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**Proposal of application of an electronic commerce platform for the
internationalization of traditional handicrafts from Azuay to the
European Union.**

Graduate thesis prior to obtaining a
Bilingual Bachelor in International Studies minor Foreign Trade

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DEDICATED TO:

We want to dedicate this effort to our families, who have supported us unconditionally throughout our lives.

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RESUMEN

El presente trabajo de titulación trata sobre la internacionalización de artesanías de Azuay a través del comercio electrónico. Sin necesidad de realizar exportaciones masivas, se propone usar esta herramienta de comercialización B2C, reemplazando así el modelo tradicional de comercialización y exportación de productos. Los cambios políticos y económicos que vive el país permiten la posibilidad de explorar nuevos mercados, como lo es el de la Unión Europea gracias al acuerdo comercial suscrito. Por otro lado, las herramientas de apoyo que existen en favor de los pequeños productores, por parte de entidades públicas y privadas son un factor positivo para potenciar aún más su competitividad en lo que respecta a la exportación de sus artesanías.

ABSTRACT

This graduation project is about the internationalization of Azuay's crafts through electronic commerce. Without the need of exporting in a massive way, this work seeks to apply a business to consumer strategy, thus replacing the traditional model of selling and exporting products. The political and economic changes that Ecuador is facing allow the possibility to explore new markets, such as the European Union due to the commercial agreement signed recently. On the other hand, support tools given by public and private entities benefit small producers to enhance their competitiveness in terms of exporting their crafts.

INTRODUCTION

It is a necessity for Ecuador to make its products known to the world. Based on what is established in the Organic Code of Production, Trade and Investment (COPCI) and the change of the productive matrix, the country needs to strengthen its industry through ventures that facilitate the promotion of products at an international level.

Exporting is not something new, we can clearly see how large companies of traditional products have exported innumerable quantities of cocoa, shrimp and banana for a long time. Nevertheless, it is necessary to analyze the situation of the small companies that export non-traditional products. Why cannot they make their products known to the world?

After knowing the reality of innumerable artisans from the province of Azuay, the motivation to contribute and generate positive changes begins to arise. On one hand, the cultural and artisan essence that characterizes Azuay has been affected by thoughts that want to replace the handmade processes with industrialized products. On the other hand, the lack of knowledge and resources of artisans have generated the stagnation of their productions, which in most cases provide sustenance for their families. Although what was mentioned before represents an imminent problem, at the same time the opportunities and solutions deserve to be found. Thanks to technology there are tools that facilitate the internationalization of products. Furthermore, it is important to take advantage of the alliances and cooperation agreements with other markets.

Under this context, this work seeks to propose the creation of an electronic commerce platform to sell to the European market. This bloc offers advantages to the Ecuadorian products due the commercial agreement signed recently. The objective of this proposal is to find useful means to show the craft process in Azuay, so that it can be appreciated and known in the world.

The elaboration of this work will be based on a field and bibliographical study, supported by qualitative and quantitative methods. These tools will allow evaluating how electronic commerce could become an option to benefit artisans.

The first chapter includes an analysis of the whole artisan sector at the provincial level, in order to know the different places that are dedicated to the manufacture of handicrafts. After a thorough analysis, a weighting matrix will be applied. As a result, three crafts with exportable potential will be selected.

The second chapter corresponds to the destination markets to which the handicrafts can be exported. On one hand, the commercial policies that govern foreign trade in Ecuador will be addressed and, on the other hand, the European Union market will be analyzed, in relation to the commercial agreement signed with Ecuador. Later, a selection matrix that analyzes economic and accessibility criteria will be applied. As a result, it will be possible to choose the 3 main countries that will serve as destination for the handicrafts selected in the previous chapter.

Finally, the third chapter will deal with everything related to the proposal of an electronic commerce platform that is required to show crafts worldwide. For this, it is necessary to define all the logistics processes that would be required for a future application of the project. The proposal will be complete once the crafts, markets and the adequate online trading platform are chosen.

CHAPTER 1. Handicrafts of Azuay

Introduction

In Ecuador 4.5 million people are directly or indirectly involved in the artisanal sector. This represents a large part of the population that needs to be assisted. With the objective of knowing the crafts of Azuay that have exportable potential, this chapter analyzes the artisan sector, its cultural background and its definitions. On one hand, it is necessary to know these concepts worldwide, followed by information at the country level. The province of Azuay deserves to be studied meticulously, because it is characterized by having a great cultural wealth embodied in its history, crafts and customs, which should be maintained over time.

Once the current situation of the craft sector has been addressed, it is also necessary to analyze the regulations on which this sector is developed, as well as the obligations and benefits that govern it. Through this chapter, the aim is to raise awareness and reinforce the relevance that the cantons of Azuay have had historically since they are clearly artisanal. That is why it has been propitious to carry out a field work that allows us to know and analyze the crafts of specific cantons. At the same time, interviews were carried out with experts of the artisanal field, who contributed with accurate information to define the optimal cantons to be visited. Through technical files, it was possible to collect information on the ten main crafts that were identified in Azuay.

Finally, we will apply a selection matrix that establishes technical, economic and business criteria. Then, through a weighting methodology we will classify handicrafts according to the importance that they have for the present proposal. In this way, three crafts with the greatest potential to be internationalized will be obtained.

Theoretical Framework

Culture: the word culture has multiple meanings as cultivate or protect; this is why its definition can be very broad. This term is used as a way of life or as the way of doing things in a human community. Culture can involve traditions, values, history or others (Concepto.de, 2018). On the other hand, culture can also be understood as the living representation of the technological and creative development of man, within the relationships that are established in a community. Therefore, culture is undoubtedly a social fact because it depends on the activities that man has been doing historically (Pita & Meier, 1985, pág. 19).

Folklore: according to the Royal Academy of the Spanish Language (RAE), folklore is the set of customs, beliefs, crafts, songs, and other similar things of traditional character (RAE, 2017). The history of this word starts in 1846, when the British William Thoms used this term for the first time referring to antiquities of the villages. "Folk" refers to the people or villages while "lore" refers to wisdom, experience or a set of knowledge. This word can represent the food, the way of dressing, handicrafts, experiences or beliefs that are transmitted from one generation to other (Thompson, 1976).

Identity: it is the set of features or characteristics that make a person or a group of people different. These traits will depend on different situations that arise throughout life and history (Concepto.de, 2018). The concept of cultural identity is more related to having a sense of belonging to a certain group, in which customs and values are shared and transmitted. In the same way, cultural identity is dynamic, since it feeds on external factors that influence its final outcome. Many times, this concept is directly related to the territory, since people keep a sense of belonging and identification (Molano, 2007).

Cultural Heritage: many authors define cultural heritage as all tangible and intangible assets that characterize a group or a community. This knowledge is transmitted through generations. It is important to mention the cultural heritage concept by the UNESCO, which defines it as a process of societies which remains imminent. Everything that societies possess is synthesized in cultural wealth; that is why it is

important that each community can protect and preserve its essence for a long time (UNESCO, 2016).

Handicrafts: Background

The starting point of the appearance of handicrafts is related to the Homo habilis, who manufactured his own utensils and then transmitted the knowledge to his community. The creation of certain handicrafts that were insignificant in the past marked the beginning of the great elaborations that today can be appreciated all over the world (Malo Gonzalez, 1999).

Another fact that gives a turn to the creation of handicrafts is the industrial revolution because the techniques and tools began to be improved and processes became faster. However, process technification became a threat to the artisanal sector due to the fact that the use of human hands turned minimal.

The artisan is the protagonist of the whole process, starting from the material selection, elaboration and decoration of an object. Crafts are not only a finished object; it is important to know what is behind each process, each situation and each craftsman. We can simply come to the conclusion that crafts are much more than just a productive system. Crafts seek to satisfy needs, to be transmitted through experiences and to project a unique culture. The artisanal products maintain an essential role in promoting and transmitting the cultural diversity and identity of each town. Crafts not only show traditional and ancestral expressions, they also constitute a factor of economic development as a great source of work. Moreover, in Ecuador and around the world, it has been possible to demonstrate the potential that handicrafts have, since they manage to be recognized for commercialization. That is why there are different institutions that have developed programs to recover and maintain craft traditions.

Handicrafts as popular art

Crafts are an important part of the culture of a country. Therefore, they require policies to protect, rescue, stimulate, and promote cultural creativity among the

population. Unfortunately, many times these policies do not exist in the Ecuadorian reality. Crafts have been discovered as objects worthy of investigation. There are several aspects that define handicrafts and artisans, so that we cannot take a definition of craft as unique.

Usually there is confusion about what should be understood as crafts or artisanal, since the different concepts are born from political and ideological positions. Crafts can be defined as products or activities. When talking about crafts, culture must be taken into consideration as the set of values that an artisan wishes to transmit. But, how do we know when we are talking about crafts? Many times, crafts are shown as finished objects without knowing who did it, how they did it, what was the process, or in which situation it was produced. According to Pita and Meier, it is not only important to address what artisans produce, but it is also required to analyze the social, economic, cultural and political environment in which artisans operate. From this we can establish three particularities of crafts. First, the way of production that is purely manual. Second, their internal organization of work is limited, and finally the social relations of the artisan with the global economy.

Handicrafts concept according to UNESCO

The United Nations Organization for Education, Science and Culture, better known as UNESCO, is the only international organization that has a very accurate vision of the role played by crafts within a society. That is why the definition adopted in the UNESCO / ITC Symposium "Crafts and the International Market: Trade and Customs Coding" in Manila, 6-8 October 1997, serves as a reference when using this term. UNESCO states that handicrafts are those produced by hand in their entirety or with the help of manual tools and even mechanically, with the condition that there is a direct manual contribution of the craftsman. The products manufacture has no quantity limits and it is based on raw materials of renewable resources. Crafts have a special nature according to their function, which can be utilitarian, aesthetic, artistic, creative, cultural, decorative, functional and symbolic (UNESCO, 2014).

Crafts are based on the traditions of a community. A craft transmits knowledge and experiences through generations, thus becoming part of the intangible heritage of a

place (Benítez, 2003). For many communities, handicrafts can also represent a symbolic value, lasting over time. As part of the projects developed by UNESCO in relation to handicrafts, there is the "Recognition of Excellence UNESCO for Handicrafts". This is a program that motivates artisans to produce quality products based on rudimentary or traditional techniques, thereby guaranteeing sustainable development. This program is for many craftsmen a type of quality certification that ensures the excellence of their products. The current name of this certification is "Recognition of Excellence".

UNESCO is an organization that focuses on cultural issues such as handicrafts. They have analyzed the techniques used in artisanal production, rather than relying solely on handicrafts as a final product (UNESCO, 2014). It is considered that hard work is the essence of a craft. Therefore, the effort of all institutions and civilians who consider handicrafts as a fundamental part of a society should be focused on supporting artisans to continue making their products. At the same time, their experience, knowledge and techniques can be transmitted to other people who are devoted to the same activity. Worldwide, this organization has classified traditional crafts in various categories:

Table 1 Traditional crafts classification according to UNESCO

Traditional crafts according to UNESCO
Tools
Clothing
Jewelry
Clothing and accessories for festivities and entertainment
Containers and elements used for storage
Objects used for transport or protection against the weather
Decorative arts and ritual objects
Musical instruments and household goods
Didactic toys

Source: UNESCO

Author: Cordero, Urgilés

Handicrafts history in Ecuador

Handicrafts in Ecuador have been present for many years. They appeared before the conquest of the Incas. Each of the indigenous communities developed several techniques for the production of certain tools that were useful for agriculture and decorative objects. In addition to their skills in these areas, indigenous people acquired knowledge about textiles, ceramics and goldsmithing. The family was the basis of all this artisanal development. There was no division or work organization in the activities that were carried out in the communities. Before, the artisanal production was clearly for self-consumption, since it was not intended as a means of retailing (Espinosa, 1980).

In this way, indigenous people were able to establish strong relations of exchange with people from different regions of the sierra and the east. At the same time, they developed a rudimentary division of labor, thus reinforcing the social stratification within communities. It is important to mention that handicrafts have evolved throughout history, depending on the era in which the country was.

Inchasic crafts: the artisanal development of the Incas was incipient since the desire of this people was to gain strength and power through conquest. Due to the collection of tributes and the conquest of the north of the country, there was a great organizational improvement; likewise, the Incas implemented the division of manufacturing labor with agricultural activities (Silva, 2005).

Handicrafts in the Colony: This era was characterized by the Spanish conquest of the Incas, where the people lived under a system of exploitation. Within this system appeared the obrajes, which were established as large craft workshops and a new way of paying taxes. In the early eighteenth century, the obrajes went into decline, since at that time the European industry was developing (Silva, 2005).

Urban crafts: in the colonial era, urban crafts emerge due to the migration of certain Spanish artisans to settle in Ecuador. The first artisanal workshops developed under an administrative system of Spanish control. These organizations were called Guilds. Unfortunately, the artisans were under the control of the nobility, thus fulfilling the

demands of the Catholic Church. Their work was not valued, since prices could not be set according to their criteria. From the sixteenth century, three categories of trades were established: artistic, utilitarian and service goods. Undoubtedly this classification is maintained until today but each group has included new trades (Silva, 2005).

The Ecuadorian craftsmanship was born with a number of situations that were presented during different times. It is remarkable that there was a culture shock, a clash of identities. Although initially the different groups wanted to conquer each other, they all had the same pattern of manufacturing development; which was completely different from what the Spaniards established. The Spaniards established their own concept of art and beauty. Nowadays this same problem is repeated. By living in a globalized world, the obstacles to the survival of handicrafts are getting bigger. Daily the artisanal sector faces with mass production, multinational companies and large amounts of money. The current generations no longer ask for this ancestral knowledge to continue to be transmitted, and communities do not want to consider handicrafts as a way of expression, creativity and originality.

The independence of Ecuador was accompanied by the desire of artisans to found their own organizations, where designs can be developed to show what truly represents them. The idea of consolidating these unions is linked to being able to represent workers and defend their rights. This change was gradual as it was difficult to change in a radical way the organization of the traditional guilds (Silva, 2005).

Traditional crafts of Azuay in the contemporary era

For years, the development of traditional handicrafts has been a fundamental part of the Ecuadorian culture. The ancestral techniques used for its production have been transmitted by generations in the different regions where they have been developed. It is important to take into account that traditionally the artisanal activity in Azuay has been carried out as a family business. Therefore, the production is done in low volumes, using simple materials and rudimentary procedures that result in high quality crafts. However, in the last years the production of some traditional handicrafts of Azuay has been threatened by the emergence of various factors that

have limited their local demand, to the point of putting them in risk of disappearance (Martinez & Einzmann, 1993).

In the research carried out years ago by Martínez and Einzmann, a reference was already made to the fact that several crafts considered as traditional in Azuay began to be affected by the emergence of products made with plastic or synthetic materials. This is because plastic products are mostly cheaper, since they are subject to a process of technification in which the quantitative aspect has more importance than the qualitative. As a result, handicrafts that previously fulfilled various functions, such as weaving, basketry, or ceramics products, started to be considered as complements or ornaments, thereby losing competitiveness in a local level (1993, pág. 157).

In the same way, the social aspect is also a key factor when explaining the loss of importance that traditional crafts have had locally. Unfortunately, contemporary generations have developed a lack of interest in keeping family traditions and learning such ancestral techniques, mainly in rural areas. Martínez and Einzmann add that this is due to the acculturation process that many young people have had towards the foreigner, since nowadays the phenomenon of globalization has generated a change of mentality. People prefer everything elaborated abroad due to the wide access to information and markets, causing the underestimation of the local products.

Likewise, in order to keep competitiveness, many artisans working in rural areas had to migrate to the city. However, in the urban area they did not have enough means to be able to sell their products. It is for this reason that they have had a dependence on the popular intermediary or professional merchant, who has capital, logistics, and better distribution channels. Unfortunately, in many cases artisanal workers have been victims of exploitation by intermediaries, who end up imposing their working conditions instead of supporting the development of small producers. Consequently, their work is not paid as it should be (Martinez & Einzmann, 1993).

In an interview with Laura Reino, Director of the Provincial Board of Defense of the Artisan, she agrees that historically there has been a disadvantage of the artisan

against the role of intermediaries. She also indicates that the absence of guilds or cooperatives was given by the lack of an effective regulation. That is why Reino highlights the growing role that the National Artisan Defense Board has had in the last years, as well as the provincial one because it seeks to fight in defense of the workers of this branch. The board also wants artisans to have the priority of the results obtained with their handmade work (Reino, 2018).

Legal Framework

Constitution of the Republic of Ecuador

The political and ideological changes brought by the "Revolución Ciudadana" in 2007 included the promulgation of a new constitution, which is still in force today. Article 306 refers to the support of the State to promote the exports that generate added value, jobs and responsibility with the environment. In addition, this article emphasizes that the State will focus in the exports of small and medium producers as well as those of the artisan sector (Constitución del Ecuador, 2008).

In order to achieve the objectives of article 306, the Ecuadorian State has been implementing several actions, such as the creation of the Institute for the Promotion of Exports and Investments in 2011. This agency is specifically responsible for supporting the country's exportable offer for a better inclusion within international markets. This entity offers some services like monthly newsletters with information related to foreign trade, technical advice and training for people who want to export, fair trade practices and participation in international fairs. In addition, this institution is present in 26 countries and it has 31 commercial offices that provide technical data sheets and market studies with useful information on access to other markets (PRO Ecuador, 2018).

Craftsman Defense Law

Background

It is important to mention that historically the different governments have tried to regularize and protect the artisanal activity in Ecuador. All the political leaders have

wanted to obtain a progressiveness of the rights and benefits for people who dedicate to this arduous task. In order to find the first legislation that protects the craftsmen of Ecuador, it is necessary to go back until 1953, when the Law of Defense of the Craftsman was promulgated, which is still in force today. At that time, the aforementioned law was incipient, since it only established certain definitions and principles that founded the craft activity. However, a positive aspect of the first law issued is related with the fundamental role entrusted to the National Defense Board of the Artisan¹ as the entity in charge of fighting for the strengthening and development of rights for artisans in the country (Ministerio del Trabajo, 2005).

Over the years some progress was made in favor of the Craftsman Defense Law. For example, in 1997 the national congress published in the official register a reformed coding to regulate and safeguard artisans. Later, this law had a last innovation in 2008, with the aim of adapting it to the political and economic changes that the country was having with the new government led by Rafael Correa, as well as the current needs of the artisans within a globalized context.

Scope

For the progress of the present proposal, it is pertinent to highlight certain definitions developed in the Craftsman Defense Law, which will allow us to understand the application of this law in relation to this investigation. It should be noted that in the Ecuadorian legislation, unlike the classification made by UNESCO, there is a large number of activities that are considered as artisanal. That is why Article 1 states that this normative basis seeks to ensure the rights of artisans without any distinction, whether they work individually or in guilds. Therefore, article 2 defines:

- a) Artisanal Activity: It is done manually and involves the use of raw material to obtain goods and services. This process may require the help of machinery or instruments, but in order to be considered artisanal, the work done by hand should prevail.

¹ JNDA for its initials in Spanish

- b) Craftsman: The law defines him as the workshop teacher, manual worker or autonomous craftsman. To achieve this denomination, the person must be previously qualified by the JNDA and registered in the Ministry of Labor and Human Resources. Also, the craftsman can work alone or without having invested in work tools. In case of injecting capital, the investment made in tools or raw materials cannot exceed 25% of the established amount for small industry.
- c) Workshop Master: It refers to individuals over the age of 18 who have been certified by the JNDA. To obtain the certification, the person must have completed the technical or artisan training in the institutes legally established in the country. Once the title is delivered, it has to be revalidated by the Ministry of Education and Culture and Labor and Human Resources.
- d) Operator: It is the individual who stops being an apprentice in order to start participating in the production process, but always under the guidance of a workshop master. The operator needs this guidance because he does not master the techniques and knowledge of the craft deeply.
- e) Artisan Workshop: Article 2 defines the workshop as the establishment where the artisan develops his professional or artistic activity, with the following conditions:
- the work must be predominantly artisanal;
 - there cannot be more than fifteen workers or more than five apprentices;
 - the amount of money invested cannot exceed the established amount in the law;
 - the workshop master is responsible for leading the workshop;
 - The craftsman must have the qualification granted by the National Defense Board of the Artisan
- (Ley de Defensa del Artesano, 2008).

Benefits for artisans

Once the craftsman has been qualified by the JNDA and he is registered in the Ministry of Labor and Human Resources, he will be able to access the economic benefits that are contemplated in the Artisan Defense Law and the Artisan Development Law.

On one hand, article 17 of the Artisan Defense Law establishes the following measures:

Table 2 Benefits of the Artisan Defense Law

Exemption from income tax and the capital circulation tax	Exemption from value added tax (VAT) as passive and substitute taxpayers
Facilitate the imports of supplies and work tools for artisans.	Release of payment of taxes on exports of handicrafts
Access to long-term loans with preferential interest through the National Development Bank and private banking. The amount borrowed will depend on the craft activity and the number of workers that the workshop has.	The others contemplated in article 9 of the Artisan Development Law

Source: Ley de Defensa del Artesano

Author: Cordero, Urgilés

On the other hand, article 9 of the Artisan Development Law contains other benefits that complement the aforementioned:

Table 3 Benefits of the Artisan Development Law

Exoneration of additional customs duties to the import of packaging, packaging materials, when the needs of the articles or artisanal production justify it, provided that they do not occur in the country.	Total exemption of rights, stamps and taxes imposed by the constitutive acts, statute reforms, capital increase of associations, guilds, cooperatives, unions of artisans or other legally recognized legal persons.
Individuals or legal entities covered by this law will receive up to 15% in general as a Tax Credit or on the FOB value of exports, and, as an additional, for reasons of difficult access to external markets, licenses, prior permits, competition in the market, costs and freight and what new markets represent, up to 10% of the percentages legally established.	Exemption from taxes, duties, services and other contributions established for obtaining the municipal patent and operating permits.

Source: Ley de Fomento Artesanal

Author: Cordero, Urgilés

It should be noted that unlike the Artisan Defense Law, there is another procedure to obtain the benefits established in the Artisan Development Law. For this, Article 13 of the Artisan Development Law establishes that artisans must submit a petition form to the Ministry of Industries. This government entity in turn performs the pertinent analyzes to validate the request. Once the studies are finished, the Ministry of Labor gives a report to the Interinstitutional Committee for Artisanal Development. The report includes recommendations related to the proportion of benefits, terms and conditions that the workshop of the applicant must meet (Ley de Fomento Artesanal, 2010).

Handicrafts classification according to the working branches regulation

Based on what was previously explained about the regulations that protect artisans, it is pertinent to know which work branches are considered as artisanal in Ecuador. It is also important to establish a difference between the traditional crafts and the rest of products and services that are also called artisanal within the Ecuadorian legislation, since not all of them have relevance for the present work.

Article 43 of the General Regulation of the Artisan Defense Law indicates that the Ministry of Work and Human Resources will have the faculty to develop and approve the categorization of artisan labor branches. That is why this Ministry has drawn up the Regulation of Qualifications and Working Branches, which has had various reforms until today (Reglamento General de la Ley de Defensa del Artesano, 2004).

Structure

Article 1 of the Working Branches Regulation establishes a wide division of activities that are included within the artisanal scope, since the government seeks to promote the growth and development of these trades through the benefits described above. Table 4 summarizes the most relevant branches of work:

Table 4 Handicrafts classification according to the Working Branches Regulation

Food products	Preparation of dairy products, wines, meats dressing; bakery, ice cream and malted beverages derived from sugarcane and cocoa.
Textiles	Shawls; weaving by hand, knitting and loom; embroidery; production in rope and bristles, among others.
Clothing	Dressmaking, tailoring; hat in general; cut and confection
Tannery products	Shoemaking, leather and related clothing; furs and furnaces in general
Wood processing	Carpentry, wood decorations, furniture production.
Paper Productions	Cardboard boxes, paper bags, jewelry boxes, printing, graphic design, among others.
Wax products	Molds and candles
Articles of non-metallic minerals	Ceramics, pottery, stonemasonry, marble, glass, bricks, tiles, among others.
Metallic products	Blacksmith, tinsmith, locksmith, mold.
Other Craft Activities	Goldsmith's, string, wind and keyboard musical instruments, jewelry, floristry, pyrotechnics; fishing and artisanal mining, among others.
Service Crafts	Automotive mechanics, hairdressing, photography, beauty, dry cleaning, mechanics in general, radio and television, among others.

Source: Ministry of Labor
 Author: Cordero, Urgilés

As can be seen in table 4, there is a large portfolio of products and services recognized as artisanal in Ecuador. However, some of them are specifically destined to cover the national market, as is the case of service crafts, so they are not exportable. In the same way it happens with certain activities such as fishing and mining, since they are closely linked to other local industries. In addition, it is considered that some of them do not constitute folkloric elaborations with high degree of originality that rescue the practices and customs of the Ecuadorian culture. Therefore, they are discarded for the present proposal.

With regard to food processing, it is necessary to emphasize that these will not be taken into consideration for this work, due to the technical requirements that exist to get into foreign markets. Food products are not treated in the same way as other artisanal products. For example, in the case of the European Union, sanitary and phytosanitary requirements are needed to protect human health; specific labeling, traceability rules, among others (European Commission, 2018).

Localization

Macrolocalization

Ecuador

The Republic of Ecuador, as it is officially known, has gone through several epochs of important changes that have shaped its history, culture and identity. It should be noted that the origin of Ecuadorian man goes back to approximately 12,000 BC, when the initial settlement in America began to take place. This era covered until the Inca period between 1470 and 1529 AD. During the Inca period, great progress was made in the first societies that inhabited the territory of Ecuador. They went from being hunters and gatherers to having tribes that were organized around subsistence agriculture. Subsequently, production began to generate surpluses and there were already lordships that had defined political structures and exchanged their products with other communities. Handicrafts were present from the first human settlements, but it only started to become more important in the Inca period, when trade developed (Ayala Mora, 2013).

The second transcendental epoch in the Ecuadorian history makes reference to the colonial period, which began in the year 1529 with the Spanish conquest against the local indigenous resistance. This lapse of time was also characterized by the influence of the church on education and culture, the foundation of cities, among others. However, the colonial order begins to fall between the eighteenth century and the beginning of the nineteenth century, since the uprisings from the “criollos” were more constant. Finally, the first moment of independence occurs between 1809 and 1812, while the second moment occurs between 1812 and 1820. Then the Bolivarian

project of the Gran Colombia started until 1830, when the Republic of Ecuador was officially founded as the starting point of its republican era that it comprises until today (Ayala Mora, 2013).

Ecuador is located in the western part of South America, bounded on the north by Colombia, on the south and east by Peru, while the Pacific Ocean is on the west, as can be seen in figure 1. Its total surface area is 283,561 km², including Galapagos Islands. It has 24 provinces and is characterized by its great biodiversity among its regions of Coast, Sierra, Oriente and Insular. The climate is very varied since generally in the coastal and Amazon region the temperatures are tropical, unlike the higher areas of the Sierra where the climate becomes colder (CIA Factbook, 2018).



Figure 1 Political Map of Ecuador

Source: Researchgate, 2018

According to the information and projections that the National Institute of Statistics and Census² published in October of 2018, the population of Ecuador surrounds the 17 million inhabitants. In comparison with the last official census carried out in 2010, it can be observed that the population has increased almost three million, being Guayaquil, Quito and Cuenca the most populated cities (INEC, 2018). Among other data presented in the 2010 census, it was concluded that in Ecuador there are more

² INEC for its initials in Spanish

women than men, while the highest percentage of people were between 15 and 25 years old (INEC, 2010).

Table 5 Population of Ecuador

	# of inhabitants
2010 Census Result	14'306,876
Data to October 2018	17'103,768

Source: INEC, 2018

Author: Cordero, Urgilés

Although the last census was conducted in 2010, INEC has carried out other surveys and studies in the subsequent years, with the objective of obtaining information related to several indicators that reflect the reality of the country. That is why in September 2018, the institution published the National Survey on Employment, Unemployment and Underemployment, also called ENEMDU. This survey shows several aspects about the current situation of employment in Ecuador, as well as the economic activity and source of income of respondents. The ENEMDU carried out the information survey in September 2018 and used a sample of 17,066 homes with coverage at the national level, both in rural and urban areas, as well as in the five self-represented cities that are Quito, Guayaquil, Cuenca, Machala and Ambato (INEC, 2018).

As a result, in table 6 it can be analyzed that from the total population to September 2018, 71% are of working age (PET), which means that there are approximately 12.1 million people who are over fifteen years old. Moreover, from the total population of working age mentioned, 68.1% constitutes the group of the economically active population (EAP), which includes individuals who worked at least 1 hour in the reference week; or those who did not have a job but were available to find an occupation.

Table 6 National Survey of Employment, Unemployment and Underemployment

ENEMDU September 2018	%
Working-age population (PET)	71.1% (1.1 million people)
Economically active population (PEA)	68.1% (8.3 million people)
Economically inactive population (PEI)	31.9% (3.9 million people)
Employees	96%
Unemployed	4%

Source: INEC, 2018

Author: Cordero, Urgilés

Therefore, in figure 2 it is concluded that from the 8.3 million inhabitants that make up the economically active population, 96% are employed or engaged in some trade to produce goods or provide services, while that the unemployment rate in September 2018 reaches 4% (INEC, 2018).

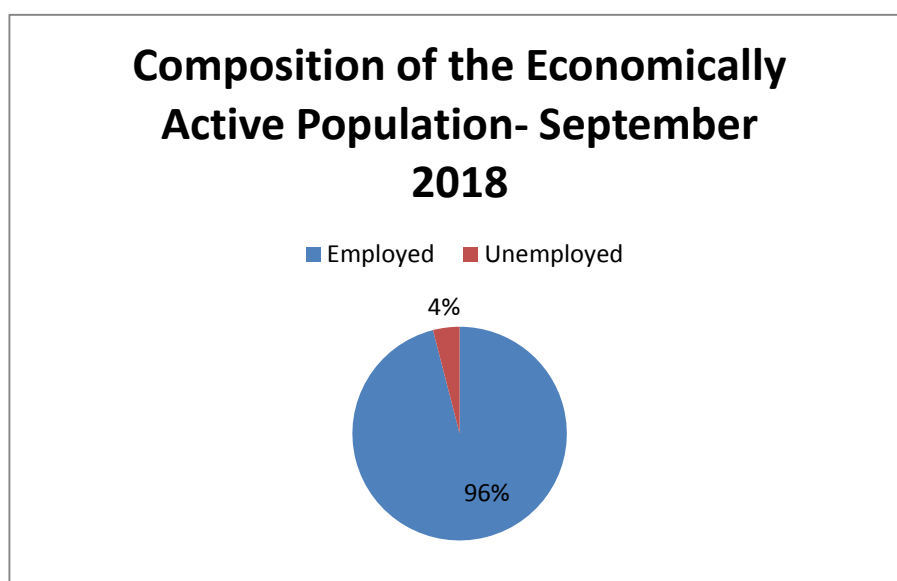


Figure 2 Composition of the Economically Active Population

Source: INEC, 2018

Author: Cordero, Urgilés

But in what kind of job do Ecuadorians work? ENEMDU also mentions the different branches that make up employment at the national level. The survey obtained that the sector of agriculture, livestock, forestry and fishing continues to be the fundamental pillar within the trades of the inhabitants of the country with 29.3% of labor occupation. This sector is followed by commerce with 18% and manufacturing in

third place, occupying 10% of the total people employed in the country. It should be noted that the branches of trade and manufacturing cover among other activities to the artisanal, which has been important for the country over the years due to its relevance in the labor, economic, social and cultural fields.

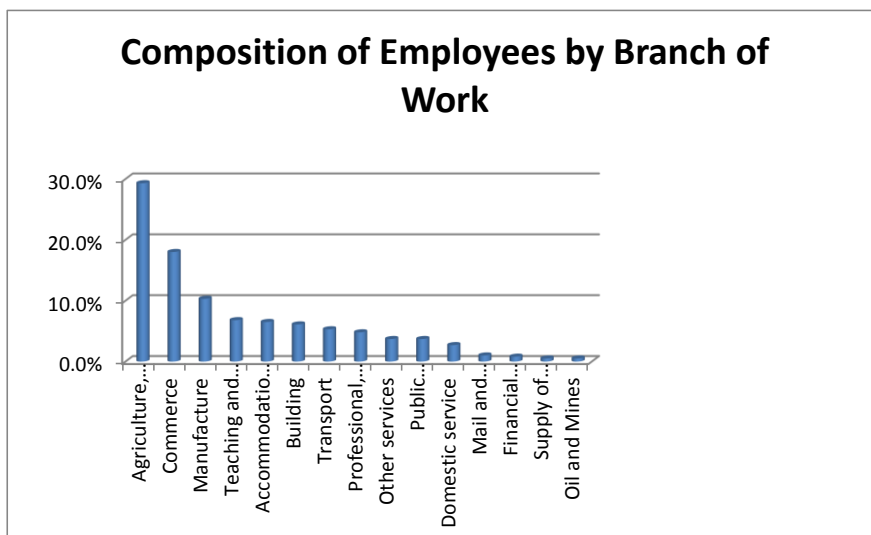


Figure 3 Composition of Employment by Branch of Work

Source: INEC, 2018

Author: Cordero, Urgilés

It should also be taken into account that in Ecuador, of every ten jobs, nine are in the private sector and only one in the public sector. Likewise, a key aspect to improve at the national level has to do with social insurance affiliation, since only 30% of employees in Ecuador contribute to IESS, while 12.6% are affiliated to other insurance, and 57.4% do not have any affiliation (INEC, 2018).

Similarly, in April 2018 INEC published the Structural Business Survey, which was called ENESEM. As the name implies, this survey seeks to know the business organization that exists in Ecuador. From June to November 2017, information was collected among 4,003 companies, so the geographical coverage was national. The sample was structured as shown in table 7:

Table 7 Sample of the Structural Business Survey

Composition of the ENESEM Sample		
Type of Company	Quantity	Employed Staff
Large Companies	3,223	More than 200 employees
Medium companies type A	371	50-99 employees
Medium companies type B	409	100- 199 employees
Total of the Sample	4,003	

Source: INEC

Author: Cordero, Urgilés

The primary goal of this survey was to provide relevant indicators for decision makers in both the public and private sectors. The main sectors analyzed were manufacturing, commerce, services and construction. Several factors were analyzed through a form, and one of the indicators inquired was about the personnel employed in these companies, whether they work in the institution or have a working relationship with it, using information corresponding to the annual period of 2016 (INEC, 2018).

Personal ocupado según categoría de ocupación			
Categoría de ocupación	Hombres	Mujeres	Total
1. Directores y Gerentes	20.768	9.983	30.750
2. Profesionales, Científicos e Intelectuales	40.944	43.423	84.367
3. Técnicos y Profesionales de nivel medio	69.441	30.261	99.702
4. Personal de Apoyo Administrativo/Empleados de Oficina	90.456	86.678	177.134
5. Trabajadores de los Servicios y Vendedores de Comercios y Mercados	178.623	76.331	254.954
6. Agricultores y Trabajadores Calificados Agropecuarios, Forestales y Pesqueros	7.356	2.110	9.466
7.-8. Artesanos, Oficiales y Operadores de Instalaciones y Maquinarias	180.487	23.126	203.613
9. Trabajadores no calificados, Ocupaciones elementales	106.336	33.891	140.227
Total	694.411	305.802	1.000.213

Figure 4 Personnel employed by occupational category

Source: INEC, 2018

Figure 4 shows that the second occupation with the highest number of staff employed is that of artisans, officers and operators of machinery, with more than 200 thousand people that work in this area. This confirms the importance of this branch within total employment in the country, taking into account that the survey was only done in large and medium-sized companies.

Sierra

When speaking of the inter-Andean region of Ecuador, traditionally known as Sierra, this is an area identified by being traversed from north to south by the Andes mountain range, which has high elevations between snow-capped mountains and volcanoes, especially in the central zone towards the North. In addition, it offers a great variety of climates and landscapes such as lagoons, forests and moors. Ten provinces are located in this region, starting from the north with Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua and Chimborazo, while further south are the provinces of Bolivar, Cañar, Azuay and Loja (Ministerio de Relaciones Exteriores y Movilidad Humana, 2017).



Figure 5 Political Map of the Ecuadorian Sierra

Source: RevistaCuenca.com

The Sierra region is also important in terms of the administrative and economic fields, since several transcendental cities of the country are settled here, starting with its capital Quito, followed by Cuenca and others such as Ambato or Loja. Furthermore, most of Sierra cantons are characterized by having a vast wealth in relation to their crafts, cuisine and celebrations, so they have become major tourist attractions such as Otavalo, Saraguro, Cuenca, Quito, among others (Ecuador Xplorer, 2015).

Microlocalization

Azuay

The province of Azuay is located south of Ecuador, within the inter-Andean region. The territory that we now know as Azuay was born after being for more than 2 centuries under a colonial system. On June 25, 1824, when the country achieved its independence and the Great Colombia was created, the Department of Azuay was also established (Neira, 2014). Currently the province of Azuay is divided into 15 cantons that are full of diversity and wealth. This province limits to the north with Cañar, to the south with El Oro and Loja, to the east with Morona Santiago and Zamora Chinchipe and to the west with Guayas. Its capital is the city of Cuenca.

Table 8 Population of Azuay by cantons

	Cantons	Population according to the 2010 Census
1	Chordeleg	12,577
2	Cuenca	505,585
3	El Pan	3,036
4	Girón	12,607
5	Guachapala	3,409
6	Gualaceo	42,709
7	Nabón	15,892
8	Oña	3,583
9	Paute	25,494
10	Ponce Enríquez	21,998
11	Pucará	10,052
12	San Fernando	3,993
13	Santa Isabel	18,393
14	Sevilla de Oro	5,889
15	Sigsig	26,910

Source: Ecuador en Cifras, 2018

Author: Cordero y Urgilés

Azuay is considered as the most important tourist center in the south of Ecuador, due to the artisanal and cultural wealth it has. The people who inhabit this province have preserved techniques for many years, in addition to the ability, thus making them experts in textiles, goldsmithing, iron works, ceramics, among others.

It is important to mention that the Organization of American States (OAS) established in the city of Cuenca the Inter-American Center for Popular Arts, better known by its acronym (CIDAP), due to the artisanal value that the province possesses.

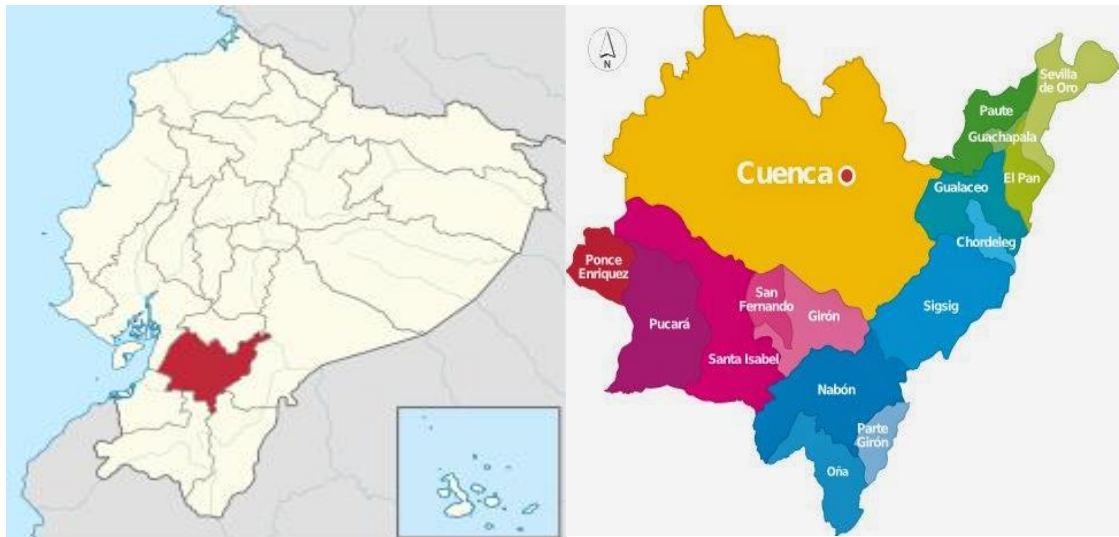


Figure 6 Map of Azuay

Source: RevistaCuenca.com

Population

According to the last census carried out in Ecuador in 2010, the province of Azuay has 712,127 inhabitants. There are more women than men since there are 375,083 women and 337,044 men. On the other hand, according to data and projections of INEC, in July 2018 there were 853,000 inhabitants in the province of Azuay.

Table 9 Population composition of Azuay

Census of the Province of Azuay- 2010				
	Women	Men	Total	
Total population	375,083	337,044	712,127	100%
Population in Working Age	305,523	265,745	571,268	80%
Economically Inactive Population	167,414	87,235	254,649	36%
Economically Active Population	138,209	178,510	316,719	44%

Source: Ecuador en Cifras

Author: Cordero, Urgilés

Table 9 reflects that 316,719 people, equivalent to 44% of the total population of Azuay, are part of the Economically Active Population, which represents a positive aspect for the economic growth of the province. On the contrary, 36% of the total population of province is part of the Population Economically Inactive.

On the other hand, it is also pertinent to analyze the composition of employment in Azuay. That is why figure 7 shows the different trades that the inhabitants of Azuay had in the 2010 census. Of the 178,510 men who are part of Economically Active Population, 27.6% work as officers and artisans. While of the 138,209 women who are part of the Economically Active Population, 13.6% are dedicated to be officers, operators and artisans. It should be noted that a large part of the Economically Active Population is within the category of artisans, which once again shows the wealth and culture that can be maintained to this day in the province.

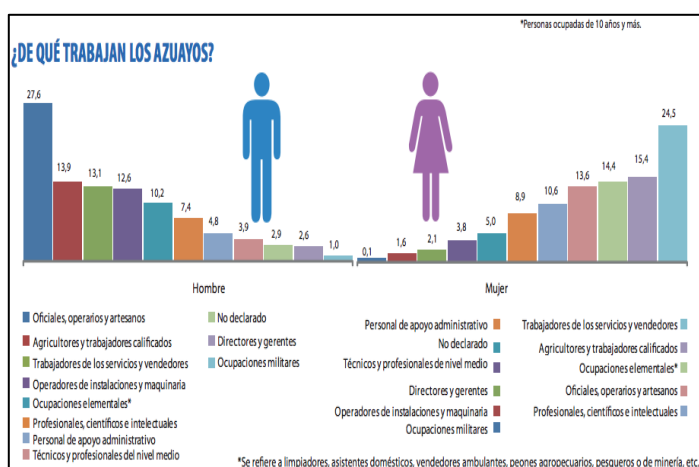


Figure 7 Composition of employment in Azuay

Source: Ecuador en Cifras, 2010

Current situation of Azuay`s crafts

The culture of each town represents the intangible wealth that must be maintained through time and history. From generation to generation, the cultural aspect in Azuay has been strongly consolidated thanks to the customs, crafts, thoughts, works and other fields that continue to this day. It is important to understand what is behind a story or a handicraft. It is not a simple story or a simple product made with hands. Handicrafts are the result of a process that reflects the ability of the communities to organize themselves, optimize the use of their natural resources, and build productive processes and structures of social organization (Serrano, 2015).

The problem lies in the fact that not all people are aware of the true wealth of handicrafts and have often left aside their own cultural value, changing it to new trends from other places. The province of Azuay has always been characterized for being a purely artisanal province; unfortunately, today this sector is affected by globalization, where processes are faster and easier. Unlike an artisanal process that requires more time, organization and dedication. That is also why this labor is often devalued by the inhabitants of Azuay.

The technological tools that globalization has generated are those that should be exploited, in order to promote and preserve what characterizes the Azuay, but not to refuse recognizing the innate cultural essence of this place. This is why we conducted a selection process to identify which handicrafts of Azuay have more potential to be shown to the world as the true wealth of the province.

Selection process of traditional crafts in the Azuay

As mentioned above, the present graduate project aims to determine the main traditional crafts that have exportable potential. To this end, we conducted interviews with experts and representatives of institutions that are directly related to exports and the artisanal field.

First, Luis Salcedo, representative of PRO ECUADOR in the city of Cuenca said that in recent years there have been several attempts to enter the European market through the export of jewelry, toquilla straw hats and ceramic products (Salcedo,

2018). This is reflected in data provided by the Central Bank of Ecuador, since this entity states that in the period January - August 2018, the export of Ecuadorian handicrafts reached 8 million dollars; which meant an increase of 23.3% compared to the previous year (BCE, 2018).

Likewise, we conducted an interview with the Magister. Santiago Malo Otatti, who has extensive experience and knowledge regarding tourism planning. His career has allowed him to know in a close way the cantons of Azuay, where various handicrafts are made. For his expertise, he coincides with the crafts mentioned by Salcedo as items with the greatest potential for export. In addition, he adds that there are other cantons with great artisan wealth that deserve to be mentioned and analyzed, such as:

- Sigsig: Straw Hats Toquilla, String instruments in wood
- Chordeleg: Jewelry
- Gualaceo: Textiles, Footwear, fabrics
- Nabón: crafts on wheat stem
- Cuenca: Tinsmith, Smithy, Ceramics

Once the interviews were concluded, we carried out a fieldwork that consisted on visiting 10 places suggested by the experts. In this way we can fill out information sheets that will serve as a basis to develop a weighted matrix and obtain the crafts with the greatest exportable potential. Even though there are cantons that have been recognized internationally for their artisan wealth, this research is aimed at small artisans who often have great potential but lack of opportunities to expand. We also found that none of the craft workshops visited have exported on their own or have taken advantage of the economic benefits established in the Artisan Defense Law and the Artisanal Development Law. This data is essential to understand the current situation of artisans, as well as the problem that still exists due to the dependence generated towards intermediaries, who often take advantage of the lack of knowledge and resources of artisans.

Craft technical sheets by Azuay`s cantons

Sigsig

It is located southwest of Azuay province and it is divided into 7 parishes. This canton possesses a great artisanal culture, since they make musical instruments in San Bartolomé, handicrafts of toquilla straw and wood sculptures in Sigsig. In addition, this canton has an agricultural and fruitful production.

1. Guitarras Uyaguari

The first place we visited was San Bartolomé, where the main sales are from musical instruments made with different types of wood. We chose the oldest workshop that has been dedicated to the manufacture of these instruments.



Figure 8 Uyaguari guitars made with Ecuadorian pine



Figure 9 Location of the Uyaguari Workshop on the Cuenca - San Bartolomé route



In the figure 10 we can see José Uyaguari showing the variety of products made with national and imported wood

Figure 10 portfolio of String Instruments in the Uyaguari Workshop

Technical Sheet N°1	
Product:	String instruments
Name:	José Homero Uyaguari
Age:	60 years old
Location:	San Bartolomé, Sigsig
Phone Number:	0992196106 / 2537003
Email:	guitarrasuyaguari11@gmail.com
Guild:	He is not affiliated with any guild
Affiliation to JNDA:	He is affiliated to the Board and he has his artisan title
Experience (years of work and way of acquiring the knowledge of elaboration):	45 years of experience. Knowledge transmitted by his father and brothers
Future projection:	All the experience that he has, has been transmitted to his 5 children, so he wants to keep the business
Workshop size:	5 people who are his children
Technique used:	First obtains the raw material, in this case the imported wood or also national. After this the wood is shaped and then lacquered. Finally, the finishes are made so that the instrument is ready.
Added value (degree of craftsmanship technification):	A sawing machine is used to shape the wood. The rest of the process is by hand
Portfolio:	Guitars, charangos, ukuleles, violins
Market where it sells:	Mainly in San Bartolomé in his own place. Every Thursday he travels to Cuenca with his products to market them in the Plaza de San Francisco. Upon request send to Quito and Guayaquil.
Weekly productive capacity:	There are made of 3 to 4 instruments
Current situation (production and demand difficulties):	Having a good location, sales are high. Unfortunately, they are very affected by the entrance of Chinese guitars, which are much cheaper and their finishes are similar to those made in San Bartolomé

Author: Cordero, Urgilés

2. Association of Toquilleras María Auxiliadora: The second place that we visited in Sigsig was the Association of Toquilleras María Auxiliadora. This Association was created in 1990, when several artisans united under a concept of joint work. They work with straw and produce hats, bags and ornaments.



Figure 11 Toquilla Straw Weaving Process



In figure 12 we can see the toquilleras of the María Auxiliadora Guild perfecting their fabrics

Figure 12 finishes of toquilla straw fabrics

Technical Sheet N°2	
Product:	Crafts in Toquilla Straw
Name:	Association of Toquilleras María Auxiliadora
Age:	They are between 40 and 60 years old
Location:	Vía Chiguinda - Gualaquiza S/N y Río Santa Bárbara, Sigsig
Phone Number:	2266014
Email:	atmasigsig@hotmail.com
Guild:	Association of Toquilleras María Auxiliadora
Affiliation to JNDA:	All members have title as artisans
Experience (years of work and way of acquiring the knowledge of elaboration):	They have all acquired knowledge since they were about 8 years old. The association has 28 years in which the experience continues to grow.
Future projection:	All hope that the association continues to grow, so they have transmitted their knowledge to children and grandchildren
Workshop size:	Five people are in charge of the Association. But at the same time, they work with 170 members who work together
Technique used:	The hand-woven in toquilla begins with the selection and classification of threads that will be used. Then the whole process of weaving occurs with the shape of the object to be made. Finally, they go through certain processes for the finishing, such as azocado, bleached, pressed and pressed; thus, obtaining the hat.
Added value (degree of craftsmanship technification):	The fabric of the straw shawl object is 100% handmade. After this, only some tools are used to shape it and certain final details
Portfolio:	Hats, bags, baskets, bread boxes, keychains
Market where it sells:	They sell in their own store. In addition, they make several orders for intermediaries to buy and for their part they export
Weekly productive capacity:	His work is based on orders, but always 3 extra units are made for retail sales. Each member makes 3 hats per week. Which means that they could produce a total of 510 hats per week
Current situation (production and demand difficulties):	In spite of being an association already consolidated several years, it is necessary that more support is given so that the promotion and commercialization of its products grow

Author: Cordero, Urgilés

Cuenca

It is the capital of the province of Azuay and it is also largest and most populated canton. Cuenca is characterized for developing several productive activities that are maintained to this day, such as the manufacture of straw hats, jewelry, ceramic and furniture production. Thanks to the incentives of the Development Law in the 70s Cuenca grew industrially.

3. Guerra Arte en Forja: This workshop is located in Cuenca, in the place known as "Las Herrerías". We visited several workshops that are dedicated to the same labor of iron crafts. After a meticulous selection, the craftsman Humberto Guerra was chosen for his opening, years of experience, availability and other aspects.



Figure 13 Humberto Guerra showing his crafts



Figure 14 Iron forging process

Technical Sheet N°3	
Product:	Iron Crafts
Name:	Humberto Guerra
Age:	36 years old
Location:	Calle las Herrerías y del Arupo, Cuenca
Phone Number:	0995834740
Email:	humbertoguerra_i@hotmail.com
Guild:	Not affiliated
Affiliation to JNDA:	He has been an artisan since 2010
Experience (years of work and way of acquiring the knowledge of elaboration):	22 years of experience. Knowledge acquired by a cousin
Future projection:	Unfortunately, this experience has not been transmitted to his son, so he believes that after a few years he will no longer be able to maintain his business.
Workshop size:	2 operators
Technique used:	Iron forge. It acquires the raw material that is iron and coal to be able to heat it. The design that you want to make is established and it is shaped when the raw material is hot.
Added value (degree of craftsmanship technification):	Only one welder and one polisher are used to give a better finish to your products.
Portfolio:	Items for home decorating
Market where it sells:	It is sold in his own shop. He also receives orders from other cities
Weekly productive capacity:	The time spent on the products depends on the design but approximately 80 to 100 items are made to show in his store.
Current situation (production and demand difficulties):	Nowadays there is not much demand since people tend more and more to prefer what is foreign

Author: Cordero, Urgilés

4. La Forja Cobre: Another place well known for its artisan wealth is “El Vado”, where there are small workshops dedicated to sell Tinwork products. All the artisans of that area make handicrafts in bronze and mainly in copper. Based on different criteria and after visiting all the workshops, the artisan Juan Gutiérrez Durán was selected.



Figure 15 forging process of copper in Gutierrez Workshop

Technical Sheet N°4	
Product:	Copper crafts
Name:	Juan Gutiérrez Durán
Age:	53 years old
Location:	La Condamine 13-18
Phone Number:	2826890/0998525811
Email:	jgutiz8@hotmail.com
Guild:	Registered at MIPRO to obtain the artisan qualification
Affiliation to JNDA:	He is affiliated to the Board and has his title as artisan
Experience (years of work and way of acquiring the knowledge of elaboration):	36 years of experience. Knowledge acquired from his father. In addition, this technique has been transmitted in 4 generations
Future projection:	Unfortunately, he has not passed his knowledge to his children, since they do not share the same passion for tinwork.
Workshop size:	1 operator
Technique used:	Tinwork. Once the copper sheets are obtained, the material is cut into the design that is to be made and molded.
Added value (degree of craftsmanship technification):	Only clamps are used to shape the raw material
Portfolio:	Pieces for home decorating
Market where it sells:	He sells in his own store and also on request
Weekly productive capacity:	Time depends on design but about 10 items are made per week
Current situation (production and demand difficulties):	There is no support from the government to encourage craftspeople to maintain these traditional activities

Author: Cordero, Urgilés

5. Ceramic sculpture: several visits were made to workshops dedicated to crafts in ceramics, such as Eduardo Vega, Convention of 45 and Pablo Cordero. As a result, Pablo Cordero workshop was chosen because his work is characterized by focusing on local customs. Pablo Cordero also shows the culture of Azuay and especially Cuenca through the different sculptures.



Figure 16 Ceramic Workshop of Pablo Cordero

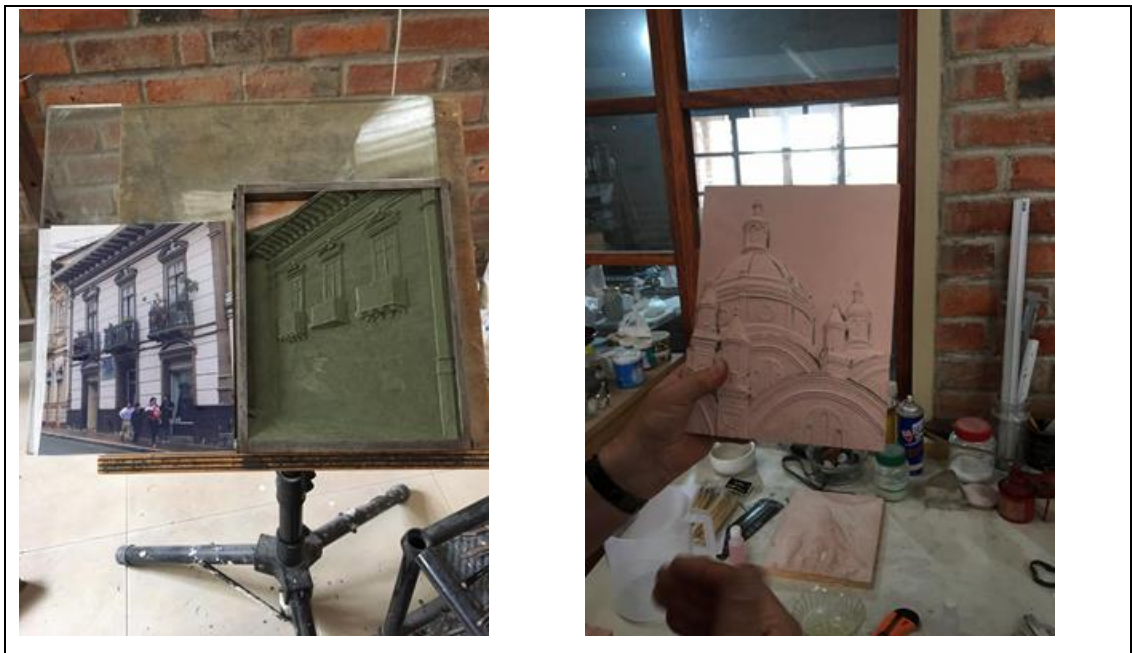


Figure 17 Process of making a ceramic painting

The first photograph shows the process of molding in plasticine, and the second one shows the next step of molding in plaster.



Figure 18 Drying process of a ceramic sculpture



Figure 19 Ceramic crafts representing local customs

Technical Sheet N° 5	
Product:	Ceramic crafts
Name:	Pablo Cordero
Age:	59 years old
Location:	Francisco Cuesta 1-83 y 27 de Febrero, Cuenca
Phone Number:	2812464
Email:	pcordero2701@gmail.com
Guild:	He does not belong to any guild
Affiliation to JNDA:	He has his title as artisan since 1987
Experience (years of work and way of acquiring the knowledge of elaboration):	More than 30 years of experience. He started with the sculpture in wood and later in ceramics. He considers himself as self-taught since the love for art was born from a very young and self-employed acquired knowledge in this field
Future projection:	He has passed the knowledge to his children but it is not certain that they continue with the business
Workshop size:	4 people
Technique used:	Sculpture in ceramic by means of dies. You take a picture of what you want to make, you design it in plasticine with the help of small tweezers, you pass the model to plaster and then with the mold is made in ceramics. Finally, after a long process, it is decorated.
Added value (degree of craftsmanship technification):	No machine is used, just an oven to dry the pieces
Potafolio:	The theme is "costumbrista" since they represent characters and scenes that have the Cuenca culture.
Market where it sells:	He makes deliveries to several galleries in the country, and participates in local fairs
Weekly productive capacity:	On average 25 figures are made, it depends on the design and size
Current situation (production and demand difficulties):	Since it is not a product of first necessity, the crisis that has existed in recent years has caused demand to not be good. He also believes that it is necessary to market more with the help of digital tools

Author: Cordero, Urgilés

Gualaceo

Located east of the Azuay province, this canton is known as the "Azuay Garden" for its traditional crafts. Gualaceo is known for the manufacture of footwear, makanas,

and also leather works. It is important to mention that approximately 50% of artisans are engaged in the manufacture of footwear.

6. Gino Zanetti: In the central area of Gualaceo most stores sell footwear but many of them do not have their own workshop. Therefore, at the moment of selecting a store, we found that Gino Zanetti also has its workshop on the outskirts of canton.



Figure 20 Arming process for shoe cuts



Figure 21 Process of gumming and assembling soles

Technical Sheet N° 6	
Product:	Calzado
Name:	Santiago Lituma
Age:	68 years old
Location:	Calle 9 de Octubre sector Estadio, Gualaceo
Phone Number:	2256445
Email:	santiagolitumaorellana@hotmail.com
Guild:	He belongs to the "Primero de Mayo" Guild of shoemakers in Gualaceo
Affiliation to JNDA:	He is affiliated with the Board
Experience (years of work and way of acquiring the knowledge of elaboration):	More than 30 years of experience. Acquired knowledge due to life circumstances, this is why some friends were teaching him to acquire more experience
Future projection:	The situation of the footwear industry in Azuay is declining, so the future projections are not positive
Workshop size:	2 operators
Technique used:	Manual process. Depending on the raw material, it is prepared and then the model is drawn to cut, shape and finish.
Added value (degree of craftsmanship technification):	A die and a sewing machine are used
Portfolio:	Shoes for daily use
Market where it sells:	It is commercialized within the premises that it owns
Weekly productive capacity:	It is made on request. Normally 80 pairs of shoes are made to be sold in your store
Current situation (production and demand difficulties):	The situation is critical because they are uncompetitive, starting from the raw material, which is more expensive compared to Colombia and Brazil. This generates that the costs are greater and the demand is lower

Author: Cordero, Urgilés

7. Casa de la Makana: another craft known nationally and internationally is the Makana, and in Gualaceo there are several workshops that are dedicated to the manufacture of these products under the Ikat technique. The selected place is a workshop that carries out the whole elaboration process, from the obtaining of raw material to the finishing of the makana.



Figure 22 Selection of threads for the design of the Makana



Figure 23 Loom weaving process for the production of Macanas

Technical Sheet N° 7	
Product:	Gualaceño knotted cloth (Makana)
Name:	José Jiménez
Age:	59 years old
Location:	Vía Gualaceo sector San Pedro de los Olivos
Phone Number:	0987778220
Email:	casadelamakana@gmail.com
Guild:	President of the artisans of Makana
Affiliation to JNDA:	Affiliated to the board 43 years ago
Experience (years of work and way of acquiring the knowledge of elaboration):	43 years of experience Knowledge acquired for 2 generations. His parents were the ones who taught him this technique.
Future projection:	He has passed on his knowledge to more than 30 people, including his children who would continue with the business
Workshop size:	5 people
Technique used:	The real name is Gualaceño knotted cloth, but today they are called Ikat. They carry out the entire manufacturing process from shearing sheep wool, then spinning and dyeing, to finally move to the looms with the design to be made.
Added value (degree of craftsmanship technification):	No machine is required
Portfolio:	Makanas
Market where it sells:	In its own store, and also has intermediaries who take their products abroad
Weekly productive capacity:	20 makanas
Current situation (production and demand difficulties):	The new government has not supported enough, so sales have declined. In the same way, more marketing channels are needed for this product to be known.

Author: Cordero, Urgilés

8. Tejemujeres: the weavings made in looms and with chopsticks are also well known in Gualaceo. There is an Association of women who have come together to share knowledge and at the same time benefit equally. Tejemujeres was created in 1992 and was formalized in 1997. There are 30 women associated with this organization to make fabrics such as sweaters, dresses and socks for different ages.



Figure 24 Weaving process



Figure 25 Clothing made with cotton and sheep yarn

Technical Sheet N° 8	
Product:	Fabrics
Name:	Cooperativa Tejemujeres
Age:	The members are approximately 40 to 60 years old
Location:	Tres de Noviembre 2-11 and Eugenio Espejo, Gualaceo
Phone Number:	2255245
Email:	tejemujeres@gmail.com
Guild:	Cooperativa Tejemujeres
Affiliation to JNDA:	None have an artisan degree, but are covered by the Superintendence of Popular and Solidarity Economy
Experience (years of work and way of acquiring the knowledge of elaboration):	It has existed for 27 years. All weavers have acquired their knowledge generationally
Future projection:	It is hoped that the association will continue to grow, passing on the knowledge to their children and grandchildren. The cooperative is also focused on women who often do not have opportunities to have a formal job
Workshop size:	They work mainly 5 people, but 30 weavers are associated
Technique used:	weaving in looms and knitting
Added value (degree of craftsmanship technification):	Looms or chopsticks are used for weaving
Portfolio:	Garments for adults and children, accessories, decorations
Market where it sells:	They have their own shop, and they make clothes on request
Weekly productive capacity:	3 to 4 garments are made per week for each member who is in the organization
Current situation (production and demand difficulties):	The obtaining of the raw material is the main obstacle, since the quality of the local thread is less than an imported thread

Author: Cordero, Urgilés

Chordeleg

This canton is made up of 5 parishes. It is famous for its artisanal wealth that includes elaborations of ceramics, hand embroidery and mainly jewelry. It is easy to see that there are more than 100 jewelries that have their own workshop to work in gold, silver and white gold, based on ancestral techniques.

9. Joyería Puerta Del Sol: The center of Chordeleg has hundreds of jewelries but not all have their own workshop. Because it is a small town, it is easy to identify the first families that started with the elaboration of certain jewels long ago. In the case of jewelry we found the Jara family, which has been making jewelry under the same technique for more than 3 generations.



Figure 26 Puertas Del Sol Jewelry Store in Chordeleg



Figure 27 Earrings made with filigree technique

Technical Sheet N° 9	
Product:	Jewelry
Name:	Flavio Jara
Age:	64 years old
Location:	Chordeleg
Phone Number:	0992753445
Email:	-
Guild:	It belonged to the Jewelers' Guild but impose many restrictions
Affiliation to JNDA:	One of the first people to register as an artisan on the Board
Experience (years of work and way of acquiring the knowledge of elaboration):	Experience of more than 50 years. He grew up in an artisan environment so since he was seven, he has already learned the filigree technique
Future projection:	By transmitting their knowledge to their children, they have also been able to have their own jewelries
Workshop size:	Small. It works alone since the cost of paying an operator damages your work.
Technique used:	Filigree. You take the raw material and you start to give the shape of the jewel with your hands and with tweezers
Added value (degree of craftsmanship technification):	A laminator is used to lower the thicknesses of the metals. In itself for manufacturing only hands are used
Portfolio:	Earrings, chains, necklaces
Market where it sells:	Own store to market your jewelry. He also works for several designers from Quito, Guayaquil and Cuenca.
Weekly productive capacity:	The work is very complex since it depends on the amount of details contained in the models. Approximately 4 pairs of earrings are made with the filigree technique
Current situation (production and demand difficulties):	Being a very touristy place, sales are good, but support is needed to be able to grow

Author: Cordero, Urgilés

Nabón

Located to the southeast, Nabón is a small canton that is mainly dedicated to agriculture. Here we were able to find the Association of Artisans of Nabón, where various handicrafts are made using the remains of the crops. For example, they make crafts of wheat stem or corn leaves.

10. Crafts in wheat stem: Within the Association, there is a group of women who are dedicated to produce wheat stem crafts.



Figure 28 weaving process with wheat stem



Figure 29 Vase and hat made with wheat stem

Technical Sheet N° 10	
Product:	Crafts in wheat stem
Name:	Olina Morocho
Age:	51 years
Location:	Nabón
Phone Number:	0980403657
Email:	-
Guild:	Association of Artisans of Nabón
Affiliation to JNDA:	Not affiliated with the board
Experience (years of work and way of acquiring the knowledge of elaboration):	More than 40 years of experience. It is an inheritance, since his grandparents and parents taught him this technique
Future projection:	He has passed on his knowledge to his children and grandchildren who would continue with the business
Workshop size:	Within the Association, 4 people are dedicated to work with the wheat stem
Technique used:	The process begins with the sowing of the wheat that is done once a year, then with the raw material is prepared and the stems are classified to proceed to the tissue
Added value (degree of craftsmanship technification):	No machine is occupied
Portfolio:	Hats, vases, key rings, baskets
Market where it sells:	They market only when they go to fairs
Weekly productive capacity:	3 crafts of different sizes
Current situation (production and demand difficulties):	Nabón is not a place with a lot of tourists, so there is no support to show their products. They do not have an established market. Your sales are minimal

Author: Cordero, Urgilés

Instructional for the handicraft selection matrix

Once the technical sheets with pertinent information have been obtained, the ten crafts of Azuay will be analyzed through a matrix that qualifies several criteria. In this way we will be able to select the three crafts that have the greatest exportable potential. This matrix is based on the methodology designed by the magazine “El Economista”, which in conjunction with its portal “Infoautónomos” developed a tool that allows to compare strategic suppliers in an objective way (El Economista, 2012).

Methodology

Regarding the selection of the crafts, the proposed methodology works based on a weighting of criteria, which will be explained below:

- 1) The first step of the proposed methodology is related to the definition of the criteria. Fourteen aspects were considered relevant at the time of developing the technical sheets from the visited workshops. These criteria are classified into three categories: technical, economic and business.
- 2) Then the criteria weight has to be distributed, in relation to 100%. This step is important since we deeply analyzed every technical, economic and business aspect to see which are the most relevant and which are aligned with this proposal.
- 3) Then we have to value with a minimum of 1 and a maximum of 9 to the crafts, according to the degree in which the products meet the criteria proposed in step 1
- 4) To obtain the results of each craft, we must add the result of the multiplication of the score of each criterion by the weighting of step 2.

Criteria definition

- Technical Criteria
 - *Quality of crafts*

When talking about quality, this is undoubtedly the most important criterion to analyze the export potential of Azuay's traditional handicrafts. At present, consumers are increasingly demanding when purchasing a product. Therefore, in order to be competitive and gain space in a globalized market, quality is fundamental; even more in elaborations that are made manually, since they require a high degree of precision and uniformity. Also, over the years quality has been a subjective term and that is

why its definition has gone through several variations. For some, quality is synonymous with luxury; others consider it as mass production, while other people see the quality reflected in the number of attributes or characteristics that an article has to satisfy a need.

According to the Royal Spanish Academy, quality is "the property or set of properties inherent to a thing that allow to appreciate it as equal, worse or better than the rest of its kind." However, these perceptions do not guarantee the quality of a product because the tastes of consumers can be different. That is why it is pertinent to quote the most transcendental definitions exposed by expert authors on the subject:

According to Joseph Jurán "quality consists of those characteristics of a good that are based on the needs of the client and that provide product satisfaction".

On the other hand, Philip B. Crosby mentions that: "Quality is conformance to requirements. The requirements have to be clearly established so that there are no misunderstandings; the measurements must be taken continuously to determine compliance with those requirements; the non-compliance detected is an absence of quality".

Therefore, for this work quality will be evaluated as the inherent characteristics of crafts, which will generate total customer satisfaction, meeting minimum requirements to reduce errors. At the end this will be reflected in a finished product of excellence.

- *Portfolio*

Portfolio refers to the variety of products offered by each artisan workshop. It should be noted that more value will be given to craft workshops that can make more than one product with the same raw material, and based also on the same ancestral techniques.

- *Process time*

This criterion goes hand in hand with the quality of the crafts and with the productive capacity. Since the crafts are made manually, the manufacturing time will always be longer compared to products made in an industrial way. Undoubtedly, the crafts of Azuay are synonymous with good quality due to the dedicated process involved in its production, as well as the details that denote its originality. However, in order to evaluate this criterion, the efficiency of the process in relation to the quality of the finished product will be taken into account. There are handicrafts that depend on external factors that lengthen their manufacturing time, such as limited access to raw materials. Therefore, we look for uniformity and consistency, which means to know that artisans have an average time to produce a product. In this way the risks are reduced when fulfilling an order through the e-commerce platform.

- *Productive Capacity*

The productive capacity refers to the availability of the product. That is to say, we will evaluate the quantity of handicrafts that the artisan or workshop can produce after a week. There is no doubt that making a product can take more time than another for the details of the process. This is why a higher grade will be granted while the artisan is more competitive and efficient in terms of availability, but without neglecting the quality and consistency of the final product.

- *Process automation*

This indicator is related to the degree of industrialization that the processes of handicraft production have. As mentioned above, we seek to promote productions that are eminently manual and folkloric. Therefore, when evaluating handicrafts in accordance with this criterion, products with predominantly manual labor and the application of traditional techniques that rescue cultural identity will have a higher score.

- Economic criteria

- *Price*

This is a factor that plays an important role in this work, since we seek to show abroad the sacrifice that involves the entire process of making a craft by hand. Likewise, we want the work of artisans to be valued and remunerated in the way it deserves. In order for crafts to be more competitive when entering other markets, it is convenient that artisans give us a preferential price, taking into account that shipping costs must be added.

- *Current situation*

At the time of carrying out the fieldwork, we were able to conclude that currently most craft workshops are going through a critical period. All agree that Ecuador is going through an economic crisis that is reflected in the decrease in local demand. Several artisans also mentioned that there is a lack of support from the different entities; although several benefits are granted under the Artisan Defense Law and the Artisan Development Law, in practice it is difficult to access them due to lack of resources.

- *Shipping complexity*

This criterion is important because when carrying out the logistic process to export the crafts, the weight and volume of the products will be reflected in the shipping costs, which will be directly proportional to them.

- *Marketing Channels*

This criterion is closely related to the current situation of artisans. At the moment of visiting their workshops, we observed that they have difficulties to market their products, which affects the crisis they are going through. Currently, a large part of artisans depend on intermediaries who have the resources, channels and knowledge to enter their products in different markets. That is why this criterion seeks to analyze the amount of sales channels that artisans have, so that a greater weight will be given to those who have a limited sales channel.

- Business criteria

- *Size of the craft workshop*

According to information from the Ministry of Industries and Productivity, in 2012 around 80% of artisan workshops in the country were made up of family units. Likewise, in the labor sphere, the branch of handicraft work linked directly or indirectly to almost 4.5 million people (MIPRO, 2012). After doing the information gathering for the technical files, we could verify that until today the craft workshops are still small. Some workshops are family-run and others are made up of artisans from the same community. It should be noted that all workshops meet the parameters required by the Artisan Defense Law, on the limit of operators and apprentices. Therefore, this criterion seeks to have the largest number of people in the workshop as long as they do not exceed the limits established for the artisanal sector.

- *Originality*

When talking about the originality of crafts, this criterion is one of the most relevant of the matrix, along with quality. Therefore, it is necessary to understand what is meant by originality. The Intellectual Property Law of Ecuador establishes that original is not synonymous with new, but individual. This means that the craft must have the personal stamp of the author to allow it to distinguish itself from the rest (Ley de Propiedad Intelectual, 2006). Therefore, we will qualify according to the guidelines of valuation to the crafts that present a greater degree of authenticity and creativity, but that preserve their cultural essence.

- *Accessibility*

This criterion is based on the openness and interest shown by the artisans when we presented the proposal for the creation of the electronic commerce platform. It is important to mention that all were enthusiastic about the proposal since it would mean a way to diversify their marketing channels.

- *Experience*

With regard to the experience that artisans have, this criterion takes into account the years they have been making their products, as well as the way in which they acquired the knowledge of traditional techniques. Therefore, the more experience the

workshop master possesses, the higher his qualification will be in the evaluation guidelines. In this section it should be noted that all the artisans who were visited for the survey have more than 20 years of experience in their work, and most of them obtained knowledge from their families, which denotes that cultural identity has been preserved through the ancestral techniques that are used to this day.

- *Complexity of the process*

All the crafts require a cautious process, where the precision and consistency prevails to guarantee the quality of the final product. However, there are elaborations that use more complex ancestral techniques and have more details than others. Therefore, its manufacturing process involves a greater number of steps and a harder work by the artisan. That is why this criterion seeks to evaluate the degree of complexity involved in the production of the ten crafts analyzed.

Application of the Weighted Matrix

Once the fourteen criteria for the matrix have been defined, the tables shown below will detail the score that we considered pertinent to grant each criterion, based on the 100%:

Technical Criteria	
Quality	18 %
Portfolio	5%
Productive capacity / availability	8%
Time of elaboration	5%
Degree of technification	1%
Total technical aspects	37%

Economic Criteria	
Prices	14%
Current situation	3%
Shipping complexity	7%
Marketing channels	4%
Total economic criteria	28%

Business Criteria	
Workshop size	2%
Originality	15%
Accessibility	5%
Experience	8%
Complexity of the processes	5%
Total business aspects	35%

Based on the scores established for each of the 14 criteria, it can be concluded that the three main criteria are quality, originality and price. This is because we seek to promote handicrafts of optimum quality. Moreover, the added value of handicrafts can increase if the elaborations are unique and originals. In this way, price also plays a key role if we want crafts to be competitive abroad.

Evaluation of crafts based on criteria

The matrices that will be shown below qualify each craft according to valuation guidelines that have been structured in accordance with the requirements of this work.

Table 10 Evaluation Guidelines- Technical Criteria

			Evaluation Guidelines - Technical				
			1	3	5	7	9
Quality			Deficient	Low	Regular	Good	Excellent
Portfolio			Very limited	Limited	Medium	Diverse	Abundant
Productive capacity			Very Low	Low	Regular	High	Very High
Time of elaboration			More than a week	1 week	2 to 5 days	2 days	1 day
Degree of technification			80-100%	60-80%	40-60 %	20-40%	0-20%

Author: Cordero, Urgilés

Table 11 Evaluation of technical criteria

Technical Criteria										
	<i>String instruments</i>	<i>Iron Crafts</i>	<i>Copper Crafts</i>	<i>Toquilla Straw Crafts</i>	<i>Jewelry</i>	<i>Footwear</i>	<i>Knotted cloth from Gualaceo</i>	<i>Wheat Stem crafts</i>	<i>Textiles</i>	<i>Ceramic Crafts</i>
Quality	7	7	5	9	9	7	9	3	3	9
Portfolio	5	9	3	9	9	5	7	7	7	9
Productive capacity	3	7	3	7	5	7	7	1	7	7
Time of elaboration	5	7	7	5	5	9	5	3	7	5
Degree of technification	9	9	9	9	9	5	9	9	9	9

Author: Cordero, Urgilés

Table 12 Evaluation Guidelines - Economic Criteria

			Evaluation Guidelines - Economic				
			1	3	5	7	9
Prices			Very High	High	Medium	Low	Very Low
Current Situation			Excellent	Regular	Stable	Bad	Critical
Shipping complexity			Very Rigid	Rigid	Medium	Flexible	Very Flexible
Sales channels			Intermediaries Abroad	Local Intermediaries	Fairs + own shop	Own Shop	Workshop

Author: Cordero, Urgilés

Table 13 Evaluation of economic Criteria

Economic criteria										
	<i>String instruments</i>	<i>Iron Crafts</i>	<i>Copper Crafts</i>	<i>Toquilla Straw Crafts</i>	<i>Jewelry</i>	<i>Footwear</i>	<i>Knotted cloth from Gualaceo</i>	<i>Wheat Stem crafts</i>	<i>Textiles</i>	<i>Ceramic Crafts</i>
Prices	3	5	7	7	3	5	5	9	5	5
Current situation	7	7	7	5	5	7	5	9	7	5
Shipping complexity	1	5	1	7	5	3	3	1	5	7
Sales channels	5	7	9	3	7	7	5	9	1	3

Author: Cordero, Urgilés

Table 14 Evaluation Guidelines – Bussiness Criteria

			Evaluation Guidelines - Bussiness				
			1	3	5	7	9
Workshop size			Autonomous Craftsman	2 to 5 operators	5 to 8 operators	8 to 12 operators	12 to 15 operators
Originality			Very Low	Low	Medium	High	Very High
Accessibility			Very Low	Low	Medium	High	Very High
Experience			Less than 5 years	5 to 10 years	10 to 15 years	15 to 20 years	more than 20 years
Complexity of the process			Very Simple	Simple	Medium	Complex	Very Complex

Author: Cordero, Urgilés

Table 15 Evaluation of Business Criteria

Business criteria	<i>String instruments</i>	<i>Iron Crafts</i>	<i>Copper Crafts</i>	<i>Toquilla Straw Crafts</i>	<i>Jewelry</i>	<i>Footwear</i>	<i>Knotted cloth from Gualaceo</i>	<i>Wheat Stem crafts</i>	<i>Textiles</i>	<i>Ceramic Crafts</i>
Workshop size	5	3	1	5	1	3	5	3	5	3
Originality	3	5	3	9	9	3	7	7	5	9
Accessibility	9	9	9	9	9	9	9	9	9	9
Experience	9	9	9	9	9	9	9	9	9	9
Complexity of the process	5	7	5	9	9	5	9	9	7	9

Author: Cordero, Urgilés

Results

Once all the steps of the weighted matrix have been completed, it can be concluded that the crafts with the highest score are: Toquilla Straw Crafts, Ceramic Crafts and Jewelry. One of the reasons that explain these results is the high quality and originality that these products have. It is important to mention that quality and originality are the criteria with the highest weight based on 100%. In the same way, it is important to mention that the results of the matrix coincide with the recommendations given by experts.

- The highest score is for the Toquilla straw crafts made by the Association of Toquilleras María Auxiliadora. The strength of this association is visible, since they have joined forces to grow each day a little more. Its structure of work is very organized, which reflects a firm commitment to its responsibilities. Unfortunately, they have been affected due to the minimum value they receive for making a hat, which would change completely if there was a price balance or fair trade.

- The second product with the highest score is ceramic crafts, which has stood out for a criterion of great importance such as originality. Many artisans can make ceramic products and sculptures; but the approach to local customs that the selected workshop has is unique. The artisan Juan Cordero shows culture, which is what we want to maintain and transmit around the world.
- Finally we have jewelry, which deserves to be valued for its meticulous details at the time of being elaborated. It is evident that this product requires more support and tools to diversify its marketing channels.

Table 16 Results of the Selection Matrix

RESULTS	<i>Technical Criteria</i>	<i>Economic Criteria</i>	<i>Business Criteria</i>	<i>TOTAL</i>	<i>POSITION</i>
String instruments	2,09	1,10	1,97	5,16	10
Crafts in Iron	2,71	1,62	2,33	6,66	5
Crafts in Copper	1,73	1,90	1,89	5,52	8
Toquilla Straw Crafs	2,97	1,62	3,07	7,66	1
Jewelry	2,81	1,2	2,99	7,04	3
Footwear	2,57	1,6	1,93	6,06	6
Knotted cloth from Gualaceo	2,87	1,3	2,77	6,98	4
Wheat stem crafts	1,21	1,3	2,73	5,28	9
Textiles	1,89	1,3	2,37	5,52	7
Crafts in Ceramics	2,97	1,3	3,03	7,34	2

Author: Cordero, Urgilés

Conclusions

In order to understand the motivation for the present proposal, in the first chapter we considered important to address the origin of handicrafts in humanity and its impact as an engine of economic, social and cultural development of communities. Likewise, we covered several definitions such as cultural identity, folklore, or cultural heritage, which have historically been linked to the artisanal field, since the ancestral techniques used to elaborate handicrafts have been transmitted from generation to generation, thus constituting part of a nation's popular culture.

Secondly, after carrying out field work and analyzing the legal framework that governs artisans, we were able to contextualize the situation experienced by artisans in contemporary times. Although there are several economic benefits contemplated in the Artisan Defense Law and the Artisan Development Law, in practice artisans can not access them due to lack of knowledge and resources. Similarly, it could be concluded that people who are engaged in this work activity are going through a critical situation due to several factors, such as loss of demand and competitiveness in the national market; the lack of interest of younger generations to continue with the tradition of ancestral techniques to produce crafts; the emergence of industrialized products that have displaced handicrafts from being utilitarian to decorative; among others.

Finally, after applying the weighted selection matrix to evaluate the traditional handicrafts of Azuay, based on different criteria, we obtained that Toquilla Straw Hats, Crafts in Ceramics and Jewellery are the products with the greatest exportable potential. These crafts fulfill to a high degree the requirements established in the valuation guidelines, so they will be the basis to find the countries to which they could be exported.

CHAPTER 2. Selection of markets for the export of Crafts of Azuay

Introduction

The focus of this chapter is purely commercial. In the first place, the guidelines and objectives set out in the National Development Plan 2017-2021 and the Organic Code of Production, Trade and Investment will be analyzed. This will allow understanding how Ecuador's trade policy is handled in relation to foreign trade.

Subsequently, the commercial reality of the country will be contextualized and examined based on its trade balance and its main trading partners. This includes being able to analyze the behavior of Ecuador with other markets in the world, and identifying the strategic alliances that have been generated for the benefit of both parties. Then we will address the trade agreement signed with the European Union, which is considered the most important agreement for the country and that also motivated the creation of this proposal. The analysis of the agreement includes its background, negotiated axes, main products benefited, tariff reduction schedule, obtaining certificate of origin and other aspects that denote the advantages brought about by its entry into force.

Finally, based on a methodology developed by Olegario Llamazares, the internationalization strategy for this research will be defined. This will allow us to delimit the geographical area and apply a weighted matrix of country selection. The matrix includes economic and accessibility criteria; that will allow us to evaluate, compare and select three countries with the best outlook to enter the European market.

Theoretical Framework

National Development Plan 2017-2021

The approval by referendum of the Constitution of Ecuador in 2008 signified a radical change in the management of the Ecuadorian state apparatus. With the government of Rafael Correa, the State recovered its interventionist role as a planning entity of the strategies to respond to the interests of the peoples and nationalities, who were left aside in the previous neoliberal governments. One of the innovative aspects of the current Constitution has to do with the creation of the Well-Being regime. This program builds a different perspective on development and well-being, since it emphasizes the need to understand that material accumulation, posed by the Western vision, is not the only thing necessary to live with dignity. The Well-Being proposes different principles such as strengthening knowledge, human rights, recognizing intercultural differences, living in harmony with the environment, among others (Senplades, 2017).

Although the current Constitution of Ecuador has served as a fundamental pillar to collect the principles on which the Well-Being is built, these principles are detailed in a broader way in the National Development Plan. It should be noted that the mentioned regime was implemented three times by the government of Rafael Correa, between 2007 and 2009, 2009 to 2013 and finally from 2013 to 2017 (Senplades, 2017). Even though there was a change of government after the triumph of Lenin Moreno, the Well-Being program continued to be the guideline for his government plan. As a result, the National Development Plan for the period 2017-2021 was published. Therefore, what does the National Development Plan imply?

Article 280 of the Ecuadorian Constitution defines this program as a tool of vital importance to which the different public policies, state projects and budget will be subordinated. Likewise, coordination of competences between the central government and the decentralized autonomous governments will also be aligned with this plan, for which compliance is mandatory for the public sector (Constitución del Ecuador, 2008).

Structure

The National Development Plan 2017-2021 aims to achieve a social and solidarity economic system that is based on the progress of knowledge and the strengthening of human talent. In this way it seeks to democratize access to productive factors, increase productivity and leave aside the extractivist model that has affected the country in its development (Senplades, 2017). As can be seen in figure 30, the plan is divided into three main axes, which cover three development objectives each.

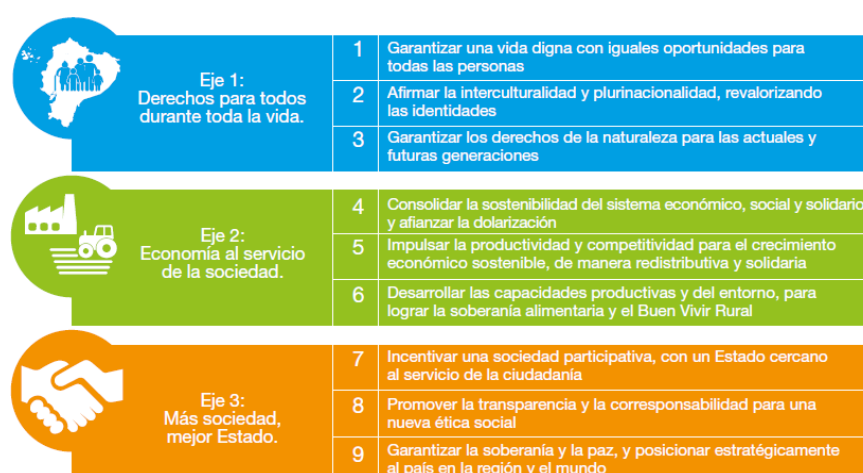


Figure 30 Axes of the National Development Plan 2017-2021

Source: Senplades

Regarding the first axis, it aims to defend the rights not only of people in situations of vulnerability, but also of nature. It also seeks to reclaim the interculturality and identity of the different villages. On the other hand, the second axis has an economic purpose for the benefit of society, since it promotes the productivity of people in both the urban and rural sectors, through access to decent jobs and an equitable redistribution of wealth (Senplades, 2017).

When talking about the third axis, it is necessary to emphasize objective number 9, "Guarantee sovereignty and peace, and position the country in the region and the world", since the present work is articulated to a great extent with the policies proposed in it. In terms of international insertion, this objective indicates that it is

vitaly important for the country to boost exports of products with high added value, under an approach of inclusion among small and large producers in which fair trade prevails. In addition, objective 9 talks about expanding the destinations for the portfolio of Ecuadorian products. Therefore, strengthening cooperation and relations with other markets is crucial for the fulfillment of these purposes (Senplades, 2017).

Pertinence

This proposal seeks to take advantage of the benefits generated by the signing of a commercial agreement for the internationalization of products with exportable potential. In addition, it is intended to show abroad the diversity of the Azuay cultural industry, reflected in the three crafts that were selected in the first chapter. In this way, people who work in the manufacture of straw, jewelry and ceramics products will be able to expand the volume of their sales, since as it was previously identified, at present their demand has diminished considerably locally due to several factors. Finally, another key pillar of this work that is in harmony with objective 9 has to do with the fight for fair trade; it is essential that artisans from Azuay really enjoy all the benefits of their work and achieve growth both in their workshop and in their community, considering that some work in associations.

Legal Framework

Organic Code of Production, Commerce and Investment

To better understand the trade policy that regulates foreign trade in Ecuador and that applies to this proposal, it is necessary to make a brief analysis of the Organic Code of Production, Trade and Investment³. This regulatory base was issued in 2010 with the objective of governing and promoting all productive activities carried out within the Ecuadorian territory by any natural or legal person. According to Article 1, the scope of this law covers all stages of the production process, from obtaining the means of production, its transformation, distribution and consumption. Also, one of its objectives has to do with a strategic insertion of the country in the international

³ COPCI for its initials in Spanish

arena, through measures that facilitate foreign trade and customs operations (COPCI, 2010).

Objectives

Article 4 of the COPCI establishes several purposes pursued by this law, so the most relevant ones for the present work will be analyzed below:

- a) To promote the change of the Productive Matrix, so that it can be of greater added value, enhancer of services, founded on knowledge and innovation under a framework of environmental sustainability;
- b) To achieve democratic access to the means of production, with special emphasis on micro, small and medium enterprises;
- c) To generate decent and quality work, which contributes to value all forms of employment, complying with labor rights;
- d) To create an integral system for innovation and entrepreneurship, so that science and technology enhance the change of the productive matrix, thus contributing to the construction of a society of owners, producers and entrepreneurs;
- e) To promote productive development in areas of lower economic growth;
- f) To define the principles and instruments that are essential to articulate Ecuador's international trade policy;
- g) To promote and diversify exports;
- h) To facilitate foreign trade operations;
- i) To promote the activities of the popular, solidary and community economy, as well as the strategic insertion and promotion of its productive offer in the world, in accordance with the Constitution and the law;
- j) To incorporate the gender and economic inclusion approach as a transversal element in all productive policies and activities of peoples and nationalities;
- k) To promote mechanisms that enable fair trade and a transparent market.

(COPCI, 2010).

Pertinence

The present research work clearly converges with the purposes stated in the previous paragraph, since it seeks to promote the internationalization of three traditional crafts of the province of Azuay that are characterized for having a high added value and quality. In this way, we would be promoting the long-awaited change of the productive model, through the diversification of the exportable supply, thereby leaving the extractivist model that is active in other economic activities. In addition, elaborations made of toquilla straw, jewelry and ceramics are environmentally sustainable, since they follow a purely manual process, based on knowledge and ancestral techniques that have been transmitted for generations. Unfortunately these techniques are being lost nowadays, since they have gone from being utilitarian to serving as ornaments.

In the same way, the proposal of an electronic commerce platform promotes the inclusion of artisans from Azuay who do not have the means to expand their sales channels and who depend to a large extent on local intermediaries. Therefore, it is intended to promote the generation of decent employment, in harmony with the provisions of the Law of Defense of Artisans; recover folklore and popular culture that represents the manufacture of the mentioned crafts; and finally promote them through digital media in foreign markets that present a favorable outlook.

International Trade Policy of Ecuador

In order to promote customs facilitation and the immersion of Ecuador in the international scenario, the Organic Code of Production, Trade and Investment covers everything related to foreign trade, its organs and instruments of control. For the fulfillment of its purposes, Article 71 talks about the creation of a cross-sectoral entity called Foreign Trade Committee (COMEX), which has very important competencies that are detailed in table 17.

Table 17 Competences of Foreign Trade Committee

To develop and approve measures to regulate foreign trade and export promotion; to approve nomenclature for tariff classification
To issue an opinion prior to beginning the negotiation of a commercial agreement, as well as parameters regarding origin during the negotiation.
To create, modify or eliminate tariff or non-tariff barriers; to regulate transit of non-nationalized goods and ensure compliance with treaties signed by Ecuador
To develop standards on registration, licensing and procedures for exports or imports.
To establish a system for issuing environmental certificates for better access to foreign markets, and to implement measures to simplify administrative procedures

Source: Artículo 72 del COPCI

Author: Cordero, Urgilés

Among the aforementioned measures to facilitate foreign trade, it is worth highlighting one specifically related to the recognition of electronic processes. This is reflected in Article 81 of the COPCI, which establishes that all procedures carried out by electronic means will be valid, with the aim of achieving a reduction of the paperwork in both customs and administrative operations. To this end, it is handed over to the customs authority of the country, in this case the National Customs Service of Ecuador, the task of developing a system to connect foreign trade operators with the relevant public entities (COPCI, 2010). It should be noted that in Ecuador, the tool that allows exporters and importers to digitize their procedures from anywhere and safely is called ECUAPASS (SENAE, 2018).

Analysis of the Commercial Situation of Ecuador

Once the ambitious objectives set out in the legal framework to promote a strategic insertion of Ecuador at the international level have been analyzed, it is pertinent to contextualize how the country really is within this scope. Although the aforementioned normative base talks about abandoning the extractivism that has characterized the Ecuadorian productive matrix for decades, and positioning exports of products with high added value, this is not yet reflected in the Ecuadorian trade balance. When detailing the main products exported by Ecuador in the last five years, it can be observed that a great dependence on oil is maintained, since it occupied around 50% of total exports between 2013 and 2014.

Although for 2017 its rate of participation was 32% due to the fall in the price of crude oil in the global market, it is still the most important income for the country. As can be seen in table 18, crude oil oils are followed by other traditional products such as bananas, shrimp, tuna, flowers, cocoa and roses, closing with gold as the tenth most important product in Ecuadorian exports (Trade Map, 2017).

Table 18 Main products exported by Ecuador 2013-2017 (FOB US dollar thousand)

Product label	2013	2014	2015	2016	2017
TOTAL	24,957,644	25,724,432	18,330,608	16,797,665	19,122,455
Petroleum oils and oils obtained from bituminous minerals, crude	13,411,759	13,016,020	6,355,235	5,053,937	6,189,824
Fresh or dried bananas (excluding plantains)	2,248,951	2,494,197	2,731,333	2,657,015	2,959,428
Frozen shrimps and prawns, even smoked, whether in shell or not	1,223,394	1,941,021	1,894,670	2,254,581	2,671,265
Prepared or preserved tunas, skipjack and Atlantic bonito, whole or in pieces (excluding minced)	1,034,111	1,005,391	706,85	741,363	1,045,005
Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel	551,717	200,153	294,102	380,756	722,122
Fresh cut roses and buds, of a kind suitable for bouquets or for ornamental purposes	610,459	697,617	604,459	600,569	654,043
Cocoa beans, whole or broken, raw or roasted	433,272	587,528	705,415	621,97	589,75
Frozen cold-water shrimps and prawns "Pandalus spp., Crangon crangon", even smoked.	564,987	568,453	381,476	325,572	366,593
Fresh cut flowers and buds, of a kind suitable for bouquets or for ornamental purposes	178,355	182,916	170,663	164,485	186,878
Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes	420,235	731,838	680,409	261,729	167,521

Source: (Trade Map, 2017)

Unfortunately, the consequences of maintaining a dependence on the outdated primary export model are reflected in the country's trade balance. The price of raw materials, also known as commodities, is established by the forces of supply and demand at the international level, and is fixed regardless of the quality of the product (Caballero, 2012). Therefore, if the international price decreases, Ecuador's income from its exports will also be affected.

Trade Balance Analysis

As figure 31 shows, the total trade balance of Ecuador has been very volatile in the last four years. In 2015 there was a deficit of -1924.3 million dollars, while for the following year, in the period between January and October, the total balance recovered greatly and recorded a surplus of 1201.8 million of dollars. Then, the year 2017 closed again with a positive balance of 184.4 million dollars, to finally fall back in negative numbers in 2018, registering a deficit of -263.5 million dollars (Banco Central del Ecuador, 2019). These data confirm the aforementioned risks with respect to relying on few primary products, especially petroleum. Likewise, the changes in the trade balance each year show how important it is for the country to encourage the local industry and change its focus towards products with greater added value.

When talking about the oil trade balance, it is important to mention that this balance has been positive in the last four years. However, this is due to the massive exploitation of crude oil that occurs daily in Ecuador, which completely violates the principles set forth in the Well-Being about promoting environmentally responsible exports. Regarding the non-oil trade balance, the outlook is less encouraging. In all the years analyzed by the Central Bank of Ecuador, the country registers deficit as a consequence of maintaining an incipient industry, and clearly depending on the sale of primary goods. In the period January-October of 2018, the non-oil balance registered a deficit of -4,195.7 million dollars, which is considerably higher if we compare to the same period in 2017, when the deficit reached -2790.9 million.

	Ene - Oct 2015		Ene - Oct 2016		Ene - Oct 2017		Ene - Oct 2018	
	TM	USD FOB	TM	USD FOB	TM	USD FOB	TM	USD FOB
Exportaciones totales	26,573.8	15,661.3	26,729.6	13,778.4	26,485.5	15,718.8	25,852.0	18,234.7
<i>Petroleras</i>	18,684.9	5,942.9	18,515.5	4,407.3	17,949.7	5,594.9	17,194.2	7,596.7
<i>No petroleras</i>	7,888.9	9,718.3	8,214.2	9,371.1	8,535.8	10,123.9	8,657.8	10,638.1
Importaciones totales	13,056.0	17,585.5	10,970.1	12,576.6	13,115.9	15,534.4	14,305.0	18,498.3
<i>Bienes de consumo</i>	747.6	3,454.1	609.0	2,658.5	791.2	3,405.9	858.5	4,026.3
<i>Tráfico Postal Internacional y Correos Rápidos (2)</i>	2.2	98.6	2.4	99.8	3.2	124.6	3.2	132.4
<i>Materias primas</i>	6,142.0	5,901.5	5,407.7	4,571.0	6,948.5	5,571.8	7,560.4	6,282.0
<i>Bienes de capital</i>	421.0	4,629.4	297.7	3,213.0	394.3	3,785.0	456.6	4,352.6
<i>Combustibles y Lubricantes</i>	5,737.7	3,447.9	4,648.2	1,984.9	4,974.0	2,605.8	5,421.0	3,646.0
<i>Diversos</i>	5.5	49.1	5.1	48.9	4.7	39.1	5.3	57.3
<i>Ajustes (3)</i>		5.07		0.52		2.17		1.8
Balanza Comercial - Total		-1,924.3		1,201.8		184.4		-263.5
Bal. Comercial - Petrolera		2,544.6		2,423.7		2,975.4		3,932.1
<i>Exportaciones petroleras</i>		5,942.9		4,407.3		5,594.9		7,596.7
<i>Importaciones petroleras</i>		3,398.3		1,983.6		2,619.5		3,664.5
Bal. Comercial - No petrolera		-4,468.9		-1,221.9		-2,790.9		-4,195.7
<i>Exportaciones no petroleras</i>		9,718.3		9,371.1		10,123.9		10,638.1
<i>Importaciones no petroleras</i>		14,187.2		10,593.0		12,914.9		14,833.7

Figure 31 Trade Balance of Ecuador 2015-2018

Source: Central Bank of Ecuador

Main non-oil trade partners of Ecuador

In order to have a clear picture when examining the most susceptible countries for the internationalization of the three handicrafts selected, it is pertinent to make a brief study of the main trading partners for Ecuador's non-oil exports.

According to a report issued by PRO Ecuador in July 2017, the European Union has consolidated as Ecuador's most important partner in the last five years, followed by the United States, Vietnam, Colombia and Russia; thus constituting the first five destinations for exports in FOB values. It should be noted that the first ten trading partners also include neighboring countries of Ecuador as is the case of Peru, Chile and Argentina, which denotes the importance of regional trade (Pro Ecuador, 2017). The scenario is similar when looking at non-oil exports by tons, where the European Union is widely consolidated as the most important partner of Ecuador from 2014 to 2017. It is important to mention that even though both parties signed a trade agreement on January of 2017, the positive evolution of the exports to Europe and the positioning of this block started some years ago.

To better understand the impact of the mentioned agreement between Ecuador and the European Union, figure 32 shows the evolution of its first 5 months of application. The variation rate of non-oil exports to the European market, by ton, was positive for the period January - May 2017, since shipments increased 16.7% in relation to January - May 2016. Also, when analyzing FOB exports to the European Union, table No. 23 indicates that these had a great growth in the first five months of 2017, with a variation rate of 19.4% in relation to the same period of the previous year (Pro Ecuador, 2017).

PAÍSES	MILES TONELADAS							
	2014	2015	2016	Variación		2016 Ene-May	2017 Ene-May	Variación 2016-2017
				2014-2015	2015-2016			
UNION EUROPEA	2,306	2,366	2,436	2.6%	3.0%	1,039	1,212	16.7%
ESTADOS UNIDOS	1,501	1,565	1,520	4.3%	-2.9%	646	681	5.4%
VIETNAM	93	137	194	46.7%	41.9%	75	96	27.7%
COLOMBIA	656	627	781	-4.5%	24.6%	283	289	2.0%
RUSIA	1,357	1,310	1,404	-3.5%	7.1%	639	703	10.0%
CHINA	390	449	412	15.1%	-8.3%	171	174	1.9%
CHILE	302	298	318	-1.2%	6.8%	115.10	136	18.5%
PERÚ	197	195	195	-0.9%	-0.0%	75	82	9.4%
ARGENTINA	285	290	293	2.0%	0.8%	101	127	25.6%
JAPÓN	184	209	338	13.5%	61.6%	171	92	-46.4%
MÉXICO	49	76	93	54.4%	22.0%	43	30	-29.9%
BRASIL	33	32	53	-3.9%	67.8%	21	13	-39.1%
VENEZUELA	234	200	68	-14.6%	-66.0%	24	15	-35.6%
TURQUÍA	431	484	246	12.3%	-49.2%	166	99	-40.0%
INDIA	310	193	362	-37.7%	87.0%	72	60	-16.7%
COREA DEL SUR	9	16	41	72.8%	148.9%	15	34	125.6%
TOTALES	9,350	9,523	9,863	1.8%	3.6%	4,095	4,415	7.8%

Figure 32 Main destinations of Ecuador's non-oil exports (Tons)

Source: Pro Ecuador

When talking about the second and third non-oil trading partners of Ecuador, it can be seen in figure 33 that FOB exports to the United States fell sharply between 2014 and 2016, achieving a slight improvement for 2017. On the other hand, Vietnam has significantly increased its imports from Ecuador in the analyzed years, reaching a growth rate of 42% for 2015-2016, and a positive variation of 27% for 2017.

PAÍSES	MILLONES USD FOB							
	2014	2015	2016	Variación		2016 Ene-May	2017 Ene-May	Variación 2016-2017
				2014-2015	2015-2016			
UNIÓN EUROPEA	2,947	2,773	2,832	-5.9%	2.1%	1,142	1,363	19.4%
ESTADOS UNIDOS	3,445	3,039	2,583	-11.8%	-15.0%	1,075	1,151	7.0%
VIETNAM	607	785	1,116	29.2%	42.2%	439	558	27.1%
COLOMBIA	945	777	804	-17.7%	3.4%	323	317	-2.0%
RUSIA	828	716	769	-13.6%	7.5%	335	386	15.4%
CHINA	427	564	424	32.2%	-24.7%	194	188	-3.5%
CHILE	338	256	264	-24.3%	3.3%	96	113	17.1%
PERÚ	295	255	264	-13.5%	3.5%	100	112	12.6%
ARGENTINA	196	216	218	9.9%	0.9%	78	93	19.4%
JAPÓN	150	190	211	27.0%	11.0%	85	84	-0.8%
MÉXICO	147	155	168	5.4%	8.2%	74	56	-24.6%
BRASIL	134	110	145	-17.9%	31.4%	42	52	24.7%
VENEZUELA	564	326	144	-42.2%	-55.8%	56	20	-64.1%
TURQUÍA	188	213	115	13.5%	-46.2%	75	49	-35.0%
INDIA	54	89	91	63.1%	3.0%	24	13	-44.6%
COREA DEL SUR	57	62	82	8.0%	32.7%	26	45	72.6%
TOTALES	12,449	11,670	11,338	-6.3%	-2.8%	4,600	5,152	12.0%

Los países de la Unión Europea que conforman el 88% de las exportaciones (en USD, ene-abr 2017) son: Italia, España, Países Bajos, Alemania, Francia, Bélgica y Reino Unido.

Figure 33 Main destinations of Ecuador's non-oil exports (FOB US dollar million)

Source: Pro Ecuador

Trade Agreements of Ecuador in force

After analyzing the main destinations of Ecuadorian non-oil exports, it is necessary to complement this information with the current trade agreements that Ecuador has. In this way, it will be possible to determine later which markets have the greatest advantages for this research proposal. According to information from the Ministry of Foreign Trade, Ecuador has nine trade agreements in force with other States and blocks (Ministerio de Comercio Exterior e Inversiones, 2018). It is important to mention the difference between a commercial agreement and a regime of preferences, since the commercial agreement is a much broader instrument in its scope of application. On the contrary, the regime of preferences refers to the agreement signed by a developing country to benefit from GSP plus system, in order to obtain tariff preferences from a developed country. However, these preferences are only given to a limited number of products (SICE, 2019).

Acuerdo de Cartagena (CAN) 1969	AAP. R 29- Mexico 1987	AAP. CE. 46- Cuba 2000
AAP. CE. 65- Chile 2010	AAP. A 25 TM 42- Guatemala 2013	ACM - Union Europea 2016
AAP. A 25 TM 46- El Salvador 2017	AAP. A 25 TM 46- Nicaragua 2017	AAEI- EFTA018

Figure 34 Trade Agreements of Ecuador in force

Source: Ministerio de Comercio Exterior e Inversiones

Author: Cordero, Urgilés

When comparing the amount of commercial agreements of Ecuador, in relation to the aims of achieving a strategic insertion in the international arena, figure 34 shows that in recent years, Ecuador has chosen to sign few trade agreements with countries that have a similar market size or level of development, such as El Salvador, Nicaragua or Guatemala. Therefore, that insertion can present an advantage for the local industry, in order to become competitive in those markets. In the same way, it is essential to highlight the importance of having signed agreements with the main commercial partners of Ecuador, as is the case of the European Union or Chile.

Pertinence

Once the current situation of Ecuador has been analyzed, in terms of foreign trade, we consider that the most favorable option for the internationalization of handicrafts is the European Union. This decision is based not only on the fact that the European market is the first importer of Ecuador's non-oil products, but also because there is a Commercial Agreement in force both parties. As a result, the agreement guarantees the entry of 99.7% of Ecuador's exportable offer exempt from tariffs (Ministerio de Comercio Exterior e Inversiones, 2016). Therefore, the scope of the Agreement signed between Ecuador and the European Union, as well as its application in this work is detailed below.

Analysis of the Multiparty Ecuador-European Union Trade Agreement

Background

In the nineties, after several years in which Latin American countries did not figure in the European Union's priority agenda, this block finally decided to turn its priorities of expanding markets towards the American continent. That change started in 1994, when the European Union established dialogues to strengthen its commercial relations with the States and blocks of the region that had reached a certain degree of development, as was the case of Mexico, Chile and Mercosur. The Ecuadorian State, along with other countries of the region, also expressed their desire to establish the bases for a unilateral cooperation agreement, which would help them not to be disadvantaged when entering their products to the European market. However, the representatives of the European Commission did not consider this option until 2006, when they met at the IV EU-LAC⁴ summit, and through a decree they set the beginning of negotiations for future agreements (Villagómez, 2013).

Timeline of the negotiations between Ecuador and the European Union

In the Ecuadorian case, the negotiation process of the trade agreement with the EU had to go a long way. The course was conditioned by political and ideological decisions made by the government of that time, led by Rafael Correa, which impeded the dialogues and even caused Ecuador's temporary withdrawal from the negotiations. It is important to mention that the beginning of the negotiations took place in 2007, when the ministerial representatives of Colombia, Ecuador, Peru and Bolivia, which together constitute the CAN, met with the envoys of the European Union. However, due to differences between the Andean countries, the process was interrupted in 2008. That is why Colombia and Peru joined together to negotiate the trade agreement, while Bolivia definitively withdrew from it (Villagómez, 2013).

In the Ecuadorian case, the relevance of the European Union as one of its first trading partners for non-oil exports initiated an internal debate about whether or not

⁴ Summit between countries of the European Union, Latin America and the Caribbean

to continue with the dialogues. On one hand, there were political discussions between parties that supported signing the agreement and those who considered it harmful to the country's industry. It was necessary to consider the existing asymmetries between Ecuador and the EU. On the other hand, an ideological conflict arose, since the guidelines established in the framework of Well-Being proclaimed an alternative model of development based on the substitution of imports and the strengthening of other capacities such as knowledge, and life in harmony with the environment (Villagómez, 2013).

However, an agreement with the EU could unleash a rampant increase in imports of consumer goods, moving away from the previously mentioned principles. Likewise, the agreement would favor traditional exports from Ecuador, which would mean continuing with the primary export model that is detrimental to nature.

Finally, the Ecuadorian government made the decision to resume the dialogues in order to join the Multiparty Agreement that had already entered into force in 2013 for Colombia and Peru. Unlike the initial agreement signed by its neighbors, the accession protocol for Ecuador was characterized for having a higher degree of uniqueness. In the negotiations, the European Union took into account the concrete asymmetries that the Ecuadorian market had and that required a special treatment (Ministerio de Comercio Exterior, 2014). In the same way, both parties agreed to establish longer transition periods for the elimination of tariffs on some goods imported from the European Union that could affect the Ecuadorian industry such as automotive, dairy or textile (European External Action Service, 2017).

It should be noted that during all the years that the official negotiations lasted, Ecuador did have access to the European market with tariff preferences, which were granted in parallel to the negotiations thanks to an extension of the GSP plus system until December 31, 2016 (European External Action Service, 2017). Therefore, Ecuador was able to maintain the competitiveness of its most sensitive products. This was reflected in the trade balance with the European Union, which was surplus between 2007 and 2016, as shown in Figure 35 (Ministerio de Comercio Exterior e Inversiones, 2017).

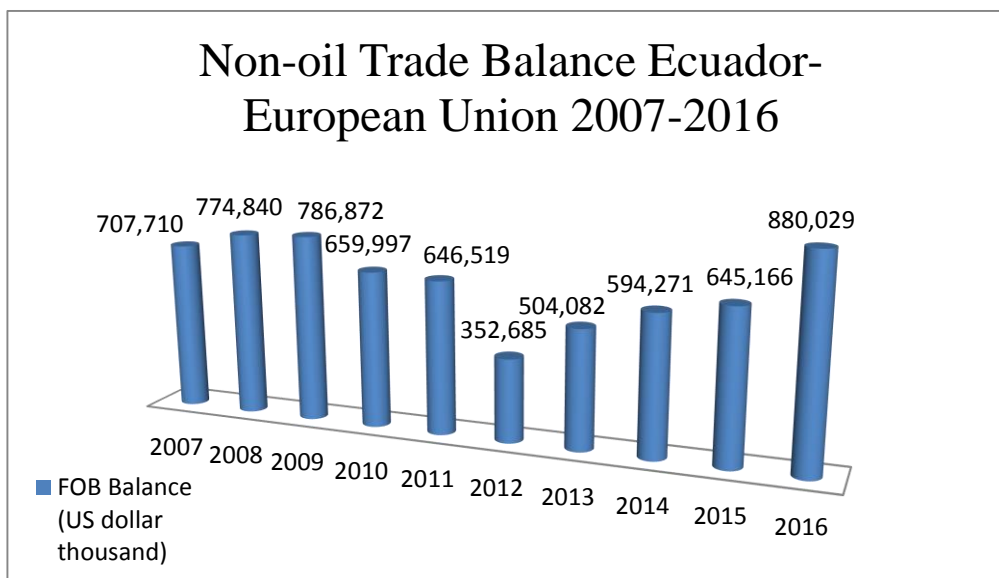


Figure 35 Ecuador-EU Non-Petroleum Trade Balance

Source: Ministerio de Comercio Exterior e Inversiones

Author: Cordero, Urgilés

Once the official negotiations concluded on July 17, 2014, the next step in Ecuador's accession process involved the adoption of the text and its subsequent translation (Ministerio de Comercio Exterior, 2014). In this phase it is necessary to have full consensus of both parties, in order to avoid misunderstandings of interpretation at the time of applying the treaty. Subsequently, the text was authenticated, which means that the parties establish that the text is final through a signature, thus preventing future changes to the provisions of the agreement (ONU, 1969).

Consecutively, the internal ratification process of the agreement began. In the Ecuadorian case, the Constitutional Court is the first to issue a favorable report informing that the treaty is not against the Constitution of the country. With the favorable report, the National Assembly comes into action, since according to Article 419 of the Constitution of Ecuador, international treaties that compromise, among other issues, the integration of the country into a commercial agreement will need internal approval (Constitución del Ecuador, 2008). Finally, with the internal ratification obtained, it was the vice president of Ecuador at that time, Jorge Glas, who signed the international ratification on behalf of the Ecuadorian State on November 11, 2016. The agreement became binding from January 1, 2017 (Ministerio de Comercio Exterior e Inversiones, 2017).



Figure 36 Timeline of the Ecuador-EU negotiations

Author: Cordero, Urgilés

Scope of the Agreement

The agreement between Ecuador and the European Union regulates several axes:

- Trade in goods and services between Ecuador and the European Union.
- Intellectual Property: The accession protocol covers several rights and obligations in the field of intellectual property, and at the same time it establishes certain guidelines related to the protection of inventions, patents, trademarks, industrial models and copyright.
- Cooperation in commercial matters: When talking about commercial cooperation, there are relevant aspects in relation to this work. The agreement contains a section about labeling, which seeks to simplify the information contained in the labels, especially in textiles and footwear; predominating only the content of fundamental information instead of labels that are complex to understand for the consumer.
- Technical barriers to trade: The agreement seeks greater cooperation and communication between the two parties to leave aside technical obstacles or unnecessary procedures. Therefore, transparency in the application of technical standards and efficient border control is required.
- Sanitary and Phytosanitary Measures: In this area, the agreement establishes that such measures may be implemented to eradicate a disease or guarantee the quality of a good of animal origin. However, if its execution represents a mechanism of unjustified discrimination against trade, transparency clauses

will be established so that the country that applies a sanitary measure justifies the reason for it.

- Tenders for public procurement: The commercial agreement pursues an ambitious goal in relation to public procurement, since it seeks that suppliers of both parties can compete on equal terms and without any discrimination.
- Rules that recognize the existing asymmetries between the parties and that guarantee a differentiated treatment for Ecuador

(Protocolo de Adhesion del Acuerdo Comercial entre la Union Europea y Ecuador, 2016).

In addition to the aforementioned axes, there are other aspects that extend from the commercial sphere, such as the fight for human rights and poverty, as well as the strengthening of sustainable development in harmony with nature (European External Action Service, 2017).

Products Benefited by the Agreement

As mentioned before, Ecuador's accession to the Multiparty Trade Agreement with the European Union guarantees the entry, free of tariffs, for approximately 99.7% of goods of agricultural origin produced in Ecuador. In the field of agricultural products, there are exceptions for goods that receive different treatment due to their sensitivity in the European market. For example, tariffs on Ecuadorian sugar or bananas will be phased out, as there are European producers who would be affected by the total elimination of tariffs (European External Action Service, 2017). Moreover, the agreement also benefits 100% of industrial products Ecuador (Ministerio de Comercio Exterior, 2014). Table 19 lists the main agricultural and non-agricultural products that benefit from the agreement.

Table 19 Main Ecuadorian Products benefited by the Agreement

Agricultural products	Non-agricultural products
Fresh flowers	Fishing products
Coffee	Shrimp
Cocoa	Tuna
Palm oil	Textiles
Fruits	Wood
Vegetables	Furniture

Source: (European External Action Service, 2017)

Author: Cordero, Urgilés

Relevance of the Commercial Agreement

Within the wide range of products that benefit from the entry into force of the trade agreement, there are goods that favor the change of the productive matrix of Ecuador. Among the main ones we can mention plastic or paper items, machinery, furniture, appliances or pharmaceutical products (European External Action Service, 2017). The agreement is also relevant for the different manufacturing sectors of Ecuador, where the handmade elaborations of toquilla straw, jewelry and ceramics are located.

Tariff elimination schedule

In order to know if the product we wish to export to the European Union is covered by the tariff exemption provided by the agreement, it is necessary to go to Annex II of the treaty's accession protocol. The annexed document establishes a schedule through which the tariffs of the products that have a gradual reduction will be eliminated. Therefore, the agreement establishes several categories that correspond to the time or stages that the product must follow until its total liberation. When analyzing the negotiated schedule for straw hats, jewelry and ceramic products, it can be seen in table 20 that the three products belong to the category "0" (Protocolo de Adhesion del Acuerdo Comercial entre la Union Europea y Ecuador, 2016).

According to Annex II of the Accession Protocol, goods made in Ecuador that belong to category 0 will be free of tariffs from the date of entry into force of the agreement. This especially benefits jewelry items that previously paid a 2.5% tariff, as well as ceramic products that had a base rate between 3 and 6%. On the other hand, it can be seen that the toquilla straw elaborations already enjoyed tariff privileges before the implementation of the agreement (Protocolo de Adhesion del Acuerdo Comercial entre la Union Europea y Ecuador, 2016).

Table 20 Tariff reduction schedule for the selected handicrafts

EUROPEAN UNION: TARIFF REDUCTION SCHEDULE FOR ECUADOR			
NC 2007	Description	Base rate	Category
65020010	Hat-shapes, plaited or made by assembling strips of any material (excluding blocked to shape, with made brims, lined, or trimmed)	Exempt from tariffs	0
65040000	Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed	Exempt from tariffs	0
71131100	Articles of jewelry and parts thereof, of silver, whether or not plated or clad with other precious metal (excluding articles > 100 years old)	2,5 %	0
69139093	Statuettes and other ornamental ceramic articles, n.e.s. (excluding of porcelain or china)	6 %	0
69149090	Ceramic articles, n.e.s. (excluding of porcelain or china)	3 %	0

Source: Protocolo de Adhesión del Acuerdo Comercial Ecuador- Unión Europea

Author: Cordero, Urgilés

Certificate of origin

Based on the analysis made to the tariff reduction schedule for Ecuadorian products, it is important to mention that the three crafts must have the certificate of origin EUR 1, in order to benefit from the commercial agreement. This certificate is issued by the Ministry of Industries with the objective of guaranteeing that the product was manufactured in Ecuador. In case the exporter does not obtain the certificate, the product will have to pay the assigned tariffs regularly. It should be remembered that prior to obtaining the certificate of origin, the natural or legal person who wishes to export must be registered as a foreign trade operator within the computerized system of the customs office called ECUAPASS (Pro Ecuador, 2017).

Below we present a summary with all the requirements that are needed to obtain the certificate of origin, starting from the registration process as a foreign trade operator.

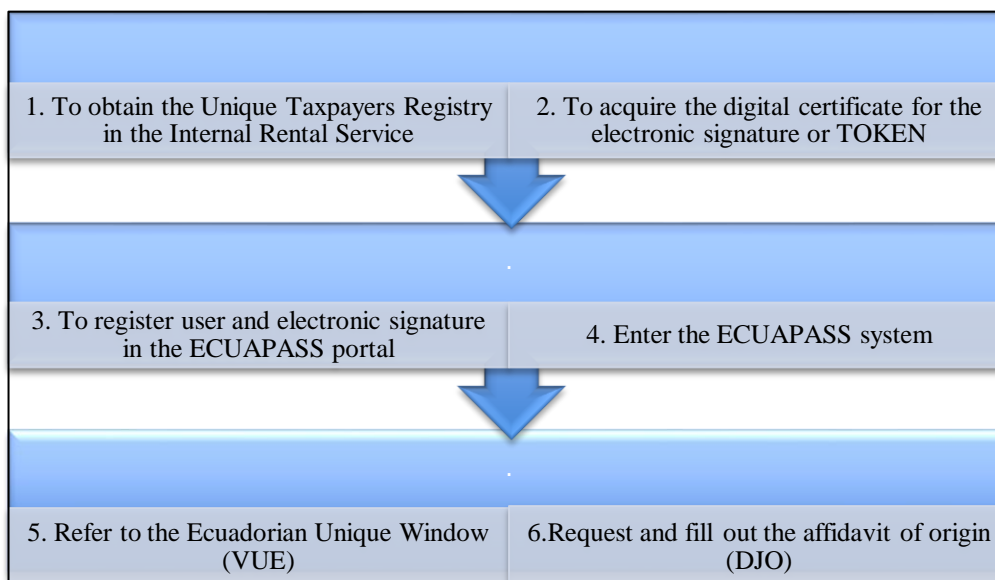


Figure 37 Process to obtain the Certificate of Origin

Source: Pro Ecuador

Author: Cordero, Urgilés.

Sworn Statement of Origin

The last step in order to obtain the certificate of origin requires the registration of the affidavit of origin in the Ecuadorian Unique Window. This tool is enabled in the ECUAPASS system. Among the data that the declaration must contain are the following:

- Identification of the company and legal representative
- Product
- Component of foreign materials used
- Component of national materials used
- Costs and factory value of the finished product
- Description of the step-by-step process
- Technical characteristics and applications of the product
- Selection of the agreement to which the exporter wishes to apply

(Pro Ecuador, 2017).

1. Exportador (nombre, dirección completa y país)	EUR.1 No A 000.000		
	Véanse las notas del reverso antes de rellenar el impreso		
3. Destinatario (nombre, dirección completa y país) (mención facultativa)	2. Certificado utilizado en los intercambios preferenciales entre		
 así como (indíquese el país, grupo de países o territorios a que se refiere)		
6. Información relativa al transporte (mención facultativa)	4. País, grupo de países o territorio de donde se consideran originarios los productos	5. País, grupo de países o territorio de destino	
	7. Observaciones:		
8. Número de orden; marcas, numeración; número y naturaleza de los bultos ⁽¹⁾ ; Designación de la mercancía	9. Masa bruta (kg) u otra medida (litros, m ³ , etc.)	10. Facturas (mención facultativa)	
11. VISADO DE LA ADUANA		12. DECLARACION DEL EXPORTADOR	
<i>Declaración certificada conforme</i> Documento de exportación ⁽²⁾ Formulario n° De Aduana País o territorio de expedición Sello Lugar y fecha (Firma)		El que suscribe declara que las mercancías arriba designadas cumplen las condiciones exigidas para la expedición del presente certificado. Lugar y fecha (Firma)	

Figure 38 EUR 1 Certificate of Origin format for the EU

Source: Pro Ecuador

Market Selection Process

At the moment of internationalizing a product, there are several factors that must be taken into consideration to ensure its competitiveness abroad. Undoubtedly, one of the first decisions in this process is related to the number of countries that a company wishes to enter. Therefore, it is necessary to carry out a deep analysis of the possible markets, in order to determine which ones offer greater accessibility and potential for the export of the handicrafts selected in the previous chapter. It should be noted that for the market selection process, the present proposal will use a methodology developed by Olegario Llamazares in his book "Marketing Internacional", which

contemplates various stages that must be followed to choose the countries that are the most attractive for the products of a company.

Llamazares starts with the selection of the internationalization strategy, which will depend on the size of the company. Later, the author indicates that the geographical area that presents a more advantageous panorama must be chosen. Finally, several economic and accessibility criteria will be compared between the potential markets, which will be finally evaluated in a weighted matrix (LLamazares, 2016).

Internationalization Strategies

When talking about internationalization strategies, Llamazares establishes that these can be of two types. On the one hand, there is the centralization variable, which is based on targeting a small number of markets within the same area, to unify efforts and increase sales volume. On the other hand, there is the alternative of diversification, which, on the contrary, works with a large number of markets and in different regions, but at the cost of generating a lower volume of sales. The author adds that generally, international SMEs choose to begin their expansion abroad through the concentration of markets to adapt their articles to the needs of the target market, while multinationals work with goods that in most cases are standardized due to their massive consumption, so the diversification strategy converges with their interests (LLamazares, 2016). Table 21 shows the main differences between both alternatives:

Table 21 Market Internationalization Strategies

Centralization	Diversification
<ul style="list-style-type: none">• It allows a close monitoring of the selected markets and customers.	<ul style="list-style-type: none">• It works with existing data to compare international markets.
<ul style="list-style-type: none">• The product is differentiated and requires an adaptation to the market.	<ul style="list-style-type: none">• The dependence on few markets decreases because the product is standardized.
<ul style="list-style-type: none">• The key markets are stable	<ul style="list-style-type: none">• The key markets are very cyclical
<ul style="list-style-type: none">• More resources are needed for promotion and advertising in each market.	<ul style="list-style-type: none">• It does not require a high investment in advertising
<ul style="list-style-type: none">• The sale is based on aspects other than price	<ul style="list-style-type: none">• Sales depend mainly on the price of the product

Source: Llamazares

Author: Cordero, Urgilés

Pertinence

For this proposal, we have opted to work through the strategy of concentration of markets, since the electronic commerce platform is oriented to work with traditional craftsmanship of the province of Azuay that are characterized by rescuing folklore and being of high quality, which is reflected throughout its production process, which is eminently manual. Therefore, promotional resources should be focused only on markets that value handmade work and the artistic details that add value to each elaboration. In addition, it must be taken into account that, since it is handmade, the productive capacity of the workshops does not allow the mass export of its products to numerous destinations. That is why it is proposed to operate on demand, considering the time required for its manufacture, and also, focused on countries that have a culture of purchase by developed e-commerce.

Geographical Area

Once the internationalization strategy that has more harmony with the objectives of this work has been selected, the next stage of the market selection process is related to the demarcation of the geographical area within which it is desired to venture. As mentioned above, it was decided to choose the European Union as the optimal region to enter, given that this block presents a favorable and accessible panorama because

it is the most relevant market for Ecuador's non-oil exports in recent years. In addition, the commercial agreement that entered into force from January 2017 represents an opportunity for traditional Azuay handicraft products, such as straw, ceramic and jewelry, to become more competitive in that destination before elimination of the tariff barriers that existed for their due income.

Although the trade agreement between Ecuador and the European Union allows the entry of Ecuadorian products without surcharge of tariffs to all member countries of this trade bloc, the internationalization strategy selected indicates that efforts and resources should be concentrated in two or three countries within the geographical area. In this case, the European Union as a whole represents a market of more than 500 million consumers. Although there may be small countries eligible to be selected for having better economic indicators, Llamazares suggests that it is best to take into consideration countries with a large market size, since they have greater opportunities to establish contacts and potential customers (Llamazares, 2016).

Table 22 Market Size by Geographic Zone

Geographic Zone	Countries
Western Europe- big markets	Germany, France, Italy, Spain, United Kingdom
Western Europe- medium markets	Austria, Belgium, the Netherlands, Switzerland, Denmark, Sweden
Central and Eastern Europe	Czech Republic, Hungary, Poland, Russia, Romania, Ukraine

Source: Llamazares

Author: Cordero, Urgilés

Selection of Countries within the European Union

With the geographical area defined, the next step is linked to the selection of markets that will be evaluated in the weighted matrix. For this purpose, it was decided to direct the research to Germany, Italy, France and Spain, four of the large commercial markets of the European Union that were indicated in the previous table. It should be

noted that the United Kingdom was excluded, because it is in the process of sealing its exit from the European Union.

Along with the size of the market, another determining factor was that the mentioned countries are part of the five main destinations of the European Union to which Ecuador exported in 2017, with Spain being the country with the highest volume imported, followed by Italy. , Germany, the Netherlands and France. As can be seen in table 23, although The Netherlands appears as the fourth commercial partner of Ecuador, above France, it was decided to continue with the French market because it presents more opportunities as it is one of the largest markets within from that region.

In the interview we conducted with Luis Salcedo, an official of Pro Ecuador, he indicated that the Netherlands represents an important commercial partner because it is the main port of entry of Ecuadorian products that are shipped by sea. However, this market is not a reference for the export of handicrafts, since there are no records in that area.

Table 23 Main European destinations for Ecuador's total exports (FOB US dollar thousand)

Country	Exported value in 2017
Spain	600,753
Italy	587,291
Germany	502,228
Netherlands	472,663
France	279,221
UK	199,860
Belgium	185, 610
Greece	68,007
Portugal	48,686
Sweden	44,305

Source: Trademap

Author: Cordero, Urgilés

Country Selection Matrix

The final step in the process to choose the European markets to which crafts can be more easily internationalized includes the application of a country selection matrix. This instrument developed by Olegario Llamazares allows to compare the reality of each country, and to qualify it through weighting coefficients that will be defined below.

Methodology

The first step within the method developed by Llamazares is related to defining the criteria that will be evaluated in the matrix, which must be in harmony with the interests of this project. That is why we established four economic criteria and four accessibility criteria:

Economic valuation criteria

1. Economic growth of the country

This factor allows having an overview of the economic situation of the country, for which the real growth rates of the GDP of the four countries will be compared. If this indicator shows a percentage higher than 5%, then the scenario will be optimal to enter, since demand is projected to grow steadily. On the contrary, a rate close to 1% would indicate that the market is stuck, making it difficult to enter and attract customers (LLamazares, 2016). For this criterion, the information was obtained from the CIA Factbook portal, which handles a wide database of all countries in the world.

2. Purchasing power parity per capita (PPP)

This macroeconomic indicator provides the possibility of comparing income levels in each country, since it divides the State's GDP for the total population (Banco Mundial, 2018). The PPP is measured in US dollars and is relevant for this work because it is the best way to assess which of the countries has a greater purchasing power from its inhabitants.

3. *Import Volume*

This criterion is one of the most important because it reveals data on the total volume of imports of straw hats, jewelry and ceramics made by the four countries from around the world. In this way, market sizes can be compared. The information shown below was obtained from the website Trade Map, which specializes in indicators of international trade.

Table 24 Main countries of the European Union that import the product with code 711311: Articles of jewelry and parts thereof, of silver, whether or not plated or clad with other precious metal

Importer country	Imported value 2017 (US dollar thousand)
Germany	725,184
UK	572,234
Italy	460,655
France	281,883
Spain	144,362

Source: Trade Map, 2017

Author: Cordero, Urgilés

Table 25 Main countries of the European Union that import the product with code 650400: Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed.

Importer Country	Imported value 2017 (US dollar thousand)
Germany	20,260
UK	19,158
France	18,083
Spain	14,464
Italy	6,881

Source: (Trade Map, 2017)

Author: Cordero, Urgilés

Table 26 Main countries of the European Union that import the product with code 691390: Statuettes and other ornamental ceramic articles, n.e.s. (excluding of porcelain or china)

Importer country	Imported value 2017 (US dollar thousand)
Germany	94,774
Netherlands	76,166
France	50,047
UK	49,998
Italy	35,805

Source: (Trade Map, 2017)

Author: Cordero, Urgilés

4. Exports from Ecuador

The last economic criterion has to do with the amount of exports that were made from Ecuador to Germany, France, Italy and Spain, taking into account only the tariff heading that represent toquilla straw hats, since it is the only product of the three selected that has been internationalized towards the European market, as can be seen in the table 27. When talking about jewelry and ceramics, there are no significant records of exports made from Ecuador to the four European countries. Therefore, this criterion was not considered of high importance because the proposal developed in this project does not seek to export in large volumes. One of the objectives of this proposal is to sell on request, and at the same time to promote the international insertion of handicrafts that have not had the opportunity to show their quality and cultural richness abroad.

Table 27 Main European destinations for the export of toquilla straw hats from Ecuador

Importer country	Exported value 2017 (US dollar thousand)
Germany	1266
France	886
Spain	562
Italy	57

Source: Trade Map

Author: Cordero, Urgilés

Accessibility criteria

5. *Global E-commerce Index*

The first criterion of accessibility evaluated will be the degree of consolidation of the culture of electronic commerce in the four countries. For this, the four markets will be qualified according to their position in the ranking carried out by the international consultancy A.T. Kearney, where countries are classified based on parameters such as their online market size, measured in terms of sales; the financial and logistics infrastructure; consumer behavior in relation to trends in the purchase and use of technology; and finally the growth projected for each country (ATKearney, 2016).

6. *Customs barriers*

The second criterion of market accessibility is related to the amount of tariff barriers that exist in the countries where we want to venture. Therefore, where fewer barriers exist, the better the scenario will be.

7. *Internal taxes and requirements for the product*

This criterion is of great importance because it will allow evaluating, on the one hand, the technical requirements and entry restrictions to the European market that exist for the selected crafts. On the other hand, it will allow us to compare the taxes that exist internally in the four countries.

In order to obtain useful information regarding this parameter, we used the platform called Trade Help Desk offered by the European Commission. This tool provides information to exporters who wish to enter their products in the European Union. Due to the degree of customs integration that member countries of the European bloc have, the entry requirements for the three handicrafts are the same in the four countries analyzed, as shown in table 28. However, when talking about VAT, we identified that this tax reaches 19% in Germany, 20% in France, 21% in Spain and 22% in Italy (Comisión Europea, 2019).

Table 28 Requirements and Restrictions for the entry of handicrafts to the European Union

Product	Entry requirements to the EU	Import Restrictions
Toquilla Straw hat	The supply of the label or brand that indicates the composition of the fiber of the product must be guaranteed. The information must be accurate, not misleading and easily understandable. Ecological labeling is voluntary.	Use of these chemicals in textiles: Tris (2,3-Dibromopropyl) phosphate, polybrominated biphenyls, Dioctyltin compounds and nickel
Jewelry	The packaging of the product must be taken into account; Eco-label is voluntary	Jewelry that contains chemicals such as Cadmium, Nickel, Lead and their compounds.
Ceramic products	The packaging must have necessary information for the customer; Eco-label is voluntary	There are no restrictions for this product

Source: Trade Help Desk, European Commission

Author: Cordero, Urgilés

8. *Competitiveness*

Finally, the last parameter to be evaluated is based on the ranking of competitiveness presented by the World Economic Forum in 2018. Although this ranking has been published for decades, the most recent is completely innovative, as it talks about a fourth industrial revolution that moves forward with great strides. This ranking qualifies 140 countries, which represent 90% of the world GDP, and there are 98 parameters examined through 12 categories: institutions of the country; infrastructure; adoption of ICT; macroeconomic stability; education; Health; product market; labour market; finance system; Market size; business dynamism and innovation capacity (Foro Económico Mundial, 2018). Therefore, the competitiveness of each country will be evaluated according to its position in the mentioned ranking.

Valuation Coefficients

Once the selection criteria have been defined, the next phase involves setting the weighting coefficients, in order to grade the importance of each criterion.

- Coefficient 0: When the criterion does not apply. This is the case of tariff barriers for the entry of handicrafts; thanks to the multiparty trade agreement

between Ecuador and the EU, the vast majority of Ecuadorian products enter duty-free.

- Coefficient 1: This value corresponds to the lowest score of a criterion, and will be applied when the information has little impact on the selection of the country. For example, when analyzing an indicator between countries with a high level of development, the results will be very similar.
- Coefficient 2: This coefficient will be applied when the criterion has an intermediate degree of relevance for the selection of the target country, or when it reflects contrasts between the countries evaluated.
- Coefficient 3: This value represents the highest rating, so it will be possible to evaluate those criteria that establish a marked difference when selecting potential markets.

Once the weighting coefficients have been defined, the next step requires setting a technique to evaluate the information obtained from the four countries, with respect to the aforementioned criteria. For this, Llamazares proposes the application of a scale that goes from 1 to 5, with 1 being a very unfavorable scenario and 5 a very favorable scenario.

Finally, it is necessary to multiply the value of the scale delivered to the criterion by its weighting coefficient and then perform the sum of all the criteria. As a result we can obtain the countries that present a more favorable outlook to enter with this proposal.

Comparative analysis of criteria

As can be seen in table 29, we obtained updated information, and from secure sources, on all the criteria defined for the four major EU markets. Therefore, when comparing the current situation of the four countries, regarding economic parameters, it can be deduced that Spain has a slightly higher economic growth projection than Germany and France, although this criterion is still positive for the

three countries. When talking about Italy, its GDP growth rate shows that its economy is stagnating, so its demand may not have sustained growth, making the picture more complex to enter this market. For its part, the Purchasing Power Parity criterion per capita shows that the level of income is much higher in Germany compared to the others. Germany is followed by France and behind are Italy and Spain, with a level of income and market size even.

It is important to mention that to value and compare the criterion of total import volume, and exports from Ecuador, we used as a reference the existing data of the tariff subheading 650400, which corresponds to toquilla straw hats. This product is the only one of the three traditional crafts of Azuay that has been exported abroad. Similarly, Luis Salcedo mentions that the case of exports from Ecuador to Italy should be treated in a special way. Ecuador is the first supplier for the Italian market, but not of toquilla straw hats, but the so-called hat helmet that is also made with this material, but which is included in subheading 650200. Therefore, the information shown in criterion 4, in relation to Italy, represents hat helmets that are shipped from Ecuador.

Table 29 Information by country based on the criteria

Economic Criteria	Spain	France	Italy	Germany
1. Economic growth of the country	3.00%	2.30%	1.50%	2.50%
2. Purchasing power parity per capita	37,997	42,850	39,426	50,638
3. Global import volume 2017 (US dollar thousand) tariff subheading 650400	14,464	18,083	6,881	20,260
4. Exports from Ecuador 2017 (US dollar thousand) tariff subheading 650400 and 650200 for Italy	590	886	1,480	1,266
Accessibility Criteria	Spain	France	Italy	Germany
5. Position in the Global <i>E-commerce</i> Index	18	6	22	5
6. Customs Barriers	0	0	0	0
7. Internal taxes and requirements for the product	VAT 21%	VAT20%	VAT 22%	VAT 19%
8. Competitiveness (position in the ranking)	26	17	31	3

Source: Cia Factbook, Banco Mundial, Trade Map, ATKearney, European Commission, Foro Económico Mundial.

Author: Cordero, Urgilés.

It should be noted that according to the Global E-Commerce Index, Germany is the fifth country in the world in terms of positioning of electronic commerce, immediately followed by France and ranked 18 is Spain. It is important to mention that the online market size is larger in the first two countries. Regarding tariff barriers, Ecuadorian handicrafts enter free of tariffs thanks to the current trade agreement, so the outlook is positive in this area. Then, when analyzing the internal taxes, it can be noted that Italy is the country with the highest domestic tax, followed by Spain, while Germany has the lowest rate along with France (Comisión Europea, 2019).

Regarding the last criterion on competitiveness, this is perhaps one of the most complete due to the number of parameters that the World Economic Forum qualifies. The result obtained allows us to conclude that without a doubt, Germany is consolidated as the third most competitive country in the world. This country is by far the first in Europe, where France appears only in the 17th place, Spain in the 26th

and finally Italy in the 31st position globally. The main reason for this wide difference has to do with innovation, since Germany is a leader in this aspect, while other countries in the region maintain a basic infrastructure (Foro Económico Mundial, 2018).

Results

Once a comparative analysis of the four major European markets has been carried out, taking into account the information available for the economic and accessibility criteria, the results of the matrix are detailed below.

Table 30 Results of the matrix

COEFFICIENT	CRITERIA	Germany		France		Spain		Italy	
2	Economic growth of the country	4	8	3	6	5	10	2	4
2	Purchasing power per capita	5	10	4	8	2	4	3	6
3	Imports volumen	5	15	4	12	3	9	3	9
2	Exports from Ecuador	4	8	3	6	2	4	5	10
2	Global <i>E-commerce</i> index	5	10	4	8	3	6	2	4
0	Customs barriers	5	0	5	0	5	0	5	0
2	Internal requirements	4	8	4	8	3	6	3	6
3	Competitiveness	5	15	4	12	3	9	2	6
	TOTAL		74		60		48		45

Author: Cordero, Urgilés

When talking about the results, Germany is the destination with the greatest advantages to venture into the present proposal. This country is innovative, with a mature e-commerce purchasing culture and a very large online market size. In this way, Germany offers greater opportunities to compete, taking into account that its outlook for economic growth is positive. The second country that provides a favorable outlook for the export of handicrafts is France. This market also has a large online market size, and it follows Germany in terms of income, competitiveness ranking and high import volumes.

The choice of the third country is more complex because Spain and Italy have very similar economic and accessibility indicators. Although the Spanish market obtained a score slightly higher than the Italian in the weighted matrix, it is necessary to take into consideration that in addition to toquilla straw hats, it is also possible to internationalize the hat-shapes that are manufactured by the Guild of Maria Auxiliadora. Therefore, Italy could be taken into consideration for future attempts to internationalize handicrafts.

Conclusions

This chapter examined the commercial situation of the country, showing that in recent years the dependence on the same export products has been maintained and an exportable supply that generates a high added value and allows to overcome the extractivism has not been strengthened. In the same way, it was found that the legal framework that governs foreign trade in Ecuador promotes and encourages entrepreneurs, artisans and producers to take advantage of the policies generated to facilitate customs operations.

Then the trade agreement between Ecuador and the European Union was thoroughly analyzed, since this block represents the main destination of Ecuadorian non-oil exports. As a result, it was obtained that the great majority of these exported products will be benefited through the liberation of tariffs, as long as they obtain a pertinent certificate of origin. Among the favored products we found the handicrafts of Azuay that were previously selected, so we investigated the restrictions and necessary requirements to enter that market, thus obtaining that only minimum parameters of labeling and packaging must be met.

CHAPTER 3. Platform of electronic commerce for the internationalization of crafts of Azuay

Introduction

The speed with which technology advances is increasing. New ways of doing business have replaced traditional ones and have taken up a large space in today's market. This chapter will develop the proposal for the creation of a virtual store as a marketing model for Azuay crafts in the European Union. The first section describes general concepts of a website, its types, and creation requirements. In addition, the current situation of the markets involved, in relation to electronic commerce, will be also analyzed.

The next part of this chapter will analyze and compare the platforms that may serve as the basis for the creation of the web page. This comparison will be based on its costs, ease of use, complexity and security. Once a platform has been chosen, the following requirements for the creation of a virtual store, in terms of logistics processes will be established.

Logistics processes need to be analyzed in terms of systems of orders and shipments of crafts. In order to have an efficient system, it is necessary to detail the process from the order to the coordination and dispatch of toquilla straw hats, jewelry and ceramics. Regarding the shipment of crafts, three companies that provide logistic services worldwide will be analyzed. These companies will be carefully evaluated based on their costs, delivery times, payment facilities, insurance and other additional aspects. This study will allow choosing a company that adapts to the needs of this proposal. All the fields that will be developed in this chapter are those that will facilitate the creation of the virtual store and its future application.

Theoretical Framework

Definition of E-commerce

It is important to know the concept of electronic commerce, also known worldwide as e-commerce for its translation in English, since it covers many aspects that will be

taken into account for this chapter. The World Trade Organization defines electronic commerce as "the production, advertising, sale and distribution of products through telecommunications networks" (OMC, 1998). In other words, electronic commerce refers to commercial transactions enabled digitally between organizations and individuals. These commercial transactions involve the exchange of value through organizational or individual limits in exchange for products or services (Laudon & Laudon, Management Information Systems, 2014).

Likewise, the Pompeu Fabra University of Barcelona establishes a broader concept of electronic commerce. This entity defines it as the distribution, sale, purchase, marketing and supply of information of products or services through the Internet. This term was used for electronic data exchange transactions, but since the 90s this concept of sales has been adapted through the network. This is where companies began to worry about meeting customer demand as a new way of doing business (Rodríguez Merino, 2015). This is how technology helps detect a need that both sellers and consumers have to reduce delivery times, save costs and physical spaces.

Types of E-commerce

When making commercial transactions through digital media, it is important to mention that there are different types of electronic commerce that are worth distinguishing.

Table 31 Types of E-commerce

Types of E-commerce	Concept
B2C	Online stores that sell to customers individually
B2B	Online stores that sell to other stores
C2C	Consumers who sell to other consumers
Social E-commerce	Business through social networks
Mobile E-commerce	Web sales through mobile devices
Local E-commerce	Online sales focused on geographic location

Source: Kennet Laudon
 Author: Cordero, Urgilés

Pertinence

For the present research work, the e-commerce model Business to Consumer B2C will be applied, since as shown in table 31, this model seeks to establish a direct

relationship between producer and consumer. Therefore, we intend to show the hard work that artisans of Azuay do every day to consumers who value the details and the added value that characterize a quality craft. In addition to the B2C model, this proposal also requires the implementation of the social electronic commerce model, since social networks constitute a key tool for the promotion of handicrafts. These forms of marketing imply that the orders are personalized, thus ruling out the sale of handicrafts in a massive way.

Background

Until 1920, the trade of goods and services was carried out in a traditional way, but from that year the concept of catalog sales was introduced in the United States. This model was the first form of marketing, in which the client did not visualize the product physically. Subsequently, in 1979 the English entrepreneur Michael Aldrich invented online shopping for online transactions. On the other hand, in 1989 the advance of technology was extremely significant when the World Wide Web appeared, which made the forms of communication and marketing become completely different throughout the world. In this way, portals such as eBay and Amazon appear in the 90s, which remain until now. Undoubtedly, electronic commerce has generated the facilitation of processes using only tools that have been created over time such as social networks or smartphones, thus changing the consumption habits of buyers around the world.

E-commerce in Ecuador

According to the Ministry of Telecommunications and the Information Society, electronic commerce is a "way to buy and sell products or services, through computer networks and the Internet." In Ecuador, its implementation can be corroborated through the mass use of the internet, since more than half of the population occupies it. The online purchase process in Ecuador is simple and this is why more and more people make use of this method through parcel services (MINTEL, 2018).

Electronic commerce is not only the purchase; it also includes several factors that must be taken into account for the marketing to work: supply chain management, internet marketing, online transactions process, inventory management systems and finally systems for data collection (MINTEL, 2018). Once all these fields are clearly coordinated, electronic commerce allows:

- To speed up the process of buying, selling and distributing products
- Facilitate communication between the company and its customers, so they can make any inquiry or purchase 24 hours a day
- Reduce errors, times and costs in transactions

MINTEL also talks about the importance of developing electronic commerce in the country, since it stimulates and diversifies the economy. This promotion helps small and medium-sized companies to venture into this type of business to market their goods within the country and abroad.

Electronic commerce has three extremely important characteristics. Within the new commercial relationship that it establishes, commercial transactions are carried out through electronic mechanisms; there are several means of payment but all these are technological, and finally the transactions have validity and security (UEES, 2017). These characteristics make this way of marketing completely different from the traditional ones.

Current situation of electronic commerce worldwide

The electronic commerce industry moves faster than any other. That is why the majority of businesses that develop in a technological environment always look for new forms of sales being dynamic and differentiating themselves from any other online store. A study on Internet consumption conducted by E-commerce Nation, revealed that people are increasingly willing to buy products of all kinds. Nowadays, electronic commerce represents 6% of all sales in the world, equivalent to 316 trillion dollars (ECN, 2018).

According to Statista, 40% of Internet users that exist worldwide have purchased a product using technological means, which shows that electronic commerce is made up of a market of more than one billion people. On the other hand, there are geographical areas that make more purchases online compared to others, such as Asia with an average of 22 purchases per person, followed by North America with 19, and with the lowest average in Latin America. (Statista, 2018)

E-commerce in Latin America has evolved significantly in the last 6 years, tripling its sales in this period. The markets that lead online sales are the providers of digital services, telephone, among others. In addition, the countries that have evolved the most in this area are Mexico, Peru, Colombia, Chile, Argentina and Brazil, with an average of 25% until 2017 (Rado , 2018). However, when comparing with other regions, the use of technology as a new form of marketing is often limited by cultural factors typical of this area.

What happens in Ecuador?

Thanks to a study conducted by the Universidad de Especialidades Espiritu Santo (UESS), on electronic commerce in Ecuador, several data could be obtained that show the current context of the country regarding this topic.

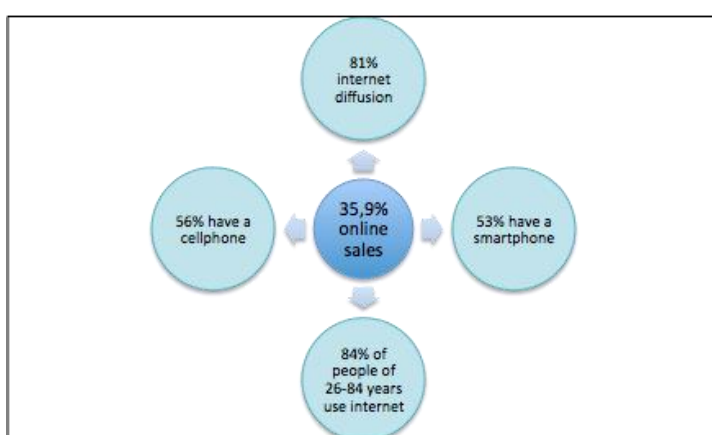


Figure 39 Technological statistics in Ecuador

Source: INEC 2016

Author: Cordero, Urgilés

Although Ecuador has high rates of internet penetration and of other technological indicators, we cannot say that Ecuador has a developed online shopping culture. The president of the Electronic Chamber of Commerce in Ecuador, José Javier Sáenz, spoke about this new way of marketing in Ecuador. While it is true that other countries have developed this mechanism in a solid manner for several years, the percentage of Ecuadorian businesses that have dabbled in this area is minimal. Despite all the benefits that electronic commerce offers, Ecuadorians prefer traditional forms of purchase.

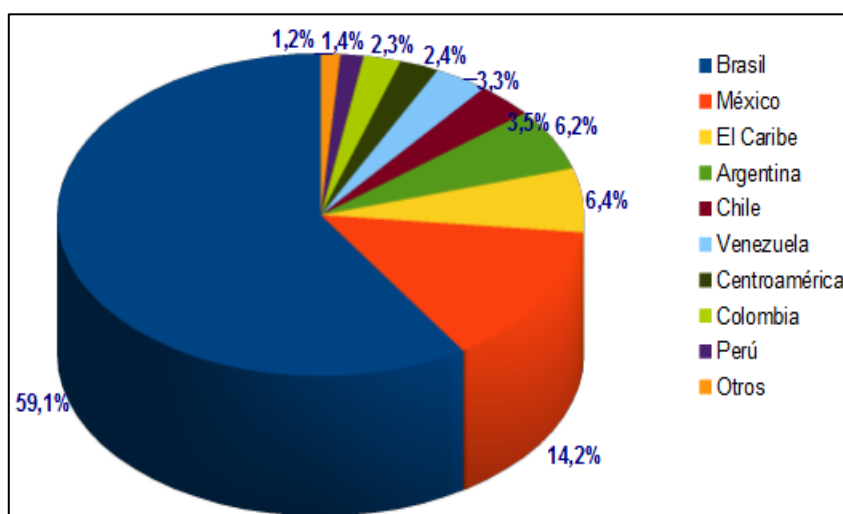


Figure 40 Participation by country of total spending on electronic commerce B2C/ Latin America

Source: América Economía Intelligence

Compared to other countries in Latin America, such as Brazil, which represents 59.1% of participation in regional e-commerce, Ecuador represents, along with other countries, only 1.2%. It should be noted that there are barriers that have caused the country to be behind in this field.

In Ecuador, only 35% of users buy products or services online, while 60% do not buy on the internet because they distrust personal data. In addition, 33% did not make purchases through this means due to lack of knowledge, with which we can deduce that there is a minimum culture in the online shopping process. On the other hand, it is important to mention that 51% of the online buyers and sellers are located in Quito, Guayaquil and Cuenca. These cities are in turn those with the greatest

purchasing power, access to technology and the highest population density (INEC, 2016)

There are some obstacles that have led to electronic commerce not growing in the country. There are very few Ecuadorian companies that market their products by this means, around 300 companies only (INEC, 2014). Leonardo Otatti, director of the Ecuadorian Chamber of Electronic Commerce, mentions that e-commerce tends to continue growing in Ecuador, but it is also important to focus on recognizing what are the impediments that limit its development.

There is a need for all online sales companies to provide as much information as possible, so that buyers can feel the same confidence they have acquired with international companies such as Amazon. Until 2017, 75% of online purchases were made in foreign sites, while in Ecuador the items with the highest demand were the payment of university fees and entertainment (UEES, 2017).

The challenge of all companies that wish to continue working through technology means requires the improvement of the entire online purchasing process. This involves aspects such as security, management and data protection. The fear and distrust that buyers have is the biggest limitation when having an online sales business. As the use of new technologies and the Internet increases, the challenges continue to grow as well.

Even though the proposal of this research involves the development of an e-commerce store to sell abroad, the platform will be created within Ecuador. Therefore, it is important to take into consideration the different laws or codes that govern this issue. Below is an analysis of the electronic commerce law that has been in force since 2002, with its structure, objectives, content, and application for this work.

Legal Framework

Law of Electronic Commerce, Electronic Signatures and Data Messages of Ecuador

On April 17, 2002, the Electronic Commerce Law was issued in Ecuador, commonly known as LCE for its initials in Spanish. This law has 64 articles, which are divided into 5 titles:

- Title I: Data Messages
- Title II: Electronic signatures, electronic signature certificates, certification entities, entities promoting electronic services, and bodies of regulation and control of accredited certification entities.
- Title III: Electronic services, electronic and telematics procurement, user rights, and public instruments.
- Title IV: Electronic test and notifications
- Title V: Cybercrime

In addition, the law contains 10 general provisions, 2 transitory provisions, one final disposal and a glossary of terms as an appendix.

(Ley de Comercio Electrónico, 2002)

Objectives

Article 1 of the LCE establishes that the main objective of this law is to regulate electronic services, since they are very broad. The electronic services encompass data messages, electronic and telematic signatures, the provision of electronic services through information networks, electronic commerce and the protection of users.

After the publication of the law, several regulations were issued with their respective reforms. One of them is the General Regulation of the Electronic Commerce Law, which was created in order to focus specifically on certain aspects related to electronic commerce (Ley de Comercio Electrónico, 2002).

Content

The first part of the LCE includes the General Principles, which recognize the legal validity of the data messages as well as a written document. This means that any contract made electronically will have the same effects as any physical contract,

since the user is giving his consent. On the other hand, the General Principles talk about the validity of data protection as long as the owner gives his consent as well. In addition, the law has been created to protect information through regulations, international agreements and principles established in the Constitution.

Title II of the LCE talks about electronic signatures and their function to give identity to data messages and to their sender. By giving an identity, compliance becomes mandatory. Both the electronic signature and the handwritten signature have the same validity to authenticate a document, or when making online transactions. However, for online sales the electronic signature is optional.

This title also talks about the agencies for the promotion and dissemination of electronic services, as well as those for regulation and control of certifying entities. Article 36 establishes that the Foreign Trade and Investment Council, currently known as COMEX, is the body responsible for the promotion and dissemination of electronic services, including electronic commerce and the use of electronic signatures. Furthermore, Article 37 establishes the National Telecommunications Council to regulate certification bodies, and in order to do so, this council is responsible for delivering the corresponding authorization so that these entities can provide their services. It should be noted that currently the institution is called Telecommunications Regulation and Control Agency, commonly known as ARCOTEL. Along with this institution, according to article 38, there is the Telecommunications Superintendence that carries out audits of certifying entities.

Title III of the LCE includes articles related to electronic contracting. According to Article 45, the completion of an electronic contract depends on the decision of both parties, since there is no physical place. It is generally presumed that it will be the place where the consumer resides, and when dealing with companies it will be in the establishment where the service is provided. In addition, Article 47 states that in case of disputes the parties must submit to the jurisdiction previously established in the contract; and if they have not done so, they will apply to the Ecuadorian Civil Code or the Organic Consumer Defense Law, as the case may be. Finally, this title talks about the rights of users. When making a purchase, the issuer or seller has the

responsibility to inform the user or consumer about requirements, conditions and product or service restrictions.

Title IV establishes the means that will serve as evidence for legal purposes such as electronic signature, data messages and any electronic document.

In the event of non-compliance with the provisions of the LCE, title V establishes which actions constitute cybercrime. However, these infractions have been repealed and nowadays they must be sanctioned on the basis of the Organic Comprehensive Criminal Code, which includes computer crimes.

(Ley de Comercio Electrónico, 2002)

Application

As electronic commerce continues to develop, certain legal and doctrinal controversies have arisen over the regulations that apply to electronic commerce in Ecuador. For some, the LCE is very broad, which generates gaps and doubts. On the other hand, it is considered that electronic commerce gives a lot of freedom to all those who negotiate through the internet.

It should be noted that thousands of transactions are carried out daily in the country and around the world. As electronic commerce progresses, more control and regulation are required for sellers and buyers. Therefore, it is necessary to have laws that provide more security and confidence. This would result in an increase in the number of people who buy online in Ecuador.

Current Situation of E-commerce in European Union markets

Electronic commerce in Europe

It is important to mention that in the previous chapter three European markets were identified to enter with this proposal. It should be noted that although this project was born to sell handicrafts made in Ecuador, it could be analyzed that there are very few online buyers in the country. On the contrary, there are markets with great

potential such as Germany, France and Spain. Therefore, it is necessary to know how electronic commerce has evolved in these countries.

The evolution of electronic commerce has been very significant in Europe. Between 2016 and 2017 sales increased by 11% with a value of 534 billion euros. In addition, sales projections at the end of 2018 were over 600 billion euros, which represents a growth of 13% (Grupo Santander, 2018). Furthermore, online commerce is very important in Western Europe, since this area has a 68% market share within the European continent. The two most important countries within that geographical area are Germany and France, which were also selected in the previous chapter. These countries have the highest sales of electronic commerce in the region, with 93.2 billion and 93 billion dollars respectively. The reasons why Western Europe has been able to grow significantly in electronic commerce have to do with its infrastructure, the high penetration of the Internet and the high level of confidence that buyers have (Statista, 2018).

An analysis conducted by the Santander Trade Portal collects information on the main aspects that characterize consumers in each of the countries previously selected for the export of handicrafts. In this way we can know the demands of the users.

Electronic Commerce in Germany

Germany has been identified as the largest consumer market in Europe because of its size and purchasing power. This country contributes more than 20% of the GDP of the European Union. The level of life that Germans have is high, where the price is not a determining factor when buying. Moreover, in Germany there is a culture of purchase by catalog, which is completely related to online commerce. Approximately 90% of the population has an internet connection, which means that online purchases increase. For Germans, electronic commerce is a time saver, since with one click they can make any purchase. The purchasing selection criteria in Germany are very strict when talking about safety, quality, prestige and comfort (Portal Santander Trade, 2018).

Electronic Commerce in France

When talking about France, this country is positioned worldwide as the sixth economy based on GDP. The consumers of this market are very sophisticated and have a high affinity towards the digital culture. For several years, the price has been a determining factor at the time of purchase, but lately quality has gained more importance, since the French consumer demands products with a seal or brand that ensures its quality. Likewise, consumers choose products with high creativity and that cannot be found frequently. 80% of French households have an Internet connection, and on average, 80% of individuals between 30 and 45 years old buy online. The purchasing power in France is high and purchases are directly related to trends, especially towards cultural products, leisure and gifts (Portal Santander Trade, 2018).

Electronic Commerce in Spain

A decisive buying factor in Spain is the price, as well as the payment facilities. Compared to the markets analyzed previously, e-commerce in Spain has had a slower growth, since about 60% of the population buys online. Most of the sales that are made by digital means are those of Cyber Monday, travel, fashion items, electronic products and accessories. It should be noted that Spaniards are having a greater tendency to buy innovative products. In addition, they are willing to spend more for fair trade and organic products. It is estimated that the internet has an 82% penetration in this country, and involves buyers between 25 to 49 years old, who have a medium-high purchasing power. At the moment of buying online, Spanish consumers prefer a fast and low-cost process (Portal Santander Trade, 2018).

The three countries with potential for the insertion of the crafts of Azuay are markets that have been referents worldwide, in regard to electronic commerce. This generates a favorable panorama so that the crafts can be highly demanded in these places. Most of the factors that determine online purchases are directly related to the parameters on which this proposal is based.

Proposal to create a platform for online sales

Website definition

A web page is considered to be any document that is available on the Internet, which must be encoded by specific languages known as HTML (Begoña, 2018). A web page is made up of text, a design, audiovisual material, and often serves as a presentation card for a person or company.

Nowadays the creation of a web page is essential to be known to the world, to attract new clients and to be able to fulfill the objectives of a company. Therefore, it is essential to assign a budget so that a site can be developed according to the needs of the person or company. A web page requires a place to be located when a user requests to see the information from a browser or device. This means that websites occupy a virtual space. The place where they are stored is called web server or host, and their service is known as hosting (Laudon & Laudon, Management Information Systems, 2014). Furthermore, web pages that belong to the same site are grouped under a common domain.

Domain

The domain represents the name that is assigned to the website, so it must be available on the internet. Also, the name will serve to position the page, making it a site highly visited by users. It is advisable to choose a short name, easy to memorize and that represents the essence of the business.

Each domain must have an extension that shows the nature of the site, such as:

- .com: when it comes to commercial activities
- .org: when the site represents non-profit organizations.
- .edu: when it comes to academic institutions.
- .net: when the website does not have a specific use.
- .biz: when they are business sites.

(Laudon & Laudon, Management Information Systems, 2014)

There are different kinds of websites based on the activity they perform:

- Search engines: they serve as a tool so that users can find necessary information through key words. At the moment of typing a word, the available sites related to the keyword will appear.
- Portals: these are websites that contain information of various types such as news, comments, technology. On the other hand, there may also be portals that are dedicated to a single topic.
- Corporate: these are official sites that belong to an institution or company. These pages are intended to inform about the activity, history, background, contact, products or services of these institutions.
- Governmental: the purpose of this type of website is to publish relevant information on the activity carried out by government entities, as well as their mission and vision. In addition, if they are institutions that belong to the government, they can offer online procedures that streamline many processes.
- Educational: educational sites provide useful information so that users can self-educate in various topics. Therefore, these pages are aimed at children, youth and professionals. In addition, virtual courses can be offered through these sites.
- Social networks: these are communication sites, where personal or professional information are shared. Today, the best known are Facebook, Instagram and Twitter.
- Press: although before there were only newspapers or physical magazines, nowadays there are digital versions for users who prefer to be informed of the daily news through these means.
- Blogs: these sites allow any user to write posts and comment on articles, so that any other user who visits this site can see them. Blogs can be created by

anyone, and at the same time they serve to share experiences and knowledge, encouraging interaction with other people on the subject.

- Banking: nowadays financial institutions give the possibility of doing some processes online, and they also allow people to make bank inquiries.
- Web applications: there are specialized applications that work through the Internet and have specific functions that may be free or require a payment.
- Multimedia: YouTube is the example of a multimedia website known worldwide as a means of transmission and publication of videos and audios.
- Online stores: also known as virtual stores, these are sites that fulfill the same functions of a physical store. This is why online stores show the products or services they offer with specific prices and features. In addition, when making payments, they are usually made with credit cards and shipments are made through a logistics company previously contracted

(Laudon & Laudon, Management Information Systems, 2014)

Requirements to create a website

There are several methods to create a website. On the one hand there are text editors such as Microsoft FrontPage and Dreamweaver that serve to create web pages. On the other hand, there are ways to create web pages through online providers, which offer templates that allow us to generate web pages in a practical way. This resource is free and easy to use for people who do not have high knowledge in systems and programming.

For this proposal, different templates will be compared, which can be used for the creation of the electronic commerce platform. For this we will analyze its benefits and costs, thus determining the best option to be used in the future. The analysis will focus on the Wix, Shopify and WordPress platforms, since they are the most used today for the implementation of online commerce.

Main E-commerce platforms

Wix

Wix is a platform that originated in Israel and is well known for its slogan "create your amazing website, it's free." Since 2010, more than 60 million people have built their own websites. This template is also known for its variety of design options and interactive tools. The simplicity that Wix has when making a page has been one of the most preferred factors by users, since many times they do not have the appropriate knowledge. Besides being able to be used by beginners, this platform offers a free package with certain benefits to its customers. Wix allows us to make blogs, online stores, photo portfolios, companies or events. (Calderón, 2016).

Advantages

- This platform has a gallery with more than 500 designs
- Technical skills are not needed
- It has monthly updates which makes the page advance with the technology
- It provides telephone technical support
- It possesses tools for the creation of online stores
- It allows to have a mobile version of the website created

Disadvantages

- When there is too much freedom in the design, this can cause conflicts if the person does not know how to customize the page
- The e-commerce options that this platform has are limited, compared to other templates
- Wix is not designed to sell massively, it is a template that does not focus specifically on electronic commerce

(Carmichael, 2018)

E-commerce functionality

This platform seeks to support users with their online businesses, so it includes in its service a wide range of traffic generation, financial management, site analysis and tools for communication. Wix allows us to create pages in an organized way to show the products with photos or videos. In addition, it offers several payment options in the store (Carmichael, 2018).

Hosting and Domain

Wix offer the possibility of having a free hosting, so that the person who creates the website does not have to worry about technical details. On the other hand, the template also offers the possibility of using a free subdomain, or that the user buys a domain of his own. (Carmichael, 2018).

Shopify

Shopify was founded in 2006 by Tobias Lutke, Scott Lake and Daniel Weinand. The platform is known worldwide as one of the best solutions for electronic commerce for its simplicity. It should be noted that the company supplied more than 200,000 online stores until 2015. By 2018, this platform helped 600,000 companies generate revenues of more than \$ 55 billion.

Shopify has established three steps for the creation of a store:

1. Select a template and customize the design according to the needs
2. Choose the functions that the website will have
3. Add the products you want to sell online

The control panel that Shopify has is considered one of the most complete, since it allows adding new items, discount coupons, consult reports on the business or a blog. To use all these functions, the person does not require great computer skills. Shopify focuses on users who want a solid platform, with an online store developer that increases sales and helps improve the management of a business (RMO, 2017).

Advantages

- 24-hour technical support, in addition to having tutorials for any user concerns
- Quick loading, it is verified that users wait a maximum of 4 seconds before leaving a page
- In terms of security, Shopify has the "Level 1" certificate in compliance with PCI standards for data protection. In addition, it has an encryption that guarantees the security of banking data
- Shopify is committed not to sell or provide databases to third parties. At the same time, people who have their website through this platform must accept the previously established conditions
- Shopify has several forms of payment including PayPal, Stripe and even a platform payment system

Disadvantages

- Most online stores have a blog, unfortunately the technology that occupies this platform does not allow to develop a blog 100% quality, compared to other platforms
- When having a monthly cost, it is important to see if they are giving the expected results in the store; otherwise the investment would not make sense
- If at any time we want to migrate to another platform, the data export will be very complicated

(Carmichael, 2018)

E-commerce functionality

Shopify is focused exclusively on virtual stores, so it provides services in its basic plans such as recovery of abandoned shopping carts, creation of discount codes and integration of multiple sales channels. The Shopify application store provides a greater scope to grow a business, since the user can configure direct shipments, add reviews or comments about the products and make payments in any currency.

With regard to the recovery of abandoned cars, the system of the platform is responsible for sending an email to customers who have left the site without making the purchase. Shopify is the only platform that has this tool without the need to use third-party applications.

WordPress

This platform emerged in 2003 and began with a focus clearly related to the creation of blogs. Over time it has evolved into a system that works to create any website. It has open source software, which makes it easy to download and install it in a domain with a user's own hosting. Nowadays this platform allows to create corporate pages, virtual stores, traditional websites, among others (Webempresa, 2018).

WordPress is made up of 3 elements or tools that allow to perform various functions: Plugins, Themes and Widgets. Plugins are add-ons that allow WordPress to add improvements in areas such as marketing, social networks, security, web design and web traffic. On the other hand, the themes are templates that are used to give a different appearance or design to the web page. There are free themes and also premium. (WPAvanzado, 2017)

Advantages

- Ease of use for users
- Requires minimum technical knowledge for the preparation of the page
- Installation and configuration last a short period of time
- It's friendly with search engines
- It adapts to any type of need on the Web
- Is friendly with any mobile device

Disadvantages

- Some consider that the level of knowledge required to create a page in WordPress is medium, which may present a disadvantage in case it is necessary to invest time and perhaps money to develop the site.

- Regarding statistics, not many users use this platform for an online store because they consider it more complex than others.
- Although it has some design templates, these are often limited, in terms of the tastes of the users

(WPAvanzado, 2017)

E-commerce Functionality

This platform can be a valid option when creating an online store, since with the help of a Plugin called WooCommerce, the page will be configured for this purpose. Through this Plugin the website will have several functionalities such as: unlimited product creation, product organization by category, several payment systems, advanced order processing, among others. In addition, if another Plugin is used, the functionalities and benefits will increase (Webempresa, 2018).

Comparative Analysis of E-commerce platforms

Once each of the platforms was analyzed, it is pertinent to compare them in three relevant aspects, in order to choose the best option based on the needs and objectives of the proposal:

- Price: packages that include similar functionalities will be compared.
- Ease: this refers to the simplicity of the processes of creation, modification and updating of the web page
- Extension: refers to the possibility that platforms have to add more details to the web page
- Security: the more secure the page, users can guarantee customers that their data will not be disclosed.

Table 32 Comparison of E- Commerce Platforms

Platform	Price	Facilities	Extent	Security
Wix	E-commerce plan: \$25 per month: <ul style="list-style-type: none"> • Domain and Hosting • Templates for design • Unlimited bandwidth • 20GB of web space • Promotion coupons 	Minimal knowledge is required, as it is not focused only on online stores	It has several features and tools but with restrictions	It is safe because it has a closed code so that each user can configure it
Shopify	E-commerce plan: \$29 per month: <ul style="list-style-type: none"> • Domain and Hosting • Unlimited number of products • Sales channels • Promotion coupons • Recovery of abandoned shopping carts 	Since it is a platform focused purely on electronic commerce, it does not require specific knowledge but intuition	It has several features and tools but with restrictions	It guarantees maximum security through the PCI Level 1 Standards certificate
WordPress	<ul style="list-style-type: none"> • It's free but it does not include a hosting • Approximate price of Hosting: \$ 40 per month • By having free plugins we can add all the tools and functionalities that we require 	It is a complex platform, since it takes more time to create it and requires previous technical knowledge	By having Plugins, the functionalities are innumerable	It does not provide enough security for having an open code, where several users can contribute with changes

Source: Website Builder, 2018

Author: Cordero, Urgilés

Results

According to the analyzed factors of each platform, for the creation of a virtual store, we consider that the best option is Shopify for several reasons. In the first place, this platform offers great security, which is very important since customers seek maximum security in the protection of their data. Second, although the price is higher compared to other platforms, the benefits that Shopify provides for the creation of an online store are greater. This platform is not focused on limiting the business, but rather encourages sales to grow constantly through various channels. Finally, the investment in both time and knowledge is minimal. According to references on Shopify worldwide, this platform has been rated in certain parameters that show its efficiency over 100%.

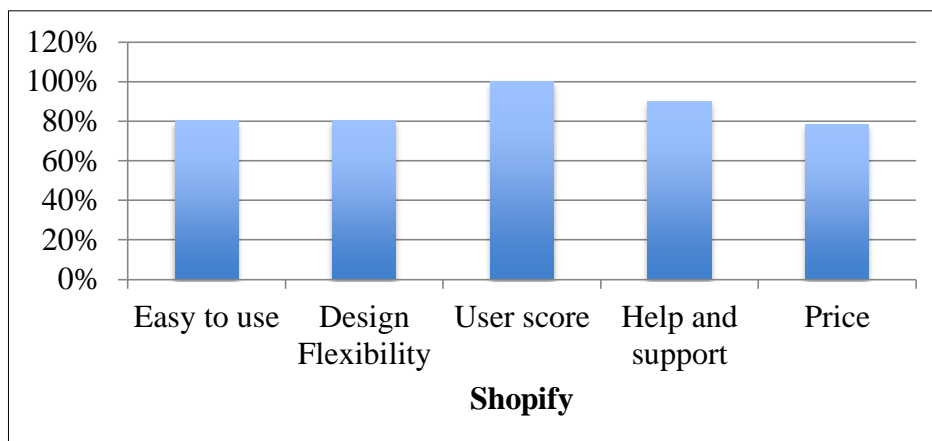


Figure 41 Shopify stadistics

Source: UsuariosdeShopify, 2018

Author: Cordero, Urgilés

Logistic system for the internationalization of handicrafts

Once the platform for the creation of the e-commerce web page has been chosen, it is necessary to define a logistic system in order to carry out the sale of handicrafts in an appropriate manner, towards the previously selected European destinations. To understand how online orders work, it is important to detail the process, from the issuance of the order on the website, to the dispatch of the product. Regarding the

shipments of crafts and forms of payment, it is necessary to analyze and compare the different alternatives offered by companies that specialize in logistics services.

Ordering system

It should be noted that the crafts to be exported come from different cantons of Azuay. Therefore, it was determined that the products shown on the platform will be those that are available in the inventory of each of the artisans. It is essential to maintain a constant channel of communication with suppliers to update inventories, save delivery times and reduce errors when issuing an order. The steps for an optimal order process are described below.

1. Once the customer completes his order, he will receive an order confirmation email.
2. The order will be processed immediately, according to the date and confirmation email; then the product dispatch will be coordinated with the artisans
3. Depending on the craft chosen by the client has chosen, we will proceed with the respective packaging for the shipment
4. Once the merchandise is ready, a code will be generated that will serve to track the product.
5. Finally, we will proceed to verify the information of the client, the country of destination and the address for delivery.

Shipping system

Logistics is one of the most important processes in electronic commerce, so that the order is delivered successfully. If the product is of good quality and meets certain requirements, it will be attractive to foreign consumers. Therefore, the product can

not arrive late or in poor condition. That is why it is necessary to select a logistics company that meets certain parameters such as:

- Package delivery directly at home
- Special rates so that the product does not become expensive
- Direct notifications to the customer to coordinate the delivery
- Product nationalization service in each country
- Insurance in case of loss or any inconvenience
- Tracking of the product

Taking into account all the logistical requirements for this proposal, three transport companies have been evaluated: Correos del Ecuador, Servientrega and DHL. Below is shown an analysis of each one of them, in order to know the services and benefits they offer. Later, through a comparative table we can choose the most appropriate company. It is important to mention that the shipping costs were based on a range of 1 to 4 kilograms, which are the estimated weights of the crafts.

It should be noted that these companies work with volumetric weights to set their rates; that is, the length by width and height divided by 5000 in centimeters. The rates also depend on the place where we want to export, in this case all of Europe is under the same tariff, known as Zone 2.

Correos del Ecuador

It is a public company that has administrative and budgetary autonomy to provide postal and logistic services nationally and internationally, either for natural or legal persons. Among the services offered are the delivery of correspondence and parcels, money transfers, logistics, packaging and advertising. Correos del Ecuador has 302 service points in the country and provides coverage in 193 countries (Correos del Ecuador EP, 2018).

At present, this company has a program called "Exporta fácil", which benefits and facilitates international sales to micro, small and medium-sized companies, as well as

artisans and entrepreneurs. The shipping process is much simpler and the rates are more convenient. The conditions of this program are that the merchandise does not exceed 5000 dollars and that the load does not exceed 30 kilograms. In addition, the program includes insurance and if the client is corporate, door-to-door service, credit and free customs processing will be offered.

Servientrega

Servientrega Ecuador S.A. is a company specialized in logistics, transport and foreign trade solutions, with national and international coverage. This company has been operating since 1994 and provides transportation services for documents and merchandise, logistics, packaging, packaging and international locker. In addition, it is present in 120 cities in the country and reaches more than 200 countries in the world.

Servientrega is highly recognized at the country and abroad for being leaders in delivery times. Times range from 24 to 48 hours within the country and 5 days abroad. Unfortunately the weights allowed for Europe are only up to 4 kilograms, without including insurance. (Servientrega, 2018).

DHL

Deutsche Post DHL Group is a company recognized worldwide for having 50 years of experience. It is present in Ecuador for 36 years and has a 78% share of the global market. This company sends charges by air, sea, land, rail; it also carries out storage, packaging, distribution of mail, among other services that cover more than 220 countries (DHL, 2018).

Through an interview with Carolina Gonzalez, a DHL official in Cuenca, it was possible to know the new rates that they offer since 2019. These rates have been improved compared to the previous program they had called "Pymexporta". The prices are focused exclusively for online stores. The rates are competitive and provide additional benefits such as advice on foreign trade and guaranteed door-to-door service without intermediaries. The company has BASC certification that guarantees security between customs and drug control. They also have their own

GPS system to track the package and coordinate shipments through an online sales page (González, 2019).

González also indicates that this new program for e-commerce businesses is carried out through a platform, since the sales are not massive but personalized. The DHL platform automatically sends an email or a text message to the customer to inform the day and time when his purchase will be delivered. Then DHL must wait for the confirmation of the client where he decides if he changes day or re-directs his order. Finally, another additional service offered by DHL is related to customs services, so that the packages can be nationalized at that moment and delivered more quickly (González, 2019).

Table 33 Comparison of export logistics services

	Correos del Ecuador	Servientrega	DHL
Delivery times to europe	Eight days	Five days	Three to five days
Shipping costs for a package	1kg: \$62.72 4kg: \$155.90	1kg: \$113.62 4kg: \$256.44	1kg: \$33.40 4kg: \$44.95
Maximum weight allowed	30 kg	4kg	Unlimited
Insurance	Included	Not included	Included
Allows tracking	Yes	Yes	Yes
Additional Benefits	<ul style="list-style-type: none"> • Door to door service • Credit • Free customs procedure • Trainings 	<ul style="list-style-type: none"> • Door to door service • Credit • Shipments can be made the same day 	<ul style="list-style-type: none"> • Door to door service • Credit • Guaranteed places (own aircraft) • BASC certification • Direct contact platform with clients

Source: DHL, Correos del Ecuador, Servientrega

Author: Cordero, Urgilés

Selection of a shipping system

By means of all the data obtained from the companies that provide logistic services, the company DHL was chosen, since the benefits and costs to export to Europe are the most convenient in comparison to the other two companies that have better rates but only to country level.

The shipping costs will be included in the value of the product, while it will be notified that the costs of customs procedures of each country will be borne by each client, giving the possibility that DHL is the company responsible for carrying out these procedures.

Conclusions

This last chapter allowed addressing issues related to the creation of an online store. In the first place, the theoretical basis that includes definitions and types of electronic commerce was analyzed. In this way it was possible to establish a B2C model and in parallel a social electronic commerce model that are applicable for this work. This is because the proposal implies personalized sales, but not in a massive way. Then, the reality of both Ecuador and the European Union was understood, in terms of the development of electronic commerce. As a result, it was possible to determine which countries of the European Union dominate and use online shopping systems on a daily basis.

Once the context and guidelines of this proposal were understood, the requirements for creating a web page were specified, which will be necessary to implement the e-commerce platform. Then we made a comparison between costs and facilities of each platform, resulting in the Shopify platform as the best alternative for the proposal.

Finally, to be able to define the logistics part of the purchase process, an investigation was made to compare the different alternatives that exist locally in terms of logistics services. This was done in order to choose the option that best suits the platform. In the case of orders, it was necessary to detail the process from the

initial phase where the customer makes his purchase, to the last step that requires constant coordination with the craftsmen for the dispatch of the order. Regarding shipments, after comparing some companies that provide logistics services, we decided to work with DHL, thanks to the benefits offered in terms of costs, delivery times and direct communication with the recipient. This is how we could get a clear picture of everything that involves the creation of an online store, so that this proposal can be brought to reality.

CONCLUSIONS AND RECOMMENDATIONS

After having developed the present proposal, we can conclude that historically the cantons of Azuay have been characterized by their vast cultural and artisanal wealth. Although that wealth is being lost over time, it can be recovered. On one hand, the current trade agreement with the European Union provides benefits, so that the crafts enter completely free of tariffs. On the other hand, the technological tools generated by globalization facilitate the internationalization and promotion of products in foreign markets. Under this premise, the German, French and Spanish market present an optimal scenario for the Azuay artisanal industry to be promoted through an alternative marketing model, which is based on a B2C e-commerce platform.

Artisans who make toquilla straw hats, jewelry and ceramic items run the risk that their businesses disappear over the years. Currently, the new generations no longer feel interest in continuing with the learning and putting into practice of the different ancestral techniques that are part of the culture of their cantons. In addition, the demand has been seriously affected at the local level, since there are industrialized goods from other parts, which have replaced the crafts because they are cheaper, but not necessarily of better quality.

Likewise, the people who work in these trades consider that there is a lack of support from government entities. Although there is a legal framework that protects them and provides benefits for their growth, this in practice is not fulfilled due to the complexity and delay of red tape in the country. Consequently, artisans have been absorbed by the intermediaries, who keep all the revenues of their work, thus limiting the growth of their workshops and community in general.

Once the current situation of several artisans of Azuay was analyzed, it was necessary to find the ways and opportunities that allow us to recover that craft essence that characterizes the province of Azuay. Undoubtedly, developing the proposal to create an electronic commerce platform is the main achievement of this degree work. However, it was first necessary to deepen in all the theoretical and legal bases to correctly address the proposal.

The choice of the target market played a crucial role when deciding to internationalize the crafts of Azuay. The country of destination must present an attractive panorama so that the product can be competitive. That is why we investigated in depth the current situation of Ecuador, with regard to foreign trade. In the same way, we looked for markets that provide opportunities to the sectors that are currently being affected. Within the trade agreement signed with the European Union, we were able to find the countries that best respond to the interests of artisans. As a result, we obtained that Germany, France and Spain meet the selection criteria that we defined, and these are markets that open up to show the Ecuadorian artisan culture.

Internationalizing crafts through a website generates innumerable benefits. However, several aspects must be known in order for this alternative marketing model to work properly. There are legal and technical requirements, as well as logistical processes that must be understood to perfection so that E-commerce can remain active. We used models that require minimum knowledge for the creation of the website. Nowadays, there are e-commerce platforms that facilitate work in a great way, and the one that was most adjusted to this work was Shopify, which is considered worldwide as the best platform for the creation of online stores. On the other hand, when defining how the logistics process should be, we looked for the best alternatives of companies that provide logistic services at the local level, which provided information regarding costs and additional services. The logistic company DHL turned out to be the one that offered the greatest opening, and it is also the one that has the best rates and security, so that crafts of Azuay can be easily exported.

The results of this proposal are positive, since crafts could be obtained with great export potential, markets with a well-developed online shopping culture, and E-commerce tools that provide the facilities to generate a business in the future without any inconvenience.

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Appendices

1. Interview with Mr. Luis Salcedo, zonal specialist of Pro Ecuador in Cuenca

Luis Salcedo told us that several attempts have been made to send handicrafts to the European Union. Among the main ones he mentions scarves, leather products, jewelry and others. Salcedo recommended us to focus on those items that have fewer entry barriers to the European market such as toquilla straw hats, silver jewelry, textiles, or ceramics. This is because to export food or dairy, which can also be handicraft, there are several technical and health requirements that make the process difficult. Despite the fact that the price is very important when marketing handicrafts abroad, Salcedo indicates that certain latent disadvantages in the local area must be taken into account, such as the high cost of raw materials and workforce. On the other hand, he adds that artisans have a limited productive capacity, which is often due to internal problems in associative issues, which means that there are very few associations in the province.

According to your experience, which do you consider to be the destinations that offer more opportunities to enter with the crafts??

The main countries to which we export in the European Union are France, Germany, Spain and Holland; It should be noted that the importance of the Netherlands is due to the fact that this country is the gateway to the European market for exports that are shipped by sea. The case of Spain is also interesting as it constitutes the so-called nostalgic market for the large community of Ecuadorians who reside there.

Salcedo recommends that when comparing the countries of the European Union, we should focus on statistics that show which countries import in greater quantity the tariff headings that represent the handicrafts that we select. On the other hand, he suggests us to base our research on criteria such as GDP, purchasing power, and information about how the situation of electronic commerce is in the countries that make up the European Union. In this way we could know which of them has a culture more focused on consumption by this type of platforms.

What should we do to access the benefits of the Trade Agreement with the European Union?

In order to benefit from the Agreement with the European Union it is necessary to obtain the certificate of origin as exporters; otherwise, we must pay a fee, regardless of whether we send a hat or an entire container. Salcedo emphasizes that if we are marketers and not producers, it will be necessary to obtain an authorization from the artisans to carry out the procedure of issuing the certificate of origin. The name of the certificate to access the European market is called EUR 1 and in Ecuador it is issued by MIPRO. Although the certificate allows the product to enter the market free of tariffs, it should be noted that internally there are taxes that customers must cancel when they take the product, so the final cost of the product must be clearly analyzed.

2. Interview with Laura Reino, President of the Provincial Board of Defense of the Artisan-Azuay

What is the legal basis that regulates and protects artisans?

The Provincial Artisan Defense Board and the National Artisan Defense Board are governed by the Artisan Defense Law. The two boards seek, as the name implies, to fight for the artisan and come out in his defense. It is important that artisans have the priority of their product, since their work is handmade. To proceed in their defense we need the artisans to obtain their title and register it in the national defense board of the artisan.

In your opinion, what are the crafts with the greatest export potential?

Undoubtedly, I think that the main ones are panama hats, works in wood, ceramics, drawings and paintings, jewelry, textiles and many more.

What do you consider to be the reason why artisans have historically had difficulty associating in guilds?

In previous years there were no adequate regulations; However, currently the relevant regulations already exist, which has allowed several artisans to associate in different cantons such as Gualaceo, Sigsig or Santa Isabel to strengthen their professional activity.

What role does the Provincial Defense Board of the Artisan fulfill?

Besides delivering and registering the titles of the artisans, we also carry out the task of inspecting cases where there are rumors about a company that is accessing the benefits of the Artisan Defense Law, but that exceeds the limits set in said law. This occurs mainly when a company exceeds the maximum number of workers and apprentices that may be in the workshops to be considered artisanal. In case we find that there are more workers than allowed, they will be sanctioned and passed to be governed by the laws of small industry.

Do you think that in recent years the production and demand of handicrafts have decreased locally?

I think that this has undoubtedly happened, now young people in many cases no longer have the same tastes. Formerly, if the father was a mechanic, the son was also a mechanic, and that's the way it was with tradition. Now they can access other careers and little by little family businesses are disappearing. Likewise, when talking about local demand, at present this has been very limited, since foreigners are the ones who value manual labor the most and come in search of handicrafts.

3. Interview with Magister Santiago Malo Ottati

When talking about crafts, it is necessary to explore concepts related to folklore, cultural manifestations, identity, cultural heritage and the importance of the artisanal industry in the country. Undoubtedly, you should also investigate the Law of Defense of the Artisan and cite the sections that are of interest for your project. Santiago Malo mentioned that from his expertise, he has noticed that artisans are generally oppressed by intermediaries, who sell handicrafts at prices much higher than those paid to artisans, therefore, the project should be focused on fair trade. .

Based on your experience, which are the main crafts made in Azuay?

I think that without a doubt, all the 15 cantons of Azuay have an artisan essence, although some have a wider production than others. For example, Santa Isabel has a reduced artisanal production, while in San Fernando or Girón people are dedicated to the production of dairy products. I think that the main products would be toquilla straw hats, since they can be found in seven or eight places. However, in Sigsig there is the association of María Auxiliadora, which has a great importance in relation to the elaboration of this product. Another relevant product is the Chordeleg handmade jewelry; It is important that you differentiate the artisanal jewelry from the

commercial one, since in this canton there is a great variety of stores, but not all elaborate the product, so you must go to the workshops in the area.

In Gualaceo I recommend you to visit the workshop of José Jiménez, who is well known for his artisan production of macanas. In this canton you can also visit workshops that make shoes, since they are of good quality, although their production is focused more towards the national market. Also, in Gualaceo I suggest you to visit the association of Tejemujeres, which produces wool sweaters.

In Cuenca, ceramic crafts are very interesting, so you can explore various workshops in the city. On the other hand, in Cuenca there are other artisan sector such as tinwork and blacksmith that would be worth evaluating. In the parish of San Bartolomé there are string instruments that also have an interesting reception. In Nabón figures with wheat stem and corn pucón are made.

Which do you consider to be the most relevant criteria to identify and select handicrafts with exportable potential?

I think that first of all, the most appropriate thing would be to create technical sheets of all the artisans in order to be evaluated. In addition to their contact information, I think that the most relevant criteria would be their years of experience, the ancestral technique used, the main markets to which they sell, their product portfolio, the time of preparation their crafts, and the number of goods that they can elaborate in a day or week. In addition, it would be good to know if they belong to any guild or association. To know if the artisan really meets what you are looking for in the research, it would be good to evaluate with a quality filter. Malo also mentions that a key factor when selecting handicrafts is to know the number in stock that have the workshop, because if a product is made in a week, it will be difficult to internationalize the product. Finally, Malo adds that it is advisable to know the production in stock of craft workshops, their availability, variety of the portfolio and negotiation capacity. In this way you can define which have a greater potential to be marketed through your proposal.

Finally, I would recommend a macro-location analysis with general information about Ecuador. Then, it is necessary a micro-location analysis, which deals with the province of Azuay and the identified artisanal production.

4. Interview with Carolina González, DHL official

Is there any kind of preferential rates for internet shipments?

That's right, we have specifically rates for customers who make sales over the Internet. For example, everything that is European is within the zone 2. Therefore, the current rates are much cheaper than those of the previous program "Pyme Exporta". Gonzalez also adds that from half a pound to a pound and a half, the rate is the same, which could benefit very small crafts such as jewelry, since you could sell more for the same rate. In the case of straw hats, she mentions to consider the volume and weight of the box, which is close to 4 pounds. She warns us that hats must be properly packaged according to the volumetric weight.

With regard to insurance, is there a fee that includes this service?

No, insurance is optional and you decide if you choose it at the time of export. The rate that corresponds to the insurance will be equal to 1% of the declared value, or equal to a minimum of \$4. The surcharge that is mandatory is the fuel tax charged to all shipments made by air, and this rate will always vary based on the international price of oil.

Could you tell us about delivery times to the European market?

The delivery time may be between 3 to 5 days.

Is there a maximum weight allowed for shipments?

No, the shipment will be according to what you need.

Are there other advantages for people who make sales by e-commerce?

Indeed, DHL has all the accounts of the clients that make sales through the preferential rates for *e-commerce* registered in a platform. As these sales are focused in consumers, the platform is responsible for sending a message notifying the approximate date and time at which their product will arrive. The user will have several options to choose such as confirming if the delivery is correct that day. Also, the user can notify if he is on vacation, or that he goes the next day. This helps the delivery to be more secure.

Do you know if there are any specific regulations for shipments to France, Germany or Spain?

There are some internal regulations; for example, if in Germany the declared value does not exceed \$ 30 the product will not pay taxes. In France it is up to \$ 23 and in Italy equally \$ 30. Therefore, if a craft does not cost more than \$ 30, the customer can be notified that the item will not pay taxes at destination.

How is the export process carried out?

From here we have two types of exports that are by Courier and by Consumption. The first one is divided in two options. If there are samples you can send up to 50 pounds or 2 thousand dollars of declared value, and the other is Courier as merchandise, which allows to send up to 50 pounds or 5 thousand dollars of declared value. The shipments that you plan to make would fit in the second type of Courier. To proceed with the export you need to fill out the air waybill, send an invoice that is authorized by the SRI and fill out a SENAE form where it is indicated which tariff heading they wish to apply. It should be noted that the simplified customs declaration is completed by DHL, unlike the state program "export easy" where you are the ones who must do the declaration.

5. Interview with José Homero Uyaguari, craftsman producing stringed instruments of San Bartolomé.

What are the main crafts that you make?

Basically I elaborate string instruments, which includes Guitars, Charangos, Ukuleles and Violins

How old are you?

60 years old

Are you affiliated with a guild?

No, the business is conformed by my family.

Do you have your certificate as a certified craftsman in the National Artisan Defense Board?

Yes

Have you heard of the benefits granted by the Artisan Defense Law?

Maybe I've ever heard it, but I have not had an opportunity to access to these benefits.

In relation to your experience, how many years have you worked in the development of stringed instruments?

Practically from my childhood, which are more than 45 years.

In what way did you acquire the knowledge about the techniques used in the elaboration of your instruments?

My dad had a certain degree of understanding about the subject, but my older brothers started with the family business and taught me everything I needed to learn the job.

What is your future projection of your business?

I have given my children all the knowledge and techniques necessary to continue with the work, so let's hope it stays for a while longer.

How many people work in your workshop?

Usually we are 5 people who work in the workshop, my children. I have not hired other people outside of my family.

Can you tell us a little more about the technique used to make string instruments?

The process is purely artisan; you can use local wood such as cedar or pine, although for the best guitars we also sometimes work with imported wood that we buy from a distributor in Quito, depending on the quality of the instrument. Later, the wood is shaped and polished to give it the final shine.

What is the degree of technification that has the development of your product?

All guitars are made by hand. We only use a sawmill to shape the wood.

What is the market where you sell your products?

Mainly in Cuenca, where I go every Thursday with the instruments to sell them in different places. On occasion we have received orders from Quito, Guayaquil and other parts of the country.

How long does it take you to produce a guitar?

It depends, but I do about 10 or 12 guitars per month.

How do you see the current situation of your business?

Really there is a lack of support from the government. The situation is not good because many Chinese guitars enter in Ecuador. Before, the sales were much higher, it was possible to sell up to 30 monthly, and now by the entrance of the Chinese competition that offers cheaper but lower quality guitars, some artisans of the area who were dedicated to the same work had to forgive their business and even change to other trades.

6. Interview with Humberto Guerra, Blacksmith Craftsman in Cuenca

What are the main crafts that you make?

Basically I dedicate myself to the elaboration of crafts in iron for decoration of homes. The main products that I elaborate are lamps, lanterns, crosses, padlocks, among others.

How old are you?

36 years old

Are you affiliated with a guild?

No I am not

Do you have your certificate as a certified craftsman in the National Artisan Defense Board?

Actually I have my artisan degree since 2010 and I am affiliated with the Provincial Defense Board of the Artisan.

Have you heard of the benefits granted by the Artisan Defense Law?

No, I have no knowledge about those benefits

In relation to your experience, how many years have you worked in the development of iron crafts?

I dedicate myself to this job for 22 years.

In what way did you acquire the knowledge about the techniques used in the elaboration of your instruments?

Well, I started working in a cousin's workshop, and I stayed there for 10 years, so I learned a lot from him.

What is the degree of technification that has the development of your product?

Technology is not used for this process, it is mostly handmade. The only tools used are welding and polishing machines, which help us a bit to improve the design.

What is your future projection of your business?

The picture is uncertain, although I have a 13-year-old son; but he is not interested in learning the technique of iron forging. Otherwise I think that the business will over with me.

How many people work in your workshop?

Currently we work only two people in the workshop.

Can you tell us a little more about the technique used to make the iron forge?

First you get the raw material, which in this case is the iron and coal to heat it. Then the design is made, the iron is put in the candle to be shaped and giving the desired shape.

What is the market where you sell your products?

There are times when the products are request to send to different cities in the country, but all the time I sell in my workshop.

How long does it take you to produce an iron craft?

It depends on the product. A padlock is made only upon request. There are crosses that take a day, others that take two hours, always vary by the details of the design.

How do you see the current situation of your business?

I consider that the business is currently a bit limited. There is not much demand as other years in which much more was sold. Nor is there great support from public entities. The Provincial Defense Board of the artisan has helped us with the participation in fairs but it is necessary to increase the support.

7. Interview with Juan Gutiérrez, tin artisan in Cuenca

What are the main products that you elaborate?

The work I do is based on the production of copper and bronze crafts, especially pieces for home decoration.

How old are you?

I am 53 years old

Are you affiliated with a guild?

A few years ago I was affiliated with the tinsmith guild, but nowadays I do not.

Do you have your certificate as a craftsman in the National Artisan Defense Board?

Yes I am affiliated to the Board with my artisan degree.

Have you heard of the benefits granted by the Artisan Defense Law?

Not really.

In relation to your experience, how many years have you worked in the development of stringed instruments?

I dedicate myself to this trade approximately since 1982.

In what way did you acquire the knowledge about the techniques used in the elaboration of your instruments?

I constitute the fourth family generation of the business. I learned from my father and he from his.

What is the degree of technification that has your product?

Yes I use tools like electric soldering iron, scissors, drill, but most of it is manual.

What is your future projection of your business?

Unfortunately the business ends with me. I have two sons; the one is a psychologist and the other is a law student, so they have no interest in learning the technique of the tinsmith.

How many people work in your workshop?

I work alone. For work in bronze I sometimes work with some friends, when I need it.

Can you tell us a little more about the technique used to make your products?

It should be noted that copper and bronze are part of the branch of the tin. The process for the production of these crafts begin with the acquisition of the raw material, which comes in sheets; then proceed to trace and cut, so the process is eminently manual.

What is the market to sell your products?

I only sell in my workshop and sometimes on request.

How long does it take you to produce a craft?

Time will always vary, depending on the size and design. There are pails that I can produce two per week, and that would be enough. There are other smaller items that can come out in greater quantity.

How do you see the current situation of your business?

At the local level, I consider that there is no type of support from government entities. Instead of incentivizing artisans, they charge us more taxes.

8. Interview with Pablo Cordero, artisan of ceramic articles in Cuenca

What are the main crafts that you make?

Mainly I dedicate myself to the elaboration of sculptures in ceramic, which are based on reflecting the customs of the city of Cuenca. Therefore, characters or scenes that identify the culture of the city are presented.

How old are you?

59 years old

Are you affiliated with a guild?

I do not belong to any guild.

Do you have your certificate as a certified craftsman in the National Artisan Defense Board?

Yes, I have my artisan degree since 1987.

Have you heard of the benefits granted by the Artisan Defense Law?

Yes, I have heard about what that law grants but very little. At the end it is still difficult to promote the craft industry.

In relation to your experience, how many years have you worked in the elaboration of ceramic sculptures?

In my whole way I have been learned, in the beginning I made more sculptures in wood, and then I learned the techniques to work with ceramics. I work in this trade more than 30 years.

In what way did you acquire the knowledge about the techniques used in the elaboration of your instruments?

I consider myself as a self-taught in the sense of learning about the techniques of work in ceramics. I did not acquire it from my parents or family.

What is the degree of technification that has the development of your product?

As you can see here, everything is made by hand. We only have one oven to heat the ceramic paste.

What is your future projection of your business?

My children like my work, but I do not know for sure if they are going to maintain the business.

How many people work in your workshop?

We are only 4 people.

Can you tell us a little more about the technique used to make the sculptures?

The sculptures are based on the technique of tooling. Because my work is more artistic, first I take a photograph of the scene that I want to capture in ceramic paintings. Later, I design in plasticine with the help of tweezers. Then that model is based on a plaster base, and finally with a mold is transferred to the ceramic for decoration. The sculptures are delayed because they must enter to the oven to heat it, then they must be dried, so it can take up to 4 days. The important thing of the technique is to rescue our culture.

What is the market where you sell your products?

I make deliveries to several galleries throughout the country, and I have had the opportunity to participate in local fairs. In Cuenca, CIDAP favors the participation of artisans. I have a web page for people to know about the product.

How long does it take you to produce a sculpture?

The time of elaboration of the sculptures depends on the design and size. In a month you can get to produce 100 items, including paintings and sculptures. Paintings are quicker to make than a sculpture.

How do you see the current situation of your business?

The current situation is bad, we must take into account that my craft is not a product of first necessity, but it is more artistic. Therefore, in times of crisis, the first thing that people stop buying is what they do not need, since they have to prioritize their expenses. Our product is very sensitive when there is a crisis.

9. Interview with Manuel Uzhca, Manager of TejeMujeres in Gualaceo

What are the main crafts that you make?

The association TejeMujeres is mainly engaged in the manufacture of clothing and accessories for adults and children.

How old are you?

The age of the associates is between approximately 40 and 60 years.

Do you have your certificate as artisan in the National Board of Defense of the Artisan?

They do not have the title of artisan, since the Superintendence of Popular and Solidarity Economy regulate the association.

In relation to your experience, how many years have you been working as an association with the elaboration of clothing?

The association of TejeMujeres has existed for 27 years. Initially it was created in the year of 1992, but it was formalized in the year of 1997.

In what way did you acquire knowledge about the techniques used?

The weavers as an association have acquired their knowledge of the technique of weaving by their families; that is, generationally.

What is your future projection of your association?

As an association we seek to keep it growing, for which it is necessary to transmit knowledge to the children and grandchildren of the weavers. In addition, TejeMujeres is focused on women who often do not have opportunities to get a formal job.

How many people work in the workshop?

It must be taken into account that 5 women work in the workshop, but in total there are 30 weavers who are associated.

Can you tell us a little more about the technique used to make garments?

The technique itself is called loom weaving or knitting.

What is the degree of technification of your product?

The work that is carried out in the association is purely manual, since the looms or sticks are used for weaving.

What is the market where it sells your products?

In addition to selling the clothes in the own store of TejeMujeres, garments are also made to order.

How long does it take you to produce a garment?

On average, each member who is at that moment in the workshop makes 3 to 4 garments per week.

How do you see the current situation of your association?

The current situation is undoubtedly very complicated. In our case we have the problem related to yarn quality, since ours is inferior in quality to the imported yarns. Therefore, the final product has difficulties to be competitive; the sweaters sometimes come out very heavy and can sting.

10. Interview with José Jiménez, artisan from Macanas in Gualaceo

What are the main crafts that you make?

The craft that I make in my workshop is the Gualaceño knotted cloth, also known as Macana.

How old are you?

59 years old

Are you affiliated with a guild?

Indeed, I am the president of the Macana craftsmen's guild.

Do you have your certificate as a craftsman in the National Artisan Defense Board?

I have held my title and board membership for 43 years.

In relation to your experience, how many years have you worked in the elaboration of macanas?

I have been working in this trade for 43 years.

In what way did you acquire knowledge about the techniques used to make your crafts?

I learned from a very young age, the work has been done in my family for 2 generations and it was my parents who taught it to me.

What is the degree of technification that have your products?

There is no type of technology to make macanas, everything is done manually.

What is the future projection of your business?

I have had the opportunity to transmit the technique of knotted cloth to more than 30 people, as well as my children, so I hope the business continues.

How many people work in your workshop?

Currently 5 people work.

Can you tell us a little more about the technique used for the elaboration of macanas?

The technique today is called Ikat, although its real name is Gualaceño knotted cloth. In the workshop we carried out the whole process of elaboration, from shearing sheep wool, spinning and dyeing, and then using looms to capture the desired design.

What is the market where you sell your products?

I sell in my workshop mainly. Sometimes there are merchants who buy our products to take them abroad.

How many macanas do you produce in a week?

Approximately we produce 20 in a week.

How do you see the current situation of your business?

I believe that the current government of Lenin Moreno has not supported enough to promote sales of handicrafts; before it was sold more. I also believe that we lack channels to promote the crafts.

11. Interview with Santiago Lituma, footwear craftsman in Gualaceo

What are the main products that you make?

My business is focused on the sell of shoes

How old are you?

I am 68 years old

Are you affiliated with a guild?

I belong to the Primero de Mayo guild of shoemakers in Gualaceo.

Do you have your certificate as a craftsman in the National Artisan Defense Board?

Yes, I have my degree and I am a member of the Board

In relation to your experience, how many years have you worked in the manufacture of footwear?

I have been in this business for over 30 years.

In what way did you acquire the knowledge about the techniques used in the elaboration of your products?

I acquired the knowledge about because of circumstances of life, through friends.

What is the degree of technification that have your products?

The technification of the product is minimal, I only use a sewing machine and a die, the rest is by hand.

What is your future projection of your business?

Unfortunately the situation of footwear in the canton is decadent, so I do not consider that the business continues for many more years.

How many people work in your workshop?

I currently work with two operators.

Can you tell us a little more about the technique used to make footwear?

First you get the raw material to prepare it and then you draw the model to cut, shape and put some details.

What is the market where you sell your products?

The only place where I sell my product is inside the store that I own in Gualaceo.

How long does it take you to produce a pair of shoes?

To have a reference, we make around 80 pairs of shoes in a week.

How do you see the current situation of your business?

The situation is critical because we are not very competitive, if we talk about the raw material, ours is much more expensive than the ones from Colombia or Brazil. This means that the costs are much higher and demand decreases in the presence of foreign footwear.

12. Interview with Flavio Jara, artisan of jewelry in Chordeleg

What are the main crafts that you make?

I am focused on jewelry as for example earrings, chains and necklaces.

How old are you?

I am 64 years old

Are you affiliated with a guild?

I belonged to the guild of jewelry of Chordeleg, but then they began to impose too many restrictions, so I opted to leave.

Do you have your certificate as a craftsman in the National Artisan Defense Board?

Indeed, I was one of the first to acquire the title and register.

In relation to your experience, how many years have you worked in the elaboration of jewelry?

I have worked in this trade since I was very young, I would say that I have more than 50 years of experience.

In what way did you acquire the knowledge about the techniques used in the elaboration of your products?

The environment in which I grew up was purely handmade, so from the age of seven I already learned the technique of filigree that was done in my family.

What is the degree of technification that has your products?

The technification used is minimal; we only use a laminator to lower the thickness of metals. Then, only the hands are used for manufacturing.

What is your future projection of your business?

Fortunately I have been able to pass the filigree technique to my children, who already have their own jewelry stores in Chordeleg.

How many people work in your workshop?

I work alone because of the high cost of paying an operator.

Can you tell us a little more about the technique used to make the jewelry?

The technique of the filigree is based on obtaining the raw material, cut it and start to give shape and detail with the hands and tweezers.

What is the market where you sell your products?

I have my own store in Chordeleg. Also, I have been able to work for several designers in Quito, Guayaquil and Cuenca.

How long does it take you to produce a jewel?

It is a complex job and the duration depends on the model. Approximately 4 pairs of earrings are made under the filigree technique in a week.

How do you see the current situation of your business?

Even though Chordeleg is a very touristy place and sales are good, I think that more support is needed to show our products and to be able to grow.

13. Interview with Olina Morocho, artisan of wheat stem products in Nabón.

What are the main crafts that you make?

In our workshop we make some articles on wheat stalks such as hats, vases, key rings or baskets.

How old are you?

51 years

Are you affiliated with a guild?

I am affiliated with the Association of Artisans of Nabón.

Do you have your certificate as a craftsman in the National Artisan Defense Board?

No, none of us have a title.

In relation to your experience, how many years have you worked in this trade?

I consider my experience as an inheritance; I worked with the wheat stem since I was a child. I have more than 40 years in the trade

In what way did you acquire the knowledge about the techniques used in the elaboration of your instruments?

As I mentioned, I consider my work as an inheritance, since my grandparents passed their knowledge to my parents and they later to me.

What is the degree of technification that has your products?

The process is completely manual; we do not use any machine.

What is your future projection of your business?

We have passed on the technique to our children and grandchildren, so we hope that they can continue with the business.

How many people work in your workshop?

Within the association, we work between 4 to 7 people.

Can you tell us a little more about the technique used to make your products?

The process begins with the sowing of wheat, which is done only once a year. After four months the raw material is obtained and the stems are classified.

What is the market where you sell your products?

We have to go out to sell at fairs because in our canton it is not possible.

How long does it take you to produce an item on a wheat stem?

On average you can make 3 crafts of wheat stem per week, depending on the size. A hat can take between 3 to 4 days.

How do you see the current situation of your business?

Unfortunately Nabón is not a tourist canton, therefore there is no support to show our products, participating in fairs is very expensive and we can not afford it. We do not have a market where we can show our product, so our sales are minimal.

14. Interview with Zoila Saetama, artisan of the María Auxiliadora guild in Sigsig

What are the main crafts that you make?

We make various products based on straw, as you can see we mainly have hats, but we also make bags, baskets, bread boxes or key rings.

How old are you?

Associated women are between 40 and 60 years old.

How is your association constituted?

The Association of Toquilleras María Auxiliadora is constituted by 170 members that unify their efforts for a collective work.

Do you have a certified craftsman's degree in the National Artisan Defense Board?

That's right, all the members have their title of artisans certified in the board.

In relation to your experience, how many years have you worked in the manufacture of toquilla straw products?

The association has 28 years of experience.

In what way did you acquire the knowledge about the techniques used in the elaboration of your products?

All the associated women have acquired their knowledge about the work from an early age, in a family way.

What is the degree of technification that has your products?

The process of weaving the articles of toquilla straw is completely manual. Then some tools are used to give them shape and final details.

What is the future projection that you have from your guild?

The goal is for the association to grow, so we have transmitted the technique to our daughters and granddaughters.

How many people work in your workshop?

Five people are working within the organization; however, the work is in conjunction with all 170 women affiliated from different parts of the community.

Can you tell us a little more about the technique used to make straw products?

The process begins with the selection and classification of the threads that will be used in the products. Then the entire tissue phase is performed, where it is given the desired shape. The last step includes everything related to the azocado, bleached, pressed and pressed.

What is the market where you sell your products?

Our main point of sale is here in the association, although we also work with orders for intermediaries who are responsible to exporting the products.

How long does it take you to produce a straw hat?

It depends, each partner can make about 3 hats in a week, but if you put all the members to work, you could get more than 500 hats in a week.

How do you see the current situation of your business?

Although our association is consolidated by our work of several years, I consider that it is necessary to increase the support so that we can show and sell our products in other places

15. 2015 Global Retail E-Commerce Index

Rank	Change in rank	Country	Online market size (40%)	Consumer behavior (20%)	Growth potential (20%)	Infra-structure (20%)	Online market attractiveness score
1	+2	United States	100.0	83.2	22.0	91.5	79.3
2	-1	China	100.0	59.4	86.1	43.6	77.8
3	+1	United Kingdom	87.9	98.6	11.3	86.4	74.4
4	-2	Japan	77.6	87.8	10.1	97.7	70.1
5	+1	Germany	63.9	92.6	29.5	83.1	66.6
6	+1	France	51.9	89.5	21.0	82.1	59.3
7	-2	South Korea	44.9	98.4	11.3	95.0	58.9
8	+5	Russia	29.6	66.4	51.8	66.2	48.7
9	+15	Belgium	8.3	82.0	48.3	81.1	45.6
10	-1	Australia	11.9	80.8	28.6	84.8	43.6
11	-1	Canada	10.6	81.4	23.6	88.9	43.1
12	+2	Hong Kong	2.3	93.6	13.0	100.0	42.2
13	+6	Netherlands	8.9	98.8	8.1	84.6	41.8
14	-3	Singapore	1.3	89.4	15.7	100.0	41.5
15	+13	Denmark	8.1	100.0	15.1	75.5	41.4
16	0	Sweden	8.8	97.2	11.8	77.7	40.9
17	Not ranked	Mexico	10.0	53.3	58.6	68.0	40.0
18	Not ranked	Spain	13.2	73.1	20.2	80.1	39.9
19	+1	Chile	2.7	71.8	49.3	73.2	39.9
20	+6	Norway	8.2	99.4	5.6	76.3	39.5
21	-13	Brazil	19.6	57.4	28.0	72.4	39.4
22	-7	Italy	12.3	71.6	27.8	70.7	38.9
23	+6	Switzerland	7.1	89.6	7.4	82.5	38.8
24	-1	Venezuela	1.7	54.1	79.4	55.7	38.5
25	-4	Finland	6.4	98.3	3.8	77.3	38.4
26	-8	New Zealand	1.7	86.4	25.9	75.4	38.2
27	Not ranked	Austria	5.9	85.3	19.0	74.8	38.1
28	Not ranked	Saudi Arabia	1.1	46.6	67.3	74.6	38.1
29	-17	Argentina	5.7	70.3	43.9	64.3	38.0
30	-3	Ireland	4.9	74.4	27.6	74.1	37.2

16. Ranking de Competitividad Global 2018, Foro Económico Mundial

Rank	Economy	Diff. from 2017 ²			Rank	Economy	Diff. from 2017 ²			Rank	Economy	Diff. from 2017 ²		
		Score ¹	Rank	Score			Score ¹	Rank	Score			Score ¹	Rank	Score
1	United States	85.6	—	+0.8	48	Hungary	64.3	—	+0.9	98	Paraguay	53.4	+1	+0.5
2	Singapore	83.5	—	+0.5	49	Mauritius	63.7	—	+0.8	99	Guatemala	53.4	-5	-0.1
3	Germany	82.8	—	+0.2	50	Bahrain	63.6	-4	-0.2	100	Kyrgyz Republic	53.0	+3	+1.1
4	Switzerland	82.6	—	+0.2	51	Bulgaria	63.6	—	+1.2	101	El Salvador	52.8	—	+0.4
5	Japan	82.5	+3	+0.9	52	Romania	63.5	—	+1.3	102	Mongolia	52.7	-4	-0.2
6	Netherlands	82.4	-1	+0.2	53	Uruguay	62.7	-3	—	103	Namibia	52.7	-1	+0.3
7	Hong Kong SAR	82.3	—	+0.3	54	Kuwait	62.1	+2	+0.5	104	Honduras	52.5	+2	+1.2
8	United Kingdom	82.0	-2	-0.1	55	Costa Rica	62.1	-1	+0.4	105	Tajikistan	52.2	-5	-0.6
9	Sweden	81.7	—	+0.1	56	Philippines	62.1	+12	+2.3	106	Bangladesh	52.1	-1	+0.7
10	Denmark	80.6	+1	+0.7	57	Greece	62.1	-4	+0.3	107	Nicaragua	51.5	-3	—
11	Finland	80.3	+1	+0.5	58	India	62.0	+5	+1.2	108	Bolivia	51.4	n/a	n/a
12	Canada	79.9	-2	-0.1	59	Kazakhstan	61.8	—	+0.7	109	Ghana	51.3	-2	+1.4
13	Taiwan, China	79.3	—	+0.1	60	Colombia	61.6	-3	+0.1	110	Pakistan	51.1	-1	+1.3
14	Australia	78.9	+1	+0.7	61	Turkey	61.6	-3	+0.2	111	Rwanda	50.9	-1	+1.3
15	Korea, Rep.	78.8	+2	+0.8	62	Brunei Darussalam	61.4	+2	+1	112	Nepal	50.8	-1	+1.3
16	Norway	78.2	-2	-0.8	63	Peru	61.3	-3	+0.2	113	Cambodia	50.2	-1	+0.8
17	France	78.0	+1	+0.6	64	Panama	61.0	-9	-0.6	114	Cape Verde	50.2	-6	+0.4
18	New Zealand	77.5	-2	-0.6	65	Serbia	60.9	+5	+1.7	115	Lao PDR	49.3	-2	+0.7
19	Luxembourg	76.6	+3	+0.6	66	Georgia	60.9	+1	+1.0	116	Senegal	49.0	-2	+0.6
20	Israel	76.6	—	+0.4	67	South Africa	60.8	-5	-0.1	117	Côte d'Ivoire	47.6	n/a	n/a
21	Belgium	76.6	-2	—	68	Croatia	60.1	-2	—	118	Nigeria	47.5	-3	-0.5
22	Austria	76.3	-1	+0.2	69	Azerbaijan	60.0	-4	-0.2	119	Tanzania	47.2	-2	+0.8
23	Ireland	75.7	—	-0.3	70	Armenia	59.9	+2	+1.0	120	Uganda	46.8	-4	-0.2
24	Iceland	74.5	—	-0.1	71	Montenegro	59.6	+2	+1.4	121	Zambia	46.1	-3	+0.6
25	Malaysia	74.4	+1	+1.1	72	Brazil	59.5	-3	-0.2	122	Gambia, The	45.5	—	+0.8
26	Spain	74.2	-1	+0.4	73	Jordan	59.3	-2	+0.1	123	Eswatini	45.3	-4	+0.2
27	United Arab Emirates	73.4	—	+1.1	74	Seychelles	58.5	+10	+3.3	124	Cameroon	45.1	-3	+0.2
28	China	72.6	—	+0.9	75	Morocco	58.5	+2	+0.8	125	Ethiopia	44.5	-2	+0.6
29	Czech Republic	71.2	—	+0.3	76	Albania	58.1	+4	+0.8	126	Benin	44.4	-1	+0.8
30	Qatar	71.0	+2	+0.6	77	Viet Nam	58.1	-3	+0.1	127	Burkina Faso	43.9	n/a	n/a
31	Italy	70.8	—	+0.3	78	Trinidad and Tobago	57.9	-2	+0.1	128	Mali	43.6	-4	-0.1
32	Estonia	70.8	-2	—	79	Jamaica	57.9	-1	+0.5	129	Guinea	43.2	-3	+0.3
33	Chile	70.3	+1	+0.9	80	Lebanon	57.7	-5	-0.1	130	Venezuela	43.2	-10	-1.9