other liquid assets — their capacity to utilize resources to successfully run an enterprise is hindered. Susan Strawn and Mary Littrell[47] emphasize the importance of keeping producers' needs central to any innovation strategy. Flexibility

48   Ramachandran et al., "Building the BoP Producer Ecosystem," 42.

49   Herbert A. Simon, "Organizations and Markets," *Journal of Economic Perspectives* 5, no. 2 (1991): 25, https://doi.org/10.1257/jep.5.2.25.

50   Marco Iansiti and Roy Levien, "Strategy as Ecology," *Harvard Business Review* 82, no. 3 (2004): 68, https://hbr.org/2004/03/strategy-as-ecology.

51   Ramachandran et al., "Building the BoP Producer Ecosystem," 34.

52   Otto von Busch and Cigdem Kaya Pazarbasi, "Just Craft: Capabilities and Empowerment in Participatory Craft Projects," *Design Issues* 34, no. 4 (2018): 67, https://doi.org/10.1162/desi_a_00512.

53   Rebecca Reubens, "Bamboo Canopy: Creating New Reference-Points for the Craft of the Kotwalia Community in India through Sustainability," *Craft Research* 1, no. 1 (2010): 23, https://doi.org/10.1386/crre.1.11_1.

54   Thobeka O. Dlomo and Christian M. Rogerson, "Tourism and Local Economic Development in King Sabata Dalindyebo Local Municipality, South Africa: Stakeholder Perspectives," *African Journal of Hospitality, Tourism and Leisure* 10, no. 1 (2021): 159, https://www.ajhtl.com/uploads/7/1/6/3/7163688/article_10_10_1_145-164.pdf.

of response to circumstances and change in organizational forms (if needed for the producer groups' welfare or out of choice) are recurring factors driving successful innovative craft enterprises. For example, Fabindia reorganized its supplier base into multiple Supply Regional Companies (SRCs) owned by craft communities within the Fabindia framework, providing its artisans with control over production logistics so that they could focus on marketing and management. The relations of retailer Anokhi with its producer groups were reconfigured considerably, enhancing the producers' confidence, including sharing market risks as and when needed.[48]

While traditional understandings of formal economies tell us that they consist of markets and organizations,[49] a third and crucial component of economic systems — the ecosystem, and its networks of markets and organizations — has been recently proposed by other researchers.[50] J. Ramachandran and his colleagues[51] suggest that substantive outcomes in terms of artisan empowerment would be achieved if BoP producers' needs with regards to access to market, organization, and ecosystem are considered while planning entrepreneurial interventions. Empowerment in this context is defined as "infrastructuring that leads toward increasing the capabilities"[52] of artisans as communities. It refers to becoming independent and capable as a community of managing the growth and sustainment of its crafts. Rebecca Reubens[53] proposes a framework for the evolution and development of the Indian craft sector where natural resource management, community mobilization and organization, market analysis, design and development, skills training, capacity building, production streamlining, and institution building are part of a comprehensive strategy and holistic system. The challenges of designing strategies to create an appropriate entrepreneurial ecosystem and foster innovation and local development can be addressed through a democratic and transparent process of stakeholder involvement and by embedding insights from the local community into policymaking.[54]

We acknowledge that the literature focused on innovative organization design based on design thinking, management practices, and entrepreneurial interventions that facilitate BoP craft producers' access to an equitable distribution of opportunities, growth, and poverty alleviation is lacking. It is this knowledge gap that we aim to address in this article, through a dedicated focus on innovative organization design and social innovation applied to Indian craft enterprises as a means of empowerment.

Methodology

In light of this literature review, and given the limited availability of publications specifically focused on innovative enterprises within the Indian craft sector, we adopted an inductive approach in our primary research. We analyzed selected organizations to integrate unique insights into the development of a framework for designing innovative craft enterprises. Author Archi Banerjee interacted with the artisans in their natural

55 Robert K. Yin, *Case Study Research: Design and Methods* (London: Sage, 2013).

56 Mark Saunders, Philip Lewis, and Adrian Thornhill, *Research Methods for Business Students*, 5th ed. (Harlow: Financial Times Prentice Hall, 2009).

57 Jacqueline A Belzile and Gunilla Öberg, "Where to Begin? Grappling with How to Use Participant Interaction in Focus Group Design," *Qualitative Research* 12, no. 4 (2012): 459–72, https://doi.org/10.1177/1468794111433089.

settings to understand the impacts that the organizations they work with have on their lives, their degree of involvement in the organizations' decision making processes, and what benefits the artisans value the most in each organization they are associated with. Banerjee also interacted with the managers of each organization to investigate their perceptions of the artisans' needs and their responses to those, to identify the process of organization design, and to understand the values, ethics, and societal role of change maker inside each enterprise.

Case studies were chosen as the project's guiding research strategy because they allow for an in-depth exploration of a phenomenon in its natural setting.[55] We focused on three case studies, with three different organizational structures, so that we could gather a variety of insights and investigate the extent to which artisan participation and involvement in each enterprise impacted the artisans and the organization. To gather well-rounded insights, we studied two innovative organizations that promote greater artisan participation but have different organizational structures, and a traditional cooperative enterprise owned by artisans. The cooperative, although not an innovative enterprise model, is an example of the earliest organizational form that aimed to democratize the craft sector in India, and thus provided unique insights on the impacts of economic policies on the business and on artisans' empowerment from past to present.

Three semi-structured interviews[56] were conducted online with each of the managers/owners of the three selected organizations. Each interview lasted 90 minutes. Moreover, three focus groups (one in each enterprise) were conducted with five artisans in each to discuss ten questions raised by the researcher with the aim of capturing the participants' responses as well as creating shared meanings through group interactions.[57] Each focus group lasted one hour; two of them were conducted online and one in person. We avoided potential issues of bias associated with the interview process by facilitating group discussions in which the research participants could question each other's views. Archi Banerjee collected audio clips, interview notes, focus group notes, summary sheets, and a reflective diary throughout the primary research phase. The audio recordings of the interviews and focus groups were transcribed, and the transcriptions then thematically analyzed following an iterative process in which the text was scanned multiple times and keywords identified and clustered under two topic categories: enterprise model and effects on producers. This led to integrating similar sections of data drawn from the three enterprises under identified codes. A number of codes were grouped together and transformed into themes after checking them in light of the reflective diary notes and referring to literature reviewed to produce explanations and gather conclusions, as illustrated in Figure 1. Codes gathered from each case were also studied together to reveal cross-case patterns and establish connections with existing literature. This step helped to develop a framework to build innovative social enterprises in the Indian craft sector.
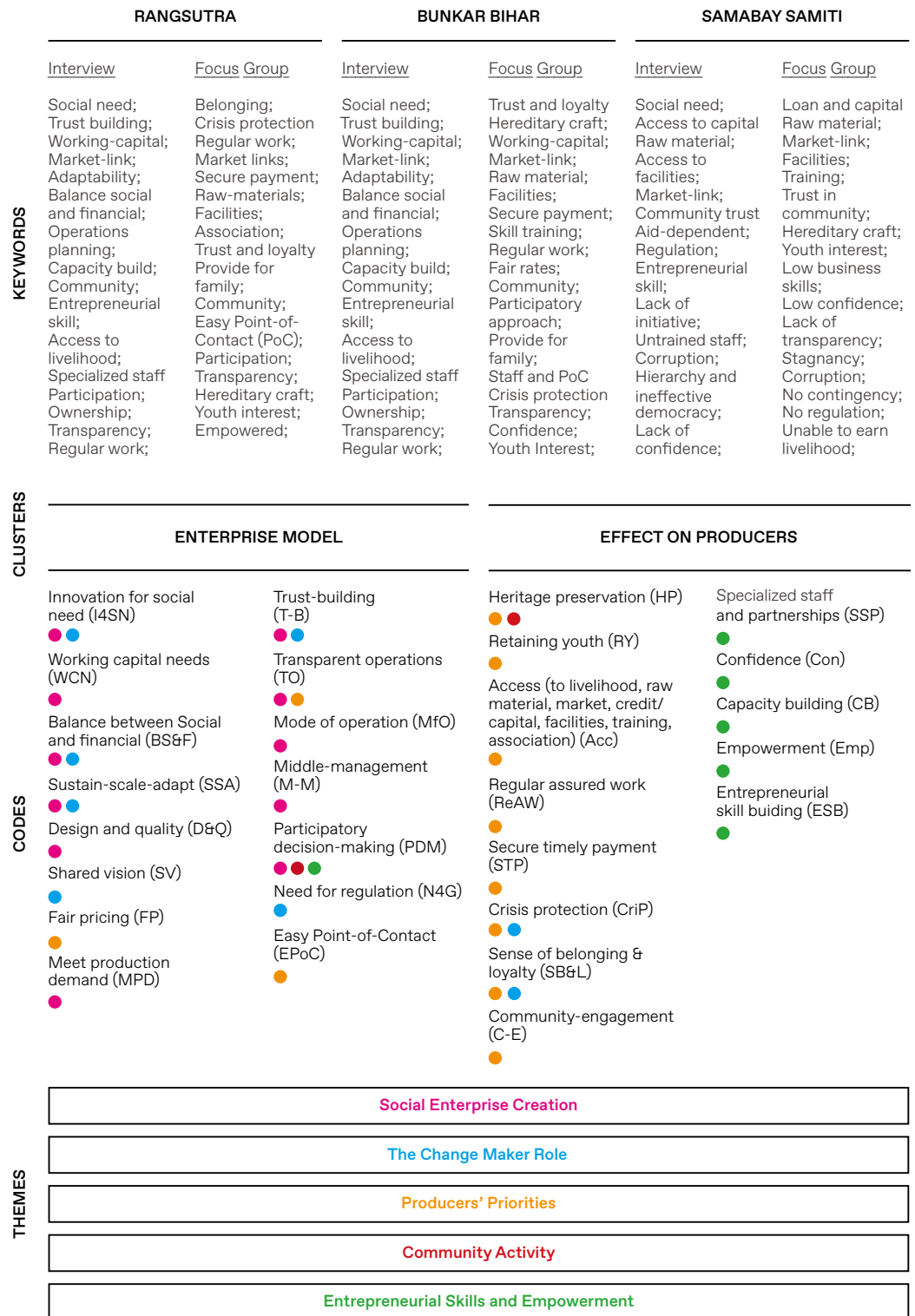
KEYWORDS

RANGSUTRA

Interview

Social need;
Trust building;
Working-capital;
Market-link;
Adaptability;
Balance social
and financial;
Operations
planning;
Capacity build;
Community;
Entrepreneurial
skill;
Access to
livelihood;
Specialized staff
Participation;
Ownership;
Transparency;
Regular work;

Focus Group

Belonging;
Crisis protection
Regular work;
Market links;
Secure payment;
Raw-materials;
Facilities;
Association;
Trust and loyalty
Provide for
family;
Community;
Easy Point-of-
Contact (PoC);
Participation;
Transparency;
Hereditary craft;
Youth interest;
Empowered;

BUNKAR BIHAR

Interview

Social need;
Trust building;
Working-capital;
Market-link;
Adaptability;
Balance social
and financial;
Operations
planning;
Capacity build;
Community;
Entrepreneurial
skill;
Access to
livelihood;
Specialized staff
Participation;
Ownership;
Transparency;
Regular work;

Focus Group

Trust and loyalty
Hereditary craft;
Working-capital;
Market-link;
Raw material;
Facilities;
Secure payment;
Skill training;
Regular work;
Fair rates;
Community;
Participatory
approach;
Provide for
family;
Staff and PoC
Crisis protection
Transparency;
Confidence;
Youth Interest;

SAMABAY SAMITI

Interview

Social need;
Access to capital
Raw material;
Access to
facilities;
Market-link;
Community trust
Aid-dependent;
Regulation;
Entrepreneurial
skill;
Lack of
initiative;
Untrained staff;
Corruption;
Hierarchy and
ineffective
democracy;
Lack of
confidence;

Focus Group

Loan and capital
Raw material;
Market-link;
Facilities;
Training;
Trust in
community;
Hereditary craft;
Youth interest;
Low business
skills;
Low confidence;
Lack of
transparency;
Stagnancy;
Corruption;
No contingency;
No regulation;
Unable to earn
livelihood;

CLUSTERS

ENTERPRISE MODEL

Innovation for social
need (I4SN)

Working capital needs
(WCN)

Balance between Social
and financial (BS&F)

Sustain-scale-adapt (SSA)

Design and quality (D&Q)

Shared vision (SV)

Fair pricing (FP)

Meet production
demand (MPD)

Trust-building
(T-B)

Transparent operations
(TO)

Mode of operation (MfO)

Middle-management
(M-M)

Participatory
decision-making (PDM)

Need for regulation (N4G)

Easy Point-of-Contact
(EPoC)

EFFECT ON PRODUCERS

Heritage preservation (HP)

Retaining youth (RY)

Access (to livelihood, raw
material, market, credit/
capital, facilities, training,
association) (Acc)

Regular assured work
(ReAW)

Secure timely payment
(STP)

Crisis protection (CriP)

Sense of belonging &
loyalty (SB&L)

Community-engagement
(C-E)

Specialized staff
and partnerships (SSP)

Confidence (Con)

Capacity building (CB)

Empowerment (Emp)

Entrepreneurial
skill buiding (ESB)

CODES

THEMES

Social Enterprise Creation

The Change Maker Role

Producers' Priorities

Community Activity

Entrepreneurial Skills and Empowerment

Figure 1
**Visualization of the process of analysis of the
primary data derived from interviews and
focus groups. © 2022 Archi Banerjee.**

58 The company name has been changed
    to protect the anonymity of the orga-
    nization, as requested by the research
    participants.

Case Studies

This section articulates the structural and contextual features of the three enterprises selected as case studies.

Bun.Kar Bihar is the retail brand of five-year-old NGO Srijani Foundation (Figure 2) operating in Bihar, India. It works with artisans who practice weaving, hand spinning, and embroidery who are mostly located in remote areas. They have a board of seven governing members, hold quarterly and annual general meetings, and are registered under the Indian Societies Act of 1860. They have received a grant from Tata Trust and have a design partner from Patna, Bihar's capital, called AmRich Designs. They believe in the active participation of artisans in business decision making. The founder, Veena Upadhyay, began this initiative as a livelihood regeneration program called "Weaving for a Living" with the aim of bringing migrated weavers back to their native occupations.

RangSutra Crafts India (Figure 3) is an unlisted, Public Limited company headquartered in New Delhi, founded by Sumita Ghose with the help of 1,000 artisans who invested GBP£10 each to buy shares of the company and provide a total capital investment of GBP£10,000. RangSutra started in a drought-prone region of Rajasthan called Bikaner, with the aim of providing an alternative livelihood opportunity to the farmer villages affected by bad drought spells every year. Initially, it was launched as a business-to-business (B2B) enterprise in partnership with Fabindia, who retailed their products. After Fabindia rolled back its producer company model, RangSutra started handling both production and marketing independently, and launched its business-to-consumer (B2C) channels as well. The company is currently co-owned by over 3,000 artisan shareholders. They have a board of directors who organize an annual general meeting in which accounts, future plans, and resolutions to appoint the directors are decided by the shareholders. Four artisans elected from the four most engaged artisan clusters are members of the board. This way, the artisans' needs are represented, and the craftspeople own up to 30% of the company.

Samabay Samity[58] is a weavers' co-operative society located in a semirural town in West Bengal (Figure 4). The town and its surrounding areas are inhabited by weavers, most of whom settled in the region from Bangladesh during the partition of India. A group of weavers started this enterprise in 1977 under the Co-Operative Societies Act with the purpose of giving the weavers' community respite from the exploitative Mahajani Pratha. In this traditional system, the Mahajans (money lenders) act as middlemen, suppling raw materials at high prices and selling finished products in the market after buying them from the weavers at very low prices. The cooperative aimed to provide the weavers' community with autonomy over the management of their hereditary craft. At present, Samabay Samity has a total of 722 shareholders, and each share represents one loom. It has a managing committee of six to seven members, which is formed through election. A president, a secretary, and an assistant secretary are also elected by the members. The committee controls all decisions made by the cooperative and oversees its administration.

Figure 2
Bun.Kar Bihar (Srijani Foundation). From left to right: managing board members in active discussions with artisans; a weaver family in different stages of weaving; logo of the organization. © 2022 Srijani Foundation.

Figure 3
RangSutra. Clockwise from top left: women crafting at a RangSutra Centre; craft managers explaining mobile banking; Sumita Ghose; RangSutra logo. © 2022 RangSutra Crafts India.

Figure 4
Weavers working on looms shared within the Samabay Samity cooperative. © 2022 Archi Banerjee.

Findings

The following sections discuss thematically clustered findings from the analysis of the primary research data.

Social Enterprise Creation

The process of social innovation—as revealed by the literature review—begins with the identification of a social need and the analysis of its root cause. In this regard, all three enterprises were created out of a social need and with the ambition to create solutions to specific problems: tackling exploitation by middlemen, providing alternative sources of livelihood in the face of natural calamity, and preventing urban migration of skilled artisans in search for jobs), for example. This was highlighted by one research participant in an interview.

> "During the drought times, what she [Ms. Ghose] saw, both as an opportunity and as a need, was that there were some other alternative income sources that the farmers could get to help them supplement the income from farming, which was severely affected. She noticed that many in the farming community were also artisans, practicing either embroidery or weaving. Both practices were very common…. She then started creating another entity, as she wanted to be more entrepreneurial, not an NGO, but more like a business entity, to provide market linkage for these groups."[59]

To supplement farming income, the founder of RangSutra identified a need to exploit latent craft skills within the community, leading to the creation of a new social enterprise. It put the artisans' traditional skills to better use, unleashing the unused economic potential within the community. However, to convert that potential into an enterprise, capital investment was needed. RangSutra was thus created, adopting a co-ownership model, ensuring artisan participation as well as capital needs and the creation of an innovative enterprise.

The founder of Bun.Kar Bihar was working in the developmental sector when she realized that indigenous hand-spinning and handloom crafts in Bihar were getting lost with the absence of proper support provided to the local weavers' communities. She started a livelihood regeneration program aimed at providing weavers who had migrated away from their craft with the confidence to return to their original occupations.

Srijani Foundation was registered as a nonprofit organization so that it could receive grants, for instance from Tata Trust. This move was essential, because the initial phase of this intervention included mostly developmental work without any means of economic output. Once the enterprise was successfully operating, there was a need to balance social development with financial sustainability, thus the retail brand Bun.Kar Bihar was launched.

The founders of Bun.Kar and RangSutra had to work over a long period of time with their communities to build strong relationships and earn their trust and participation in the enterprises. Samabay Samity had been established by the artisan community itself as a bottom-up intervention against the Mahajans' exploitation. Government support (both economic and infrastructural) for co-operatives provided the communities with the confidence and capital required to build an enterprise. In all three cases, after a social enterprise had been established, it had to be converted into a revenue-generating business capable

60   Dlomo and Rogerson, "Tourism and
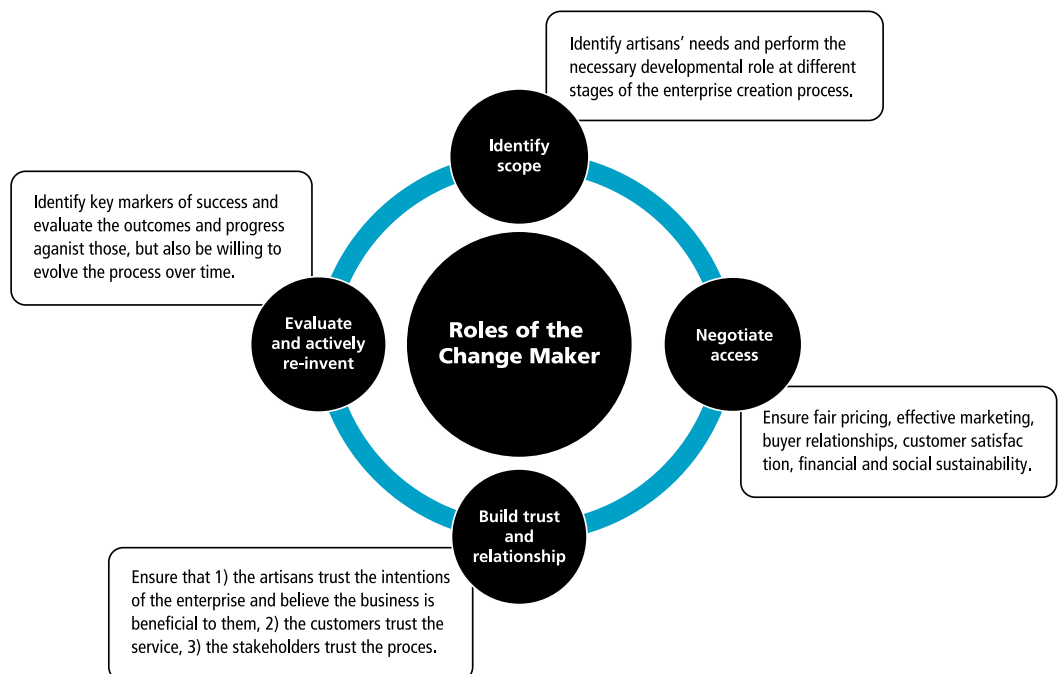   Local Economic Development," 159.
61   Mazzarella et al., "A Methodological
     Framework."

of scaling up, meeting market demand (in terms of production quantity and product quality), engaging in beneficial partnerships, creating a sustainable supply chain, and adapting to an ever-changing business environment such as during the Covid-19 pandemic. The role of an efficient middle management in adapting to change was noted by both RangSutra and Bun.Kar. RangSutra has an NGO registered under its name; it is funded by donations and grants, and manages all community developmental work by training new artisan clusters to be incorporated into the business. The mode of operation of each enterprise affects the level of confidence and trust its artisans feel towards the enterprise. Transparent and participatory decision making processes include insights garnered from within the community, thereby ensuring trust-building and fostering innovation and local development.[60]

The Change Maker Role

Social innovation is a collective process requiring one or more agents of change recruited from among community insiders and/or from pools of experts in respective fields, who together co-create services, strategies, and systems.[61] In our case studies, we also found the role of the change maker to be crucial to the success or failure of the craft enterprises. A change maker can be an entrepreneur driven by the ambition to create positive social change from within the community, or from outside, who possesses the transversal skills necessary to engage with communities and establish beneficial partnerships with and for them. In the case of RangSutra and Bun.Kar Bihar, Ms. Ghose and Ms. Upadhyay respectively played the role of change maker. Figure 5 illustrates the four

Figure 5
The diverse roles of the change maker.
© 2022 Archi Banerjee.

Identify artisans' needs and perform the necessary developmental role at different stages of the enterprise creation process.

Identify key markers of success and evaluate the outcomes and progress aganist those, but also be willing to evolve the process over time.

Ensure fair pricing, effective marketing, buyer relationships, customer satisfaction, financial and social sustainability.

Ensure that 1) the artisans trust the intentions of the enterprise and believe the business is beneficial to them, 2) the customers trust the service, 3) the stakeholders trust the proces.

Identify scope

Negotiate access

Evaluate and actively re-invent

Build trust and relationship

Roles of the Change Maker

62 Strawn and Littrell, "Beyond Capabilities," 207.

63 Artisan 4, Samabay Samity, focus group with Archi Banerjee, September 13, 2020.

64 Artisan 2, RangSutra Crafts India Ltd, online focus group with Archi Banerjee, September 9, 2020.

65 Artisan 3, Bun.Kar Bihar, online focus group with Archi Banerjee, September 15, 2020.

change maker roles and responsibilities we identified during data analysis: identify the scope; plan strategies, partnerships, and means of sustaining business activity; scale activity according to market demand and community capacity; and negotiate access, which entails adapting to change while balancing the social and financial needs of the enterprise with those of the community. A crucial step, which took considerable time, was earning the artisans' trust and confidence and cultivating their sense of loyalty. Both Ghose and Upadhyay established a smoothly running network because of the trust they built in their communities. While Ghose had existing relationships with the community through previous job experience, Upadhyay had to keep explaining her plans to the artisans for almost a year before they could share her vision. In the absence of proper regulation and evaluation, Samabay Samity (which started with change makers from within the community) was unable to protect its member artisans from the market crisis caused by the Covid pandemic. A crucial responsibility of the change maker, thus, is to evaluate and actively reinvent the goals of the enterprise in order to support the artisans' needs in a timely manner and keep the enterprise relevant.

Producer Priorities

Authors of the literature we reviewed underscored that any intervention trying to empower BoP artisans must begin by gaining an understanding of the artisans' needs in their particular context.[62] Our primary research demonstrated that, even in different contexts, artisans have certain basic needs that have to be addressed, otherwise the interventions are meaningless. Across all three enterprises, the BoP artisans value the organizations' contributions to helping them acquire the means to trade: easy access to capital and raw materials, market linkages, fair pricing, regular orders, secure payments, and adaptability to crises. As one artisan member of Samabay Samity stated,

> "The co-operative ensured work, and better wages than the Mahajans, and I got raw materials and orders all in one place. I didn't have to run around. I got a room for my loom too."[63]

Community mobilization is also crucial for the artisans. They value access to improved shared facilities for work, easily reachable points of contact, and a transparent and participatory decision-making process that gives them a sense of belonging, as stated by one artisan participating in a focus group, "We all gather together to work there, discuss colors and rates, and leave for home together. That makes it better."[64]

Since most of the artisans are in their hereditary line of work, preserving their heritage and attracting younger generations' interest in pursuing craft work is a matter of pride to them. They want the craft to provide them with access to livelihood and the enterprise to provide them with skills training so that they can build interest among the young generations, as noted by one artisan of Bun.Kar Bihar.

> "It is my hereditary craft. I had left weaving … around 2012–2013 because I was unable to earn a living from it. Right now, due to my association with Bun.Kar Bihar, I can go back to weaving and work from home. My son has started helping too. This is much more peaceful."[65]

66   Artisan 3, Samabay Samity, focus group with Archi Banerjee, September 13, 2020.

67   Reubens, "Bamboo Canopy," 23.

Community Activity

The interviews with managers of all three organizations revealed that, since ancient times, craftsmanship has been a complex community activity in which everyone has their own important role to play. Only after everyone plays a part does production happen like a well-oiled machine, as confirmed by the artisans participating in the focus groups. Craftsmanship in India is a community-centered practice because artisans belong to the same or similar castes and, due to ancient village dynamics, they live together in closed communities and perform one type of job. Over the years, their interdependencies have become manifold. This may also be because of the hardships that artisans suffered as a community, like the exodus of the refugee weavers from Bangladesh to present-day West Bengal, or the droughts faced by the artisans near Bikaner, or the migration of the artisans of Bihar to various urban slums in the country in search of odd jobs. Another probable reason that artisans are connected through community ties resides in the benefits to be gained from economies of scale. Over the decades, the artisans realized that working collectively brings significant benefit in terms of access to market and raw materials. Most artisans are not highly educated, and they often acquire only craft skills in their whole lifetime; hence, they find it reassuring to trade and work in groups to avoid being cheated by traders. As one artisan explained,

> "We are not very educated. People cheat us on rates very easily. Getting raw materials also becomes a task. The government subsidizes raw materials for the cooperative. If we were alone, where would we find the funds? The cooperative has [the] benefits of easy loan approvals. All this would be difficult to achieve if we were alone."[66]

Our research confirms Reubens's[67] views on Indian artisans: they cannot be empowered individually, independent of their communities. Empowerment is possible only if the entire community is mobilized towards increased autonomy of their craft future together.

Entrepreneurial Skills Development and Empowerment

RangSutra has been working with artisans for over a decade through their equity sharing model. To convince the artisans to invest in RangSutra shares, first they needed a basic understanding of shares and associated risks and benefits. The organization has put considerable effort into creating videos of shareholding artisans explaining, in simple words, how shareholding has worked out for them; and also into building a partnership with Fabindia, one of the earliest businesses to adopt inclusive capitalism and the artisan ownership model. Nevertheless, the artisans' expressed that their prime reason for investing in shares was their trust in the founder. While the four artisans on the managing board get exposure to entrepreneurial roles, their understanding of entrepreneurship does not provide them with enough confidence to manage a craft business in RangSutra's absence. The biggest advantage of owning a share for the artisans is that they can ask for regular work and receive a guarantee that they will receive it.

68   Artisan 1, RangSutra Crafts India Ltd, online focus group with Archi Banerjee, September 9, 2020.

69   Banerjee and Duflo, "The Economic Lives of the Poor," 162.

The interview with the founder of Bun.Kar Bihar highlighted that artisans were originally enterprising individuals who traditionally sold their products to local Zamindars (landlords) and villagers through barter. With the collective shift of Indian consumers towards Western and machine-made products, these entrepreneurs lost the market and took refuge in working for the Mahajans. She also highlighted that the artisans must understand the dynamics and fragility of the modern-day marketplace to be able to perform entrepreneurial activities. Without this preliminary understanding and exposure to entrepreneurial skills, there may be a conflict of interests and identities among the artisans, and the enterprise would fail. Bun.Kar is training the artisans through inclusion in partner discussions about pricing and design as well as exposure to entrepreneurial roles and responsibilities. This is a small first step towards entrepreneurial development. The artisans expressed that their feeling of empowerment comes from their ability to cater for their families by returning to the practice of their traditional craft in their native villages, learning new and finer techniques, and reinvigorating their pride in craftsmanship.

When asked about their aspiration to start their own private organization, almost all the artisans from the three enterprises we studied were underconfident about their capabilities. They also seemed more comfortable in a set-up where they work as a community rather than owning and running a solo enterprise, one artisan made clear:

> "We like staying here at RangSutra working with everyone. It's not like we can't do it by ourselves, but we want RangSutra to give us the work. There's nothing we can do if RangSutra denies us work, but we'll stay here."[68]

These findings imply that, although BoP artisans' communities are potent zones for entrepreneurial innovation propelled by need,[69] the Indian craft sector is unable to successfully tap into that potential in the absence of support from a change maker to assist the artisans in navigating the dynamic, modern-day marketplace and guide them towards increased autonomy over their own craft in future. The steady supply of work provided by the organizations leads to greater financial independence for the artisans; participating in the decision making process prepares them for increased independence in the future. However, entrepreneurial skills and roles and increased participation have not made them eager to run independent businesses. The goal, therefore, for change makers is to prepare the artisans to play an active role within an organization, contributing to innovation by bringing artisans' perspectives into decision making and adding value to the organization design.

Recommendations for Innovative Craft Enterprises

The following sections reflect on the findings from our primary research, discuss recommendations for future craft enterprises in light of the literature reviewed, and outline an original framework that has wider applicability.

70 Giles Atkinson, "Measuring Corporate Sustainability," *Journal of Environmental Planning and Management* 43, no. 2 (2000): 235–52, https://doi.org/10.1080/09640560010694; Bradley D. Parrish, "Designing the Sustainable Enterprise," *Futures* 39, no. 7 (2007): 846–60, https://doi.org/10.1016/j.futures.2006.12.007.

71 Buchanan, "Worlds in the Making," 15.

72 Magalhaes, "Resurgence of Organization Design," 492.

73 Parrish, "Sustainability-Driven Entrepreneurship," 518–20.

74 Magalhaes, "Resurgence of Organization Design," 491.

75 Parrish, "Sustainability-Driven Entrepreneurship," 517.

76 Magalhaes, "Resurgence of Organization Design," 489.

The Roles of the Change Maker Guided by Organization Design Principles

The literature suggests that an effective innovative enterprise aimed at creating positive social change should have the means to support its own workings while contributing to its cause.[70] The Covid pandemic and the resulting economic crisis confronted the co-operative with the total collapse of its organizational model; primary data suggests that the presence of a proactive change maker could have helped them navigate the pandemic better. The roles played by the change makers in Bun.Kar Bihar and Rang-Sutra have been tailored and have evolved according to each community's context and market conditions at any given time, in line with our research and with Buchanan's[71] steps of organization design (see Table 1). Our research has also shown that the decision making process adopted by these change makers often drew from the logics and guidelines introduced by Magalhaes[72] and Parrish,[73] as further discussed in the following sections.

1. Invention — Identifying Scope

Our primary research highlighted how important it is that the change maker thoroughly understands the local context and the artisans' needs to shape the meaning/purpose of the enterprise and set the scope for an intervention. For example, most of the artisans from Bun.Kar Bihar had to stop weaving for a living and migrate to other cities to undertake jobs and sustain their livelihoods. To revive the craft after looms had been shut for thirty-five years, the organization had to invest a significant amount of time and effort in skills development and establishing trust among the artisans. Bun.Kar Bihar started its operations with the aspiration of bringing Bihar's migrant artisans back to their original craft occupations and to their native state. Only after it had established a secure livelihood for its artisan partners did it shift focus to increased engagement and participatory roles for the artisans. This shift in focus — from regeneration of livelihoods to participatory approach — according to the stage of development of the enterprise and artisans is also aligned with the principle of "design as desiderata" as framed by Magalhaes[74] — the aspirations of an organization continuously change depending on its progress.

2. Judgement — Negotiating Access

According to Parrish,[75] an idea is only feasible if it brings substantial benefits to all relevant stakeholders. For instance, RangSutra negotiated a model with its artisans in which they contribute to building an organization that will, in turn, provide them with regular work, financial security, and the right of ownership over a part of the company. Bun.Kar Bihar established partnerships with designers and external stakeholders to validate the quality of the products. The founder uses dialogue to negotiate fair prices with the artisans, to ensure they have decent livelihoods and avoid the risk of not selling products due to exorbitant rates claimed by weavers. This dialogue does more than keep the artisans abreast of market demands — it leads to a participatory approach that is grounded on the principle of "design as ethics" framed by Magalhaes.[76]

77   Ibid., 491.

78   Parrish, "Sustainability-Driven Entrepre-
     neurship," 517.

79   Buchanan, "Worlds in the Making," 15.

80   Magalhaes, "Resurgence of Organization
     Design," 492–95.

81   Parrish, "Sustainability-Driven Entrepre-
     neurship," 517.

82   Buchanan, "Worlds in the Making," 15.

3. Connection and Development — Building Trust and Relationships

Trust and relationships, and building them, are the strongest pillars in any BoP intervention, especially in the craft sector where artisans have been historically exploited for profits by larger companies and middlemen. Interestingly, in the case of the cooperative — although it is failing to deliver to its shareholders what it set out to because of corrupt management — the weavers have not moved on because of the trust they have in an establishment that their grandfathers started and in the community they have belonged to for generations. This role is thus aligned with the principle of "design systemics" as framed by Magalhaes, since it focuses on increasing interactivity over a period to establish a balanced structure and trust-filled relationships.[77]

4. Integration and Evaluation — Evaluating and Actively Reinventing

Studies on design thinking applied to organization design have emphasized that building an organization is a continuous process, and our primary research shows the need for a change maker to proactively guide this process. Bun.Kar Bihar's ability to effectively adapt to different needs (including shifting operations online in a timely manner to navigate crises) is a proof of proactive evaluation, close participatory networks, and a capacity to reinvent. RangSutra has continuously evolved its identity and meaning, identifying needs and performing developmental functions necessary for its partner artisans at each stage of its evolution. The company began as an alternative income avenue for drought-prone farming communities, but it soon focused on empowering rural women through regular income generation and shared ownership. This progress follows the guideline of "resource perpetuation" as framed by Parrish.[78] For example, they realized (in a timely manner) the need to establish safety nets for their partner artisans, all of whom were women who had never had an income-generating independent occupation before. This change ensured the company was focusing on better quality of life for its partner artisans, hence ensuring better quality of production and longer association with the partner artisans.

After reviewing the existing literature on organization design through a design thinking lens, we outlined a process for designing innovative craft enterprises in Table 1. The name of each step we borrowed from Buchanan,[79] while Magalhaes[80] provided the design principles informing those steps, and Parrish the guidelines to follow in each step.[81] Based on the case studies we investigated, the change maker roles and responsibilities illustrated in Figure 5 conform to the steps of organization design process as outlined by Buchanan.[82] The design principles and guidelines outlined in Table 1 do not each belong to one specific step, however — they have wider applicability as a set of tools to help change makers effectively transform an intervention into a successful enterprise. Finally, it is important to highlight that, in order to run an enterprise successfully over time, it is crucial to treat the steps of organization design as a cyclical ongoing process and embed the principles and guidelines into the ethos and
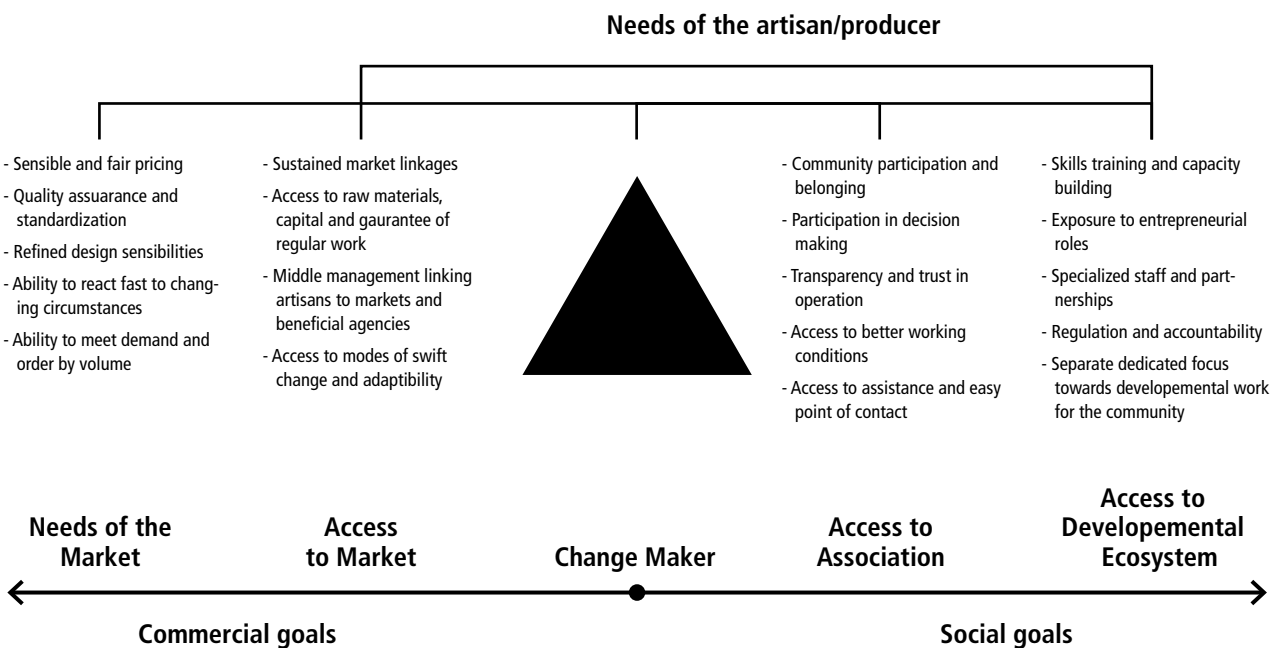
83 Simon, "Organizations and Markets," 25.
84 Iansiti and Levien, "Strategy as Ecology,"
    68.
85 Ramachandran et al., "Building the BoP
    Producer Ecosystem," 35.
86 Mazzarella, *Crafting Situated Services*,
    258.

everyday workings of the enterprise, while communicating the same to all relevant stakeholders.

A Framework for Innovative Craft Enterprises

The findings from the three case studies point towards a few universal needs for innovative craft enterprises and the artisans involved in such enterprises. The degree to which a need is crucial to the functioning of an enterprise is dependent on its unique set of circumstances. Understanding this requires proactive involvement of and evaluation from a change maker. Our research findings show that artisans have some basic priorities related to access to market (and understanding the dynamic modern marketplace), association (in terms of working together as a community and building transparent relationships with management), and developmental ecosystems (to ensure pride in the heritage craft and maintain and boost intergenerational occupation) that are universal to all. This is also in line with relevant literature by Herbert Simon,[83] Marco Iansiti and Roy Levien,[84] and Ramachandran and his colleagues.[85] With this in mind, we developed a framework to guide change makers designing innovative craft enterprises in the future (Figure 6). To establish a viable enterprise, change makers need to immerse themselves in the sociocultural context of the artisans' community and understand the market context of the associated craft. This requires change makers to devise a bespoke approach which involves playing multiple roles throughout the social innovation journey. This is in line with research undertaken by Francesco Mazzarella,[86] who proposes a "middle-up-down" approach to designing meaningful social innovations.

Figure 6
Framework for designing innovative craft enterprises. © 2022 Archi Banerjee.

Needs of the artisan/producer

- Sensible and fair pricing
- Quality assuarance and standardization
- Refined design sensibilities
- Ability to react fast to changing circumstances
- Ability to meet demand and order by volume

- Sustained market linkages
- Access to raw materials, capital and gaurantee of regular work
- Middle management linking artisans to markets and beneficial agencies
- Access to modes of swift change and adaptiblity

- Community participation and belonging
- Participation in decision making
- Transparency and trust in operation
- Access to better working conditions
- Access to assistance and easy point of contact

- Skills training and capacity building
- Exposure to entrepreneurial roles
- Specialized staff and partnerships
- Regulation and accountability
- Separate dedicated focus towards developemental work for the community

Needs of the Market — **Access to Market** — **Change Maker** — **Access to Association** — **Access to Developemental Ecosystem**

Commercial goals ←———————————→ **Social goals**

The framework is represented as a scale because our research showed that meaningful social innovations exist within a very precise balance between market demands and producers' needs maintained by the change maker. It places the change maker at the center — they carry the responsibility of balancing the commercial and social goals of the enterprise and being the link between the market and the BoP producer groups.

Based on primary research, we found that needs for this type of organization fell into two categories: the needs of the market (relating to price, quality, design, quantity, and adaptability to market shifts), and the needs of artisans (relating to access to market, community/association and developmental ecosystem for preserving heritage crafts). Market demands and the needs of artisans with regards to the market — access to raw materials, capital, market linkages, regular work, efficient middle management, and adaptability to change, for example — are common to all commercial enterprises working with artisans and craft products; they directly impact their commercial goal. An innovative social enterprise must also cater for two further needs had by artisans. The first is access to some form of association, which might take the form of an increased sense of belonging, greater community engagement, participation in decision making, trust in the organization, shared working facilities, assistance, and readily available points of contact). The second is access to a developmental ecosystem, in the form of skills training, entrepreneurial exposure, timely regulation, partnerships and special staffing, and community building.

Based on our primary research, it is most likely that an innovative social enterprise launches its operations to cater for social needs first and then balances them out with commercial goals to sustain itself. Adopting the framework proposed here, change makers can start designing interventions based on the social needs they have identified in a specific context and then slowly embed market needs in a balanced manner to transform the intervention into an innovative social enterprise. Change makers should also be able to constantly reevaluate the impact of the enterprise on the artisans' community and the marketplace, and find new meanings and purposes for activities that keep the enterprise relevant, shifting the weight given to a set of needs at a given time. For instance, if RangSutra had pressed for its shareholder artisans to learn to manage the enterprise autonomously in its initial years of operation, they would have been left with responsibilities they were not ready for, resulting in a failed social experiment instead of real empowerment. Instead, the company chose to focus on the market, and trained the artisans to fulfill them while slowly introducing them to entrepreneurial roles and responsibilities.

Conclusion

We are witnessing the emergence of a number of social enterprises in the Indian craft market, each of whom is challenging the mainstream, profit-driven, capitalistic system. Within this context, the research discussed in this article addressed the lack of inquiry into different craft-based interventions in India under diverse circumstances to understand what can be learned from such models. This article has explored innovative organization design

approaches, collaborative management practices, and models of active artisan participation, and outlined the role of the entrepreneur as a change maker, in line with design thinking practices. The original knowledge we contribute relates to the concept of entrepreneurial skills development. We demonstrate that, in the Indian craft context, although entrepreneurial skills acquisition is a proof of artisans' empowerment, the development of such skills does not always directly result in them feeling empowered. We highlight the significance of the community-centeredness of Indian craftsmanship, and how interventions cannot bear fruit if they are aimed at uplifting an individual artisan without accounting for the whole community. We also acknowledge that, while design has often been related to crafts, its scope has been mostly limited and applied to the product development phase. Instead, the research presented in this article argues for utilizing design thinking holistically rather than just to design better products. Moreover, findings from our research show that a prescriptive, universal set of rules cannot be developed and replicated outside the context of an intervention. From our literature review and three case studies examining three structurally different organizations, we have developed a framework for designing innovative craft enterprises in India aimed specifically at change makers. The framework outlines sets of market and artisan needs to be taken into consideration and ensures that the local context of the craft community is integrated into any design intervention.

Limitations and Recommendations for Future Work

Throughout the primary research presented in this article we faced several limitations. Recruiting research participants was a major hurdle. A lot of negotiations with the manager/owner of the enterprises were necessary to ensure participation of the artisans in the focus groups. The project involved communication with remotely located artisans in two different languages. Since a lot of this happened virtually, it affected the smooth and prompt development of the research. In conducting focus groups and interviews over digital platforms, the researchers struggled to establish a personal connection with the participants and explore their responses in depth. Moreover, a manager or cluster officer was always present to facilitate the focus groups and this could be a reason for the artisans to feel obliged to emphasize on positives.

In view of future work, we envisage an opportunity for undertaking a follow-up evaluation study, presenting the findings from this research to the participating organizations and artisans' communities to assess the originality, relevance, and feasibility of the framework developed. A comparative study between a sample of BoP artisan communities from the Global South and artisans' groups from the Global North could be undertaken to understand the differences between the two contexts with regards to entrepreneurship and empowerment and identify what each model can learn from the other. Finally, other concepts that could be investigated further are the intersectionality of gender and empowerment in the craft sector with regards to innovative organizations created using the framework proposed in this article.

Declaration of Interests

There are no conflicts of interest involved in this article.

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