CULTURAL INDUSTRIES GROWTH STRATEGY (CIGS)

THE SOUTH AFRICAN CRAFT INDUSTRY REPORT

REPORT TO THE
DEPARTMENT OF ARTS,CULTURE, SCIENCE AND TECHNOLOGY.

FINAL REPORT

NOVEMBER 1998

This report was commissioned by DACST to research the cultural industries and to propose strategies for their growth and development. This report does not necessarily reflect the views of the Department or the Ministry of Arts, Culture, Science and Technology but will be used to inform future policy formulation.

FOREWORD

South Africa's diverse and dynamic arts and culture heritage is one of its richest and most important resources, with the capacity to generate significant economic and social benefits for the nation. Equally important, but less well understood, is the potential for a vibrant and dynamic arts and culture sector to contribute significantly to the economy of the country.

The Department of Arts, Culture, Science and Technology (DACST) is contributing to the government's Growth, Employment and Redistribution (GEAR) strategy through a number of initiatives intended to enhance the economic and social benefits of arts and culture. The Cultural Industries Growth Strategy (CIGS) is one such initiative and has concentrated on developing strategies for the growth and development of the cultural industries, in particular to realise their potential to create an export market and to create employment.

DACST appointed the Cultural Strategy Group, a multi-disciplinary consortium, to undertake the research and policy aspects of the study. The team included KPMG, the Centre for African Transformation (CART), LMA/SQW policy and research consultants and BDM consulting.

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The term "cultural industries" is used to describe a wide variety of cultural activities which all have commercial organisation as their prime motivating force. These activities take a number of different forms and are organised in different ways from the manufacture or creation of products to the marketing and distribution thereof.

The cultural industries which CSG concentrated on included: the music industry; the craft industry, publishing industry and the film and television industry. Their selection was based on a number of criteria including the recognition that these sectors were identifiable industries in South Africa; are potentially internationally competitive; have the potential to create employment and offer opportunities for rural and urban job creation. The cultural industries tend to be:

- knowledge intensive, involving highly skilled workers
- labour intensive, creating more than the average number of jobs
- differentiated, taking the form of small and medium enterprises (SMMEs) and large enterprises and
- linked with close, interlocking but flexible networks of production and service systems, allowing the sector flexibility in the face of economic recession

Understanding the global context of the cultural industries is of crucial importance if any attempt is made to develop them. The politics of the "New Economy" and phenomena like the Internet make understanding these processes absolutely necessary. The CIGS process was designed to ensure a critical dialogue with experts from other countries where successful strategies to develop the cultural industries within this global context has been undertaken.

The methodology followed for the CIGS study is an industry strategy analysis. Each sector report is therefore principally an economic analysis providing baseline data for each of the four sectors, and focusing on the current economic and social contribution of each sector; the impediments to growth and the opportunities for employment creation and competitive development.

Each sector report concludes with strategic policy recommendations interventions for both the public and private sector. These recommendations aim to:

- maximise investment opportunities in the sector;
- highlight areas for government participation and legislation;
- identify potential private sector initiatives;
- leverage in multiple funding sources and
- benefit all stakeholders and practitioners within the industry and the economy as a whole

This report is one of four sector studies. A fifth document “Creative South Africa” presents the argument for taking cultural industries seriously and develops a strategy for doing so. The principal vehicle for this is the recommended Cultural Industry Development Agency (CIDA), a public-private partnership agency specifically geared towards building up the cultural industries. The primary functions of this organisation would be knowledge and information management, human resource development, strategic investment, grant funding as well as advocacy on behalf of the cultural industry sector.

While CIDA will develop initiatives in the cultural industries which have a high potential for commercial success as well as stimulating some already flourishing enterprises, the challenge lies within the industries themselves in order to realise themselves as mainstream sectors capable of being involved in the political, economic and social agenda of our country. CSG hope that the information within this report goes some way to enabling this.

SECTION 1 – INTRODUCTION

1.1 WHY THE CRAFT SECTOR IS IMPORTANT

1.1.1 Craft provides employment for vulnerable segments of society

While official unemployment figures differ, it is accepted that approximately 30%[1] of the economically active population is currently unemployed in South Africa. This varies widely between population groups and provinces, and between men and women. The 1995 October Household Survey established that "there were *14.4 million economically active people in the country in 1995*. Of these people, *10.2 million were employed or self-employed, and 4.2 million were unemployed*."[2]. The highest rate of unemployment is amongst African women, at 47%, followed by African men at 29% and Coloured women at 28%[3]. These high rates of unemployment are debilitating for the country's social fabric and for the economy.

The Craft Industries industry's potential for job creation and labour absorption is one of the major attractions of this industry. Not only does it provide income generation opportunities for groups which have access to resources, but also offers employment opportunities for the most economically disadvantaged people in South African society.

Research has established that women dominate the craft industry[4]. Historically, better opportunities were available to white men, and it was only in the age of affirmative action and retrenchment that white males began to enter this sector in increased numbers.

The second reason for women's domination of this sector relates to the low barriers of entry. Women entrepreneurs, especially Black women have limited access to capital, technology and resources and therefore craft activity often seems their only real opportunity for income generation. Furthermore, craft businesses are often built around traditional women's skills, for example sewing, braiding and beading. This means that women often had the baseline skills for production and that they could adapt these skills to generate income, instead of having to learn totally new skills. The flexible and often home-based nature of craft production means that women can integrate their economic activities with household duties. Formal sector jobs cannot provide the same flexibility cannot easily facilitate for poorly skilled workers. This is important in rural areas where women are responsible for agricultural activities as well.

1.1.2 Craft is an entry point into the economy

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[1] Many of the people interviewed for this research project felt that unemployment levels were consistently underestimated. Interviewees felt that the real level of unemployment was often closer to 50% and in some neighborhoods or areas up to 70%.

[2] Public Works White Paper 1997, p.4
Note: 4.2 million of 14.4 million is 30% unemployment in 1995 alone.

[3] Public Works 1997

[4] Wood 1996, CSS 1990, Openshaw 1996, ECRI 1996 and present research.

The DBSA (1994) asserts that “the informal economy currently absorbs between four and five million workers (roughly 28% of the national labour force) and contributes roughly nine percent to GDP.”[5] The most predominant reason for the growth of the informal sector is the increasing inability of the formal economy to provide employment for South Africans.

Definitions of the informal sector have varied. The Central Statistical Services (CSS) defines the sector as “unrecorded economic activities”[6]. The DBSA describes it as the “peripheral sector” with a “relationship to the labour-absorptive capacity of the economy”[7].

Many rural South Africans have a low level of education and poor literacy and numeric skills. With poor education and only survivalist literacy skills, there are very few entry points into the economy for people to earn an income. The craft industry is one of the few entry points available to South Africans presently excluded from the formal economy. Such opportunities are both essential and limited for rural communities[8].

Although modern society demands that people read and write, African culture continues to teach through the creative mediums of Art and Song. These education must be looked at in depth to establish how useful they can be in future.

1.1.3 Development of the country’s skills base and labour pool

As indicated above craft provides an entry point into the economy for under-resourced groups, who are then able to develop their skills through experience, apprenticeship, mentoring and the like. In this sense craft activity acts as a low cost training "school" for skills which can be later utilised in the formal sector.

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[5] DBSA 1994, p.40

[6] CSS, 1994

[7] DBSA 1994, p.3

The CSS has conducted two surveys of the informal sector in SA which point to a substantial level of economic activity within the informal economy, their results are listed below:

CSS 1990: Estimated that there were *2.7 million informal operators* in South Africa excluding whites (residential areas) and TBVC states, working in the informal economy on a full or part time basis and the bulk of the participants (68%) were part time.

CSS 1994: Estimated that *4 048 246* people work in the informal sector (this study included whites but still excluded the TBVC states) of which 15% are employees (600 392) and 3 447 854 are self-employed.

The growth and development of the informal economy is a common place experience in developing countries around the globe. A study conducted in Tanzania documented the contribution of this “second economy” to the GDP over 30 years, and by the 1990s, its contribution was almost 50%. The CSS studies[7]estimated that in 1989 the total value of informal activities in SA was *R18 036 million (8% of GDP)* and in 1993[7] the informal activity in SA was worth *R32 772 million (9.2%)* of the official GDP for 1993.

[8] Interview N. Salaza, Stutterheim Development Foundation, Eastern Cape.

1.1.4 Most craft business is small business

The informal economy consists largely of survivalist and micro-enterprises. According to the government's National Strategy for the Development and Promotion of Small Business in South Africa (20 March 1995), "There are more than 800,000 small, medium and micro-enterprises (SMMEs) in the country, absorbing about a quarter of the labour force; 15 million people. This is in addition to about 3,5 million people involved in some or other type of survivalist enterprise activities."[9] However, it is accepted that there are more survivalist enterprises than viable SMMEs in South Africa[10].

The importance of developing small businesses in the economy has increasingly been recognised and supported by governments all over the world. This research established that almost all craft businesses in South Africa fall into the DTI's definitions of Small, Micro and Medium Enterprises (SMMEs) outlined in the *National Strategy for Small Business Development*. It is worth considering the differences between the various forms of small business before the body of the report because it will assist in appreciating the nature of the craft industry:

"***Survivalist enterprises*** are activities by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. Poverty and the attempt to survive are the main characteristics of this category of enterprises."

"***Micro-enterprises*** are very small businesses, often involving only the owner, some family member(s) and at the most one or two paid employees. They usually lack 'formality' in the terms of business licenses, value-added tax (VAT) registration, formal business premises, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. "

"***Small enterprises*** constitute the bulk of the established businesses, with employment ranging between five and about 50. The enterprises will usually be owner-managed or directly controlled by the owner-community. They are likely to operate from business or industrial premises, be tax-registered, and meet other formal registration requirements. Classification in terms of assets and turnover is difficult, given the wide differences in various business sectors like retailing, manufacturing, professional services and construction."

"***Medium enterprises*** constitute a category difficult to demarcate and is viewed as owner/manager-controlled, though the shareholding or

9 DTI, 1995, p.6

10 Opinions expressed by a number of interviewees involved in rural development and urban township business development.

community control base could be more complex. The employment of 200 and capital assets (excluding property) of about R5 million are often seen as the upper limit."

1.1.5 Why is SMME development important[11]

The Department of Trade and Industry (DTI) maintains that, "The small business sector plays a crucial role in people's efforts to meet basic needs and help marginalised groups (like female heads of households, disabled people and rural families) to survive during the current phases of fundamental structural changes where the formal economy is unable to absorb the increasing labour supply, and social support systems are grossly inadequate.[12]"

The DTI also maintains that, "there is ample evidence that the labour absorptive capacity of the small business sector is high, *the average capital cost per job created is usually lower than in big business* and its role in technical and other innovation is vital for many of the challenges facing South Africa's economy.[13]"

Additional reasons for the importance of supporting SMME development include:

1. Growing international support for an approach to development which prioritises the development of trade links over the provision of donor aid.
2. SMME development supports the Promotion of Democracy and Civil Society. It can assist in the development of the private sector and other institutions that promote participation by entrepreneurs in the economic, political and social systems of SA.
3. SMMEs promote a flexible, innovative and competitive economic structure, which is vital for responding to changing global trends and overall competitiveness.
4. SMMEs are important in the transition to a market economy and thereby contribute to overall development of the private sector, including the promotion of privatization.
5. The importance of SMME development has been recognised by International Donors: 6. IDB international grants to this sector increased from US$8.2m in 1996 US$63m in1997 7. DfID grants to this sector in Africa increased from UK£0.3m in 1992 to UK£10.1m in 1996. 8. GTZ grants to this sector increased from DM26.9 to DM58.2 between 1990 and 1993

1.1.6 Craft - a source of innovation for the entire economy

Many interviewees felt that the craft industry is a highly innovative industry, and as such acts as an incubator and test marketer of manufacturing ideas, which could later be produced on a larger scale. This innovation is a result of the nature of craft production,

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11 "Business Development Services for Micro-Enterprises : A Situation Assessment " McVay, M, CARE Document and Alan Gibson document
12 DTI 1995
13 DTI 1995, p.8

that is; low volumes, low gearing, an adaptive approach attitude towards materials, a close relationship between designer and production and a close relationship between customer and manufacturer.

Design and innovation in the manufacturing industries is vital for long term economic growth and for overcoming barriers to international trade. This was recognised by Sweden and Japan who both structured their manufacturing output around design and adding value, and were thus able to compete successfully, and overcome barriers such as high labour costs and minimal natural resources. South Africa struggles to compete on price and quality hence the importance of this Unique Selling Point (USP) to economic growth and global competitiveness.

1.1.7 Craft is linked to and can impact on the development in other industries

The craft sector is linked to a number of other industries such as the tourist industry and the formal manufacturing and retail sectors. These industries both impact on the craft industry and are impacted upon by it. This happens in a number of ways through :

- *Supply and distribution chains*: for example the provision of raw materials or finished products for sale
- *Joint products*: for example combined industrial and handicraft products eg Carol Boyes, or a "tourist experience"
- *The shaping of demand patterns*: for example products introduced by the informal sector and taken on later by the formal sector when the market becomes visible and the volumes viable.

1.1.8 Markets for craft products

The internal market for South African craft has grown due to the increase in tourism and SA's enhanced global profile. There has also been some increase globally for craft related products which have a utilitarian and a value-added component. This is especially so in markets in the USA.

Summary of points

- Craft provides employment for vulnerable segments of society.
- Craft is an entry point into the economy.
- Most craft business is small business.
- The development of SMMEs is vital for the economy.
- Craft is a source of innovation for the entire economy.
- Craft is linked to other industries.
- Development of the country's skills base and labour pool is a national priority .
- There are Growing export (forex generation) and local markets for craft products.

1.2 DEFINITION OF THE CRAFT SECTOR

There is more confusion around the definition of the craft sector than any other aspect of the industry. "People get horribly bogged down in the definition of craft which leads to a methodological paralysis. The fact of the matter is that craft is just another form of production. The difference between a woman making potato print textiles in her backyard and a factory churning out thousands of meters of cloth for curtains to be sold at Woolworth's is the same as the backyard mechanic versus the motorcar factory.[14]"

Over ninety people were interviewed (91 formal interviews and an equally large number of informal conversations informed the research) during the research process. Every interviewee had a different view of what constitutes craft. Many would not even attempt a definition and answered by saying, for example, "Craft is craft. You can always tell the difference. It's a gut feel about something"[15]. The literature on the craft sector was equally indecisive about the definition of craft. Its relationship to art and manufacturing seemed to be the biggest issues.

There are many debates concerning craft such as, whether there is a difference between craft and art, or if the word craft should be used at all to describe handmade objects. In 1995, Hazel Friedman wrote in the Mail & Guardian:

"Perhaps one of the main problems in developing this industry lies in its diversity and broad definition. Craft covers media, materials and functions ranging from glass, textiles, ceramics and jewellery to curios, industrial appliances and everyday utility objects. It lives in galleries and museums, on sidewalks, at trade fairs and outside airports. Craftart embraces the so called higher realms of arts and culture through its production of traditional and contemporary artefacts, yet it also penetrates the arena of mass production, intersecting at the point where art and business usually meet.[16]"

The Arts and Culture Task Group[17] (ACTAG) document provides a useful definition of craft that incorporates the types of materials utilised, the production process, and the nature of the products.

> *"Craft refers specifically to the production of a broad range of utilitarian and decorative items manufactured on a small scale with hand processes being part of the value added content. The production of goods utilises a range of synthetic and natural materials."*

Other definitions raise similar points about craft. The small business division of the Scottish Development Agency, for example, has a crafts section, which defines the crafts as "factory-based batch production of craft items, as well as workshop production of one-off designs.[18]"

It is obvious that much of the tension around defining 'craft' is a result of the diverse range of products commonly referred to as 'craft'. This problem of definition is an international phenomenon. In 1969, the United Nations Conference on Trade and Development attempted to regularise tariff classifications by stating that "a product

[14] Comment from Gordon Metz regarding the issue of definition, DACST, Western Cape.
[15] Paraphrasing by author based on a number of interview responses.
16 H. Friedman, M&G, 13 October 1995
[17] This was set up by DACST to involve the various Arts and Culture stakeholders in formulating the White Paper.
[18] PSI, The Economic importance of the arts in Britain, 1988, p.45
Note: The Scottish Development Agency no longer exists, however this does not in any way invalidate the definition they employed for the craft sector.

should be regarded as handmade or handicraft if the essential character of the product is derived from the handmade aspect of its production."[19]

For the purposes of this research, a decision was made regarding the definition of the sector. The definition of craft provided by the ACTAG document was felt to be adequate but it was also clear that the craft industry is not a homogenous sector. The industry of craft has been separated into five different sub-categories based on their various attributes and markets for the purposes of this research.

It is important to recognise that the categories are not mutually exclusive. The differentiation allows for a clearer analysis of the issues involved in the production of different forms of crafts. The categories are Traditional Art, Designer Goods, Craftart, Functional Wares, Souvenirs and Musical Instruments. These six categories are based on a number of different sources[20] and can not be attributed to the research team alone. Each of these categories of the craft sector is explored in greater detail later in the report.

- **Traditional Art** constitutes culturally specific products, whose meaning and significance is generated and shared by members of a specific community. Such goods are often produced for the domestic market, for example clay beer pots in KwaZulu-Natal.
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- **Designer Goods** result out of the *deliberate* adaptation of Traditional Art to satisfy the tastes of the international market and are often decorative in nature. For example, Ndebele patterned beaded headbands or Swazi Christmas ornaments.

- **Craftart** on the other hand, overlaps significantly with Traditional art and has been defined as products which are produced entirely by hand by very skilled producers but are not considered 'fine art'.

- **Functional wares** are mass-produced handmade goods that are produced in small workshops or factory-like conditions, such as pottery, furniture and homeware.

- **Souvenirs** are "inexpensive, universal trinkets or simplified crafts"[21] which often sell the memories of a particular location.

- **Musical Instruments** are a very popular craft item, and may prove to be very valuable tools for promoting cultural crafts locally and internationally.

1.3 THE RESEARCH PROCESS: METHODOLOGY

The data collection for this study took place over two phases. The first phase generated an overview of the industry, whilst the second consisted of in-depth probing into various aspects of the sector. The research began with an extensive survey of secondary data, of which there was very little directly related to the craft industry, both nationally and

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[19] Quoted in W. Morris, *Handmade Money: Latin American Artisans in the Marketplace*, 1996, p.7
[20] The most compelling sources were a book by Walter Morris, *Handmade money*, and the work of Kevin Mansfield from the Handicraft Institute.
[21] W. Morris et al p.xxii

internationally. The literature survey did however cover some micro-studies of craft markets and crafters, which have provided useful information regarding the economics of the craft sector. It is important to note that much of the literature that supported this research therefore came from works examining the informal economy, SMMEs and their development, rural development and related areas.

Substantial primary data was gathered, this included a fax survey to publicity associations, tourism information bureaus and municipalities, as well as telephonic, electronic and face-to-face interviews.

Interviewees were strategically selected to obtain insight into the nature and operations of the national craft industry from different perspectives. Many of the interviewees were selected as case studies for different types of 'best practice' in the South African craft sector. A number of case studies of crafting enterprises and related activities, such as educational and welfare projects, were conducted to gain greater insight into the daily operations of the craft economy.

The collection of primary data was limited to interviews (in person or by telephone) with strategic individuals working either directly or indirectly in the craft industry. This process was difficult because individuals or organisations in possession of data often refused to permit the research team access to information. This is primarily due to the extremely high levels of competition in the craft sector for scarce resources. These factors have circumscribed the hard data contained within this report but have by no means hindered the depth of analysis herein.

The study is a national survey of the South African craft sector. However, the reader will notice that there is more information about the Western Cape, KwaZulu-Natal, Gauteng, and thereafter, the Eastern Cape and Mpumalanga. Detailed information about the other provinces was not obtained.

1.4 THE STRUCTURE OF THE DOCUMENT

Section 1 briefly looks at some of the trends in the international craft industry, strategies for developing craft as an industry by other countries and finally, South Africa's relative position in the international marketplace.

Section 2 contains an in depth look at the South African craft industry. It discusses the operations of the industry from the point of inception, into production, circulation, delivery and finally consumption. This section also concentrates on the key indicators of the craft industry and the institutional environment influencing the operations of the sector.

A discussion of the implications of the data presented in Sections 1 and 2 occurs in the subsequent two sections. Section 3 provides a synthesis of the analysis concerning the craft industry in a Strengths-Weaknesses-Opportunities-Threats (SWOT) structure. The purpose of this section is to provide a straightforward assessment of the industry in terms of the major issues within each sphere, and not an exhaustive discussion of all the variables affecting crafting or crafters.

Section 4 is titled "Strategic Dilemmas" and contains a discussion of industry trends which cannot be clearly defined in terms of a SWOT, but need to be considered in the conceptualisation of a strategy for the industry.

Section 5 is a brief synthesis of the developmental potential that exists for the craft sector, based on the data provided in the first two sections and the opportunities identified in Section 3.

The final section of the report is titled "The Way forward", and deals with the question of how the industry should be developed. Policy and strategy recommendations are provided in this final synthesis section, which draws on the analysis and arguments formed throughout the body of the paper.

Notes to readers

- Throughout the report, the terms 'urban' and 'rural' are utilised frequently. The term 'rural' has been used when referring to deep rural areas where communities are living in villages as well as farming communities, though this has not been specified since it would make the discussions cumbersome. Even so, it is an important point for the reader to remember when reading through the report.

- Different issues, which come up in the course of the report, have been highlighted and encompassed by a box to assist readers with the flow of the discussion from one section to another. The author has also identified interesting observations about the development of the craft sector in text boxes throughout the report.

SECTION TWO - A GLOBAL PERSPECTIVE

The history behind the development of “craft” is closely tied to the evolution of European society, and is viewed by critics as a primarily Western construct. Hand-crafted goods from African or Eastern countries, for example, were historically referred to as ‘primitive art’, a tendency symptomatic of the pervasive cultural bias found throughout accounts of modern history. The definition of craft is a political act closely linked to issues of class and culture.

In Europe, 'craft' initially emerged as a separate discipline from art during the Renaissance when it was designated to the production of functional articles. ‘Art’ was viewed as the production of objects with ”uplifting aesthetic virtue”[22]. “These distinctions were arbitrary from the start and often overlap. Over the centuries, artisans continued to carve ornate altarpieces, which were clearly more sacred than utilitarian, whilst artists moved beyond sacred themes toward secular subjects and greater self-expression. As the supreme act of romantic individualism, artists boldly sign their works. Artisans, as communal representatives, are presumed anonymous. Of course, artisans, too, sign their works, but their “signature” is a delicate watermark, stamp or style, meant to be read by other artisans, or by the gods.”[23]

Later on, during the 19th century, reactions to the increasing separation of the labourer from the designer through industrialisation contributed to the contemporary definition of ‘craft’ and the present understanding of artisans or crafters. The ‘Arts and Craft movement’ began during this period in England through the thinking of architect Augustus Pugin (1812-1852), and was later formalised through the activities of William Morris who claimed that “The leading passion of my life has been, and is, hatred of modern civilisation”[24].

The Movement was essentially a reformist one, which sought to reintegrate the relationship of the design and production of goods and thereby maintain the connection of humanity with nature. It sought to restore the wholesomeness of pre-industrial production and lifestyle, and was considered ‘backward’ by those pushing to modernise society. The rationale and practices of the movement quickly spread to the United States and Europe where it eventually evolved into a movement focusing on design[25]. The Movement has faded but its philosophy has remained in various forms, and continues to influence perceptions of the craft sector by contemporary society.

The growth of various crafts was assisted by the formation of Crafter's Guilds which attempted to regulate certain standards within the various craft sectors. This gave crafters access to valuable skills resources through setting training standards and organising apprenticeship programs which not only provided trainees with the means to acquire the skills they needed, but also provided the industry with a valuable inexpensive labour pool that was eager to work and learn new skills.

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[22] “Handmade Money: Latin American Artisans in the Marketplace” by Walter F. Morris, Jr., 1996, p.5
[23] ibid.
[24] IHT: Suzy Menkes 5/7/96
[25] From electronic site “Craftsman perspective.” Note: unfortunately the http address of the site was not available at a later stage in the research process.

The system of apprenticeships is still very much in use today. Young people who want to learn a trade in the craft sector, often prefer the idea of earning a living for themselves while they study their trade theory part time.

ISSUE:
The interpretation of what is and is not 'craft' is not fixed and tends to be influenced by changes in methods of production in the world.

2.1 TRENDS IN THE GLOBAL INDUSTRY

The absence of economic data for the craft sector is an international issue but this fact has not inhibited continued promotion and development of the sector by governments and development agencies. The benefits of the industry have been identified as being wider than the profit margins alone. "Artisanry is…a major business that generates billions of dollars of income. The substantial contributions artisans make to local economies go unreported because artisans are exempt from or avoid taxation. The only statistics monitored by governments are those of export, and although the figures are notoriously underestimated, sales totalled over $30 billion globally in 1986."[26]

ISSUE:
Despite the lack of economic data concerning the income generated by the craft sector, development continues because of the broad definition of derived benefits of the sector.

The Hobby Industry Association (HIA) in the United States maintains that, "the industry is seeing exploding interest in the craft market. Forward thinking investors have recognised the implications of an industry in which there is room for maturity, where much of its product is seasonal, and overall its economy is decidedly recession resistant."[27] Support from the private sector for craft production is an important contributor to the success of the craft industry in general.

ISSUE:
The private sector in developed countries has recognised the economic value of the craft sector.

Craft development specialists have pointed out that "the commercial production of crafts, like so much else, is dominated by the First World, with total production equalling as much as the entire Third World combined. More than half of all artisan products imported by developed countries originates in other developed countries. Industrialised nations like the United States, France, and Japan also support huge internal markets for

[26] Sanjay Kathuria, "Indian Craft Exports for the Global Market" quoted in "Handmade Money: Latin American Artisans in the Marketplace" by Walter F. Morris, Jr., 1996, p. xix
[27] http://www.deadeyes.com/hia/ytt.html

National crafts."[28] Research conducted by the Home Industries Association (HIA) in the United States estimates that the craft industry generated $10.85 billion[29] in 1995. The only available statistics for the United Kingdom are too dated to be reliable but they provide an indication of the levels of income generated by the craft sector in the UK. In 1981, the estimated annual turnover was £122 million.

ISSUE:
Developed countries, as in other industries dominate trade in the international craft industry.

Domination of the international craft sector by first world countries is maintained by the existence of well-resourced producers, a consumer base with large disposable income, and developed institutional arrangements.

The craft industry in the United States is supported by the HIA, the Association of Crafts and Creative Industries (ACCI), the Southwest Craft and Hobby Association (SWCHA) and another 70 craft societies and guilds overseeing the sector nationally. This includes bodies such as Aid to Artisans (ATA) which operate internationally. Many of the art societies serve the needs and interests of artists and crafters. There are seven regional arts agencies and fifty-five state arts agencies that provide technical and financial assistance[30].

Four Arts councils, Ten Regional Arts Boards, and local government offices assist the United Kingdom crafters[31]. The *Crafts Council* is the most significant body and it performs the following functions[32] for the craft sector:

Education	Educational work, promoting the teaching of crafts.
Marketing	Arranging exhibitions in the Crafts Council Gallery, and tours throughout the country and abroad, as well as buying works for the Crafts Council collection.
Sales development	Sales development, including Chelsea Crafts Fair and overseas trade initiatives.
Index of producers	Maintains the index of Selected Makers and the National Register of Makers.
Referencing information	A reference library, picture library and photostore - the Crafts Council's electronic picture library.
Funding	Grants and help with business development for crafts people.

The present research has found nothing that is comparable to the UK Craft Council in a developing country. Craft sectors in developing countries tend to have poor resource bases, limited institutional support structures and are often dependent on international aid to build the craft sector in the first place. When it comes to retailing goods, countries

[28]. Morris, et al, p.3
[29] http://www.deadeyes.com/hia/size4.htm
Note: A survey conducted in 1985 found the craft sector to be worth only $1.8 billion. This indicates a growth of around $8 billion in less than 10 years.
[30] From the Student Edition of the Online Crafts report, 1996. Note: http address unavailable.
[31] ibid.
[32] From the online Crafts Council, site which looks at the Arts Council of England. Note: http address unavailable.

are again dependent on the markets in the US, EU and, to a lesser degree, the East to sell their products. This places producers of craft in developing countries at a distinct disadvantage when it comes to participating in the international arena.

ISSUE:
Craft industries in developing countries tend to be dependent on markets within and aid from the US and EU to build their craft sectors.

The barriers to growing the craft sector in developing countries are linked to access to raw materials, skills development, information, finance and support services. In addition, problems related to marketing, infrastructure and production also exist. Such problems are similar to the ones experienced by any emerging enterprise, and are well-documented issues in SMME development throughout the world. The following issues have been identified as significantly impacting on the ability of the craft sector to expand:

Financing	Access to appropriate and accessible credit facilities and microfinance services.
Infrastructure	Infrastructure, roads, ports, electricity and so forth, within many developing countries is a problem for the development of the manufacturing sector in general.
Production capacity	Inconsistent product quality, poor production planning, product development to meet the market desires and production volumes.
Marketing	Marketing of the craft products is often irregular and once off - it is an unreliable industry according to the international buyers of craft products from developing countries[33]. The person making the item often markets the product as well, this takes away valuable production time and consequently raises the cost and selling price of the product. Craft is often sold on the street or in fleamarkets the continuous packing and unpacking of goods can lead to breakages costing the artist money. Presentation is extremely important, a painting, sculpture, or carving might only fetch a few hundred Rand on the street, but at an Art exhibition the same work may go for a few thousand Dollars.
Raw materials , tools & equipment	Means of accessing and sharing suitable equipment and materials in order to make the production process as efficient as possible. e.g. a group of Potters or Ceramic Artists could put money together to purchase a kiln when individually they would not be able to afford it. Crafters could also take to buying their materials collectively, as a unit they will have strong bargaining power, whereas individually they are at the mercy of their suppliers.

33 Interview with F. Beudeker, SAFTO, Cape Town.

Skills Training	Skills training is required in many areas e.g. ▪ Basic business skills ▪ Product development ▪ Production techniques - finishing of goods, quality standards ▪ Sourcing of materials and information ▪ Collective Bargaining - requires organising among artists/crafters ▪ Bartering products for Services/ materials

ISSUE:
Blockages to the growth of craft sectors in developing countries are linked to access to information, finance, the market and support services, as well as problems related to marketing, infrastructure and production.

2.2 INTERNATIONAL STRATEGIES FOR DEVELOPING THE CRAFT SECTOR

A strong relationship exists between the craft sector and the tourism industry of developing countries. The two sectors often develop concurrently. As the number of tourists increases, so does the demand for crafts and curios both locally and globally. These tourists provide crafters with valuable exposure to the international consumer market, not only does it provide them with good cash-flow but it also gives them feedback which they can apply to the development of their products. This was illustrated by market research conducted in the UK and EU, which found that people tend to buy African craft largely because they are familiar with it as a result of visiting a particular country[34]. There is some indication that craft sectors built primarily on domestic demand have greater sustainability than those sectors dependent on the export and/or tourist markets. However, businesses which have access to both markets, have a greater chance of long term sustainability.

Observation: *The benefits of the craft sector are direct and indirect. The industry generates small amounts of income for a large number of people, which makes an enormous difference in quality of people's lives.*

Observation: *Craft sectors built primarily on domestic demand have greater sustainability than those sectors dependent on the export and/or tourist markets.*

The economic benefits of the craft sector include the primary contribution to the national GDP and employment created through the sector. Other benefits include the indirect social benefits derived from having a livelihood, and the spin-off wealth creation through the development of support industries to meet the needs of the craft sector. The decision to support the craft sector by many governments around the world and development agencies is not necessarily based on the premise that it will bring in large amounts of capital quickly. If the sector is developed strategically, it can provide income, training and jobs for a large number of rural and urban citizens, including those with limited access to the economy. It can also support the development of design strengths, which can

[34] A. Daniels and J. Kukard, Market research conducted by APT Enterprise Development into the market for products from Ghana.

ultimately unroll into the formal sector with spin-offs in terms of global competitiveness and USP generation.

Countries, such as India, Mexico and Morocco have actively developed the economic potential of the craft sector. The strategies of these countries have varied greatly. In a number of cases the developmental focus has concentrated on the development of a particular craft form, such as the textile sector in Morocco. However, the success of the strategies employed to develop the craft sector is dependent on sustained support and intervention from the government as well as financial assistance.

ISSUE:
Successful development of the craft sector in developing countries has been dependent on sustained support and intervention from government.

Examples of government intervention include the decision by **the Israeli government** to market hand skills, instead of finished products, to international markets. They gauge the 'market' demand and tastes by directly approaching the international market. Product prototypes based on the stipulations and desires of these interactions with the marketplace are developed. Prototypes of the finished products are passed on to the artisans to produce in specified volumes.

Another example of government intervention comes from **India**, where the government provides extensive support for the village industries through a variety of schemes such as, the Khadi Commission. This Commission turns the government into a direct consumer of handcrafted goods through an enforced quota system.

Morocco chose to develop their craft sector by establishing a cluster process, which focused on textiles. Reports on the Moroccan craft industry maintain that today the sector contributes 15% to the nations GDP.

The Mexican government backed the development of "popular culture", which was a complex movement, driven by the vision of one man within the government years ago. Today, the Mexican craft industry exports over 1 billion dollars worth of craft per annum. Even in the **United States**, there is legislation stipulating that 5% of all funds for constructing and developing public buildings has to be spent on arts and crafts.

Alternative Trade Organisations (ATOs) link craft sectors in developing countries with international markets by facilitating channels for trade, providing product development assistance and general information. The European Fair Trade Association (EFTA) is an alliance of eleven fair trade organisations in nine European countries that import goods from developing countries around the world. The association was founded after ten years of informal co-operation in January 1990. Its purpose is to stimulate practical co-operation between its members, develop common policies and strategies, offer joint support to producers and strive for the adoption of fair trade principles in commercial trading in Europe.[35]

[35] Fair Trade Year Book 1995, p.10

In short, the EFTA attempts to improve the nature of North-south trade by providing direct support to producers in developing countries. The turnover of Fair Trade in Europe in 1994 amounted to 200million ECU. In the same year, the association had over 800 producer partners overseas. This translated into financial gain for 800 000 families in the Third world[36]. Fair trade products are sold in specialist shops throughout Europe. In 1995, there were 3000 such shops, which united to form a Network of European World Shops (NEWS). The products are also sold through a variety of other means including mail order and church groups.[37]

Fair Trading Methods

- Goods are purchased as directly as possible from the producers;
- Purchasing price is related to the costs of the raw materials and production, as well as to the time and energy invested in producing the good, and should permit the producer to achieve a reasonable standard of living;
- The producers are entitled to pre-financing;
- Co-operation will be sustained over a longer term;
- Regular contacts ensure that the producer partners get feedback concerning the quality of the products, the packaging, etc.;
- If necessary, advice or assistance is offered in the fields of product development, funding, organisation, skills training or management training.

ISSUE:
Craft sectors in developing countries rely on the assistance of international development bodies (i.e. USATA) and trade agencies (such as ATOs) to access international markets.

[36] Fair Trade Year Book 1995 p. 7
[37] More information about ATOs and their activities can be found by contacting the European Fair Trade Association.

2.3 SOUTH AFRICA'S RELATIVE POSITION WITHIN THE GLOBAL INDUSTRY

According to the present research, South Africa is not a large player in the global craft sector but has the potential to become more involved. The needs of the craft industry are similar throughout the world and centre on issues of access - access to markets, preferential tariffs, information, supplies, infrastructure and capital.

ISSUE:
South Africa is not a major player in the international market but it has the potential.

Interviewees who have been involved in exporting crafts from South Africa have found that in some places, South Africa's reputation is poor in the formal business sector of the international market. Buyers for retail outlets and other marketing intermediaries will often not purchase the South African products even if they like the quality[38].

The reasons for their refusal are based upon previous poor business experiences with craft retailers from South Africa. Orders were placed, and the delivery was late, arrived broken or did not arrive at all. In addition, the product quality was poor or inconsistent. Stakeholders in the EU and the East (Singapore and Japan) in particular, hold this negative perception of South African crafts. These problems relate to quality and quantity, both of which South African craft producers struggle to supply in the existing environment. It must be noted however, that the buyers hold this view of all African suppliers and in fact South Africa is seen as one of the "better" suppliers in Africa largely because it has comparatively better telecommunications and infrastructure networks[39].

ISSUE:
South Africa has developed a poor reputation in the formal business sector of the international market due to production capacity, late delivery, inconsistent product quality and poor business practices.

The greatest success enjoyed by South Africa crafters in penetrating into the international market is via the support of the ATO's and similar structures such as Protrade in Germany[40]. Even so, several exporting houses, which were contacted during the research, were of the opinion that there was not enough money in exporting crafts for them to be involved. Several interviewees mentioned that they had attempted exporting South African crafts. Unfortunately, they were unable to sustain the venture because it was difficult obtaining a consistent supply of goods and quality, and felt it was not a viable investment.

[38] Interview with Rozelle Frasca, Maradadi Trust, Western Cape.
[39] Interview with Julia Kukard, Export Consultant, Western Cape
[40] Interview with Tessa Graaf, Montebello Design Centre, Western Cape.

ISSUE:
Export success in South Africa has been achieved through the assistance of international agencies.

Exporting success has been enjoyed only by those exporting agencies focusing solely on crafts, such as Out of Africa Exports, Maradadi Trust (both in Cape Town) and others. These companies deal with a limited selection of crafters, work with them in terms of their product lines, and operate with much smaller volumes than the more commercial export agencies.

ISSUE:
In general South African export companies have not found the export of craft to be profitable. Successful exporting has been achieved through companies focused on the export of craft.

Consumers who have been asked to evaluate South African goods specifically, have found them to be of poor quality, lacking diversity and often expensive in comparison to the crafts of other developing countries.

ISSUE:
Consumers have found South African crafts expensive in comparison to goods from other countries as well as lacking in diversity and quality.

In terms of exporting, South Africa struggles to compete in terms of price because of local content legislation[41], the cost of imported raw materials, the cost of labour and inefficient production technologies, and the cost of transportation. A very good example of the impact of these factors is that South African baskets sell at 10 times the price equivalent Chinese baskets do. South African craft also struggles to compete in terms of "value for money " because it cannot always provide sufficient volume of the right quality for example SA hand woven wool carpets competing against Indian or even Lesothan equivalents of consistent quality provided in large volumes.[42] The only viable route is therefore to access the upper end of the market where consumers will pay a higher price for a design-led, original product.[43] Through accessing upper end niche markets South African crafters can maintain quality, obtain a viable margin while building skills for larger volumes in the future.

ISSUE:
Recommended entrance for South African craft exports into the international market is at the upper end.

[41] Local Content legislation does not include labour as local content so the product is evaluated in terms of materials only, some of which may be imported, for example beads. This means that some SA products do not qualify for the GSP which is based on whether or not the product has a high local content .
[42] Interview with Julia Kukard, Export Consultant, Western Cape
[43] Interview with S. Heathcock, CAB, Western Cape.

In Section Two, the discussion explores the underlying dynamics contributing to the limited participation of the South African craft industry in the international marketplace by evaluating the production, retailing and consumption of the different types of products produced in South Africa.

2.4 SUMMARY OF ISSUES IN SECTION TWO

- The interpretation of what is and is not 'craft' is not fixed and tends to be influenced by changes in methods of production in the world.
- Despite the lack of economic data concerning the income generated by the craft sector, development continues because of the broad definition of derived benefits of the sector.
- The private sector in developed countries has recognised the economic value of the craft sector.
- Developed countries, as in other industries dominate trade in the international craft industry.
- Craft industries in developing countries tend to be dependent on markets within and aid from the US and EU to build their craft sectors.
- Blockages to the growth of craft sectors in developing countries are linked to access to information, finance, the market and support services, as well as problems related to marketing, infrastructure and production.
- Successful development of the craft sector in developing countries has been dependent on sustained support and intervention from government.
- Craft sectors in developing countries rely on the assistance of international development bodies (i.e. USATA) and trade agencies (such as ATOs) to access international markets.
- Export success in South Africa has been achieved through the assistance of international agencies.
- In general, South African export companies have not found the export of craft to be profitable. However successful exporting has been achieved through companies focused on the export of craft.
- Consumers have found South African crafts to be expensive in comparison to goods from other countries as well as lacking in diversity and quality.
- Recommended entrance for South African craft exports into the international market is at the upper end.

SECTION THREE - THE SOUTH AFRICAN CRAFT INDUSTRY

3.1 PART ONE: KEY INDICATORS

A standardised discussion of key indicators for other industries tends to focus on statistics. Aggregated statistics account for the size of the sector in terms of people employed, the number of businesses, retail outlets and associated structures or bodies. Contribution to the Gross Domestic Product (GDP) is another key indicator used to describe a particular sector, along with income and expenditure figures. Spatial issues have become increasingly important in discussions concerning the reasons for the success or failure of an industry. Spatial distribution of the sector is therefore included in the section on key indicators.

The objective behind the figures and statistics is to generate an image of the industry that enables an evaluation of the significance of the sector to the economy of the nation. This is often presented in terms of its economic contribution through job creation and income generation. Unfortunately, such statistics concerning the craft sector in South Africa are not readily available for a number of reasons. Firstly, the sector does not have an ‘industry’ identity, crafters do not belong to unions, nor businesses to associations. As a result, there are few existing sources of data concerning the key indicators usually employed in the description of an industry as described above.

Secondly, craft is a very fluid industry. The numbers of craft sector participants expand and shrink in response to seasonal trade conditions and in relation to tourism. Traders constantly move from one place to another to sell their wares. Individuals trade or produce crafts as a means of earning additional income for varying periods of time. An interviewee from the SAFTO Exporting Club described many of the people involved in exporting crafts as “opportunistic salesmen” who “took a suitcase of crafts overseas to pay for their holiday.” Businesses open and close to such an extent that Publicity Associations claim they are unable to keep current records to promote the industry to tourists.

Very few people are actively involved in developing retail sites exclusively for the craft industry. This results in craft being lost among other mass produced goods in both formal and informal retail environments. Many crafters and artists do not pay income tax although the state earns considerable amounts of Value Added Tax (VAT @ 14% in RSA) through the purchasing of Raw Materials and services i.e. Tools, Materials, Transport, Telecommunications, Water & Lights, Food, etc. VAT Registered Retailers also include VAT in the purchase price of the products they source from informal crafters. Because businesses are not registered, records are not kept and these entrepreneurs tend to keep a low profile in order to minimise the risk of being investigated for tax evasion, this makes it very difficult to compile meaningful statistics for the industry as a whole.

ISSUE: The size of the craft sector changes in response to seasonal trade, opportunities and economic conditions.

Finally, the craft sector is characterised by high levels of competition. Global competition has been intensified substantially since 1995 due to changes in trade and tariff conditions and the decreasing ability of the formal sector to provide jobs. While new competition has emerged in the form of cheaper manufactured products from overseas producers, the falling Rand has provided some relief to our producers in valuable export markets.

The influx of craft from neighbouring African countries has had an enormous impact on this sector. Not only are there people bringing crafts into South Africa but they are also bringing their skills in selling and producing these crafts. These entrepreneurs are often showing our crafters how to compete in this industry:they are more advanced in many ways especially when it comes to presentation and customer service. They have been exposed to international tourists for many years(unlike South Africans) and as a result have a wealth of experience for us to draw from.

The migrant labour laws, the Pass laws and the Homeland Policies of the apartheid state had a significant effect on craft in South Africa. While men were working in the big cities on the mines and in heavy industry they were unable to learn the craft skills passed down through generations in their families, as a result of which women have inherited more skills and dominate the industry in rural areas.

The growing number of South Africans finding employment in the informal sector is also having a significant effect on the competitiveness of the craft sector. Many migrant workers are now returning to their homes in rural areas as big factories and mines shed jobs in order to remain competitive. This has resulted in more people looking to the craft sector for opportunities to earn a living in these areas.

There has also been increased competition in the "Gift" market from food processing and cosmetics-based businesses who have started retailing gift packs through outlets which traditionally sold craft products. [44]. All these factors have resulted in a highly competitive market.

ISSUE: Increased competition is prevalent in the South African craft sector due to the liberalisation of the economy.

The discussion in this part of the document is more qualitative than it is quantitative due to the absence of existing sources of data and the constraints on the research itself. However, the absence of the formal statistics does not prevent an evaluation of the benefits generated from the craft industry. An image of the sector is generated from the opinions of crafters and craft business ventures instead of definitive statistics and aggregated data. It may be considered a limitation of the study by some, but it is important to recognise that it is symptomatic of the level of industry organisation in the South African craft sector as a whole.

[44] A very good example is Designer Chilli sauces which are sold in gift packs at craft outlets

3.1.1.1 The current size of the sector

The current size of the South Africa craft sector can be inferred from the number of outlets involved in retailing craft products, formal and informal, and the number of related support services such as marketing and educational services.

The objective of the research undertaken for this study was to provide an idea of the size of the craft sector as a whole, including the crafters, retail outlets, trade, exporting and so forth. Obtaining data on the number of crafters in the country was dependent on existing data banks.

The study came across several estimates of the size of the sector, In 1995 the Mail & Guardian published the following statistics: [45] The small business arena accounts for approximately 84 percent of South Africa's workforce (and one third of the GDP), of which the crafts sector employs about 15 percent. And this estimate is conservative, given that there are approximately 340 000 crafts people currently active in the informal sector – most of whom operate in a rural context, and many of whose activities remain unrecorded."

This statistic of 340 000, comes from an interview with Kevin Mansfield[46]. In a recent interview for this study, he was of the opinion that the figure he provided in 1995 had now doubled and that the current size of the craft sector was closer to 800 000 people. He based his analysis on numerous field trips that he has taken since the time of the interview published in the Mail and Guardian.

Current research has established that there are a number of data banks set up by individuals and private initiatives that are unavailable to the public as a result of the high levels of competition in the industry. Data collected by parastatals, associations, public sector initiatives and NGOs on the other hand, was more readily available but limited financial resources has inhibited the quality of the data collected[47]. As a result, the databases were often unreliable. This lack of financial resources for data collection is a source of great frustration for many individuals working in the field of craft development.. Khushu Dlamini[48]of the Craft Action Body in Richards Bay maintains that in three months she could identify all the crafters in KwaZulu-Natal if she had the funding.

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[45] Hazel Friedman, M&G, October 13, 1995

[46] Apparently the original figure of 340 000 crafters was based upon statistics provided by a Central Statistical Service (CSS) study conducted in 1989 looking at the informal economy in South Africa. The study did not consider whites in South Africa nor any of the former "independent" homelands, which makes the figures incomplete. A subsequent CSS report looking at the informal economy came out in 1994 but contained no direct references to the craft sector.

[47] A number of efforts to collect information on the craft industry are currently underway throughout the country. These attempts are hampered by several factors. The most obvious problem is that almost all of the initiatives are based in urban environments, while most of the crafters (at this stage) appear to be in the rural areas of South Africa. Rural crafters are difficult to document because in many cases they are not literate and do not have addresses, telephones or fax machines. It appears that many of the people collecting data are doing so voluntarily. The cost of traveling long distances into the interior of the countryside to identify the rural crafters becomes prohibitive. Consequently, data is sporadically collected.

[48] Interview

The research identified approximately eighteen different initiatives, public and private, which are collecting data on the number of crafters in South Africa and at least four Provincial Departments of Arts and Culture are conducting audits of the craft sector in their provinces[49].

The important question to be answered before investing time and energy into investigating the number of existing crafters is "How necessary are exact figures for the development of the sector?" The impression of the research team is that it is possible to pursue constructive interventions in the craft sector without having identified each individual crafter.

ISSUE: When there are limited resources, the development of the craft sector will probably have to proceed without hard data.

3.1.1.2 Retailing of craft

In terms of formal retailing, the Bureau for Market Research (BMR) in Pretoria has 306 retail and wholesales outlets in their records that are involved in the craft industry in a general sense. The majority of the retailing outlets were found in the "Toys, hobbies and crafts" category (SIC 620138). There is no industrial SIC code which is specific to the retailing of crafts and therefore the figures provided by the BMR provide a superficial indication of the number of retail outlet selling crafts. It is also relevant to note that craft is sold in a wide variety of "non-craft" retailers e.g. Pharmacies, Cafes and Farm stalls.

A survey conducted by the research team of the yellow pages of South Africa was compiled and combined with information from tourist pamphlets and interview sources[50] as well as the information obtained from a fax survey. The number of retail outlets are identified in each province by the current research project:

KZN	WC	Gauteng	MP	EC	FS	NC	NP	NW	Total
120	303	70	64	83	54	2	9	N/A	707

These statistics are by no means complete but they provide some indication of the number of retail outlets around the country.

The information for the number of outlets in Gauteng is very low and this is related to the fact that there were few responses to the fax survey from the provincial publicity information bureau's and relevant organisations.

Flea-markets are considered to be an entry point for crafters wishing to retail their goods. It isno longer cheap to hire a stall at a flea-market and traders have found themselves paying up to R60 per day for street stalls(Grahamstown festival 1998).

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49 See Appendix A.

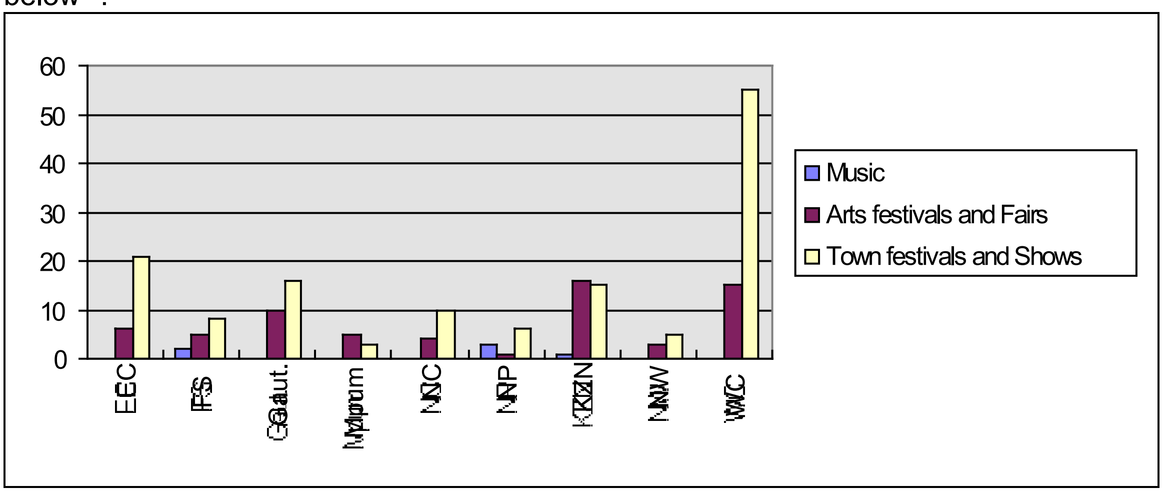
50 Note: The Arts & Crafts Map is another interesting source of information regarding the craft industry in some places in South Africa. The 1998 version published for the Western Cape provides a detailed list of retail outlets as well galleries, exhibitions and museums in the Cape Town city centre and surrounding areas. The Map names 63 destinations in and around Cape Town, which does not include any informal retailing but indicates a significant level of retailing in the region. The same Map was published for the Gauteng area and names 46 related destinations. Ten of the destinations were for galleries; another 10 for museums and the remaining 26 are retail outlets.

Crafters rely on festivals and shows to boost their earnings as they are able to earn cash in relatively short periods of time. These events also provide them with high volume customer exposure and feedback on their product lines, helping them to grow and improve their businesses. Festival organisers have identified this need to trade and are exploiting it as much as they can without consideration for those traders who cannot afford high stall fees.

Example: Average Grahamstown Festival High Street Stall July 1998
Width 3 metres
Price @ R15 / metre/day - this is a 50% increase on last year's price of R10 /metre
Price per day R45
Duration of festival - 10 days
Total rent to stall holder R450

Crafters who are just making a living from their handiwork cannot even consider paying fees of this nature as their entire stockbase may not even amount to a thousand rand. They are thus excluded from trading at the festival even though it takes place on public ground. People who would otherwise be selling craft from their communities are forced to sell products with higher profit margins e.g. Imported clothing & Shoes, novelty items and toys, in order to make trading viable.

Events around South Africa which commonly involve the retailing of crafts are listed below[51]:



South Africa has a very under-developed festival circuit. For a country that is so rich in musical talent the number of musical events is very poor indeed. The Western Cape takes the lead in the Town festivals and shows category with more than double its nearest rival. It is interesting to note that the majority of street traders at the Grahamstown   estival had travelled from the Western Cape[52].

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51 Arts and Culture Guide 1997
52 InfoSource Grahamstown Festival Survey July 1998

Cape Town is an international city and like Johannesburg has a well developed formal and informal retail sector. This environment is particularly attractive to the entrepreneurial crafter as it provides ready access to the marketplace. The additional fact that there are numerous events to choose from adds to the long term viability of trading in this region. Tour operators from the Western Cape, KwaZulu and Gauteng are also far more sophisticated and competitive than their counterparts in other regions largely due to the following:

- They all boast International Airports. This gives them immediate access to the international tourist
- Over the past twenty years they have dominated the domestic tourist market and thereby gained valuable experience
- Tour itineraries are scheduled with a 'convenience factor ' in mind, no tour guide will subject their tour party to hundreds of kilometres of bumpy roads if they can help it
- Their cities are infrastructurally prepared to accommodate tourists with a full range of facilities from Backpackers to Five Star Luxury
- The crafters and retailers are aware that tour guides are a valuable source of customers and many willingly pay between 10 and 15% commission to guides who bring in spending tourists

The retail sector of the informal sector is experiencing exponential growth in some areas, a very good example is Global Village Leisure Retail who control a number of informal markets around South Africa. They are preparing to list on the JSE later this year and have already issued a large number of preferential shares to their staff and stallholders. According to their marketing department, Flea-Market World at Bruma Lake east of Johannesburg hosts about 40000 foreign visitors per month, its close proximity to Johannesburg International Airport makes it an ideal first and last stop on a visit to South Africa. A R6-million revamp of the market is underway in order to give it more of an African feel, they also want to create speciality areas within the market where Arts & Crafts, Food and other goods can be put together on site so the customer can appreciate the whole process that goes into preparing these goods for sale. They also have a policy of using local artists for live entertainment at Bruma giving their customers a comprehensive South African experience.

The South African Arts, Culture and Heritage Calendar for 1997 provides a list of markets[53] in the nine provinces. In total the calendar lists 66 markets[54]. Additional research[55] has indicated that the number of craft markets has either grown substantially since Satour's contribution to the calendar or that the list underestimated the number of markets. Responses from KwaZulu-Natal indicate that there are approximately 34 in the Durban area alone. There is a circuit which many crafters frequent: Grahamstown for the Standard Bank Arts festival(July); Durban for the Gunston 500(July); the Knysna Oyster festival(July); the Hermanus Whale festival(August); Rustlers Valley Music festival(April); OppiKoppi Music festival(August).

3.1.1.3 Marketing

[53] Information supplied by Satour

[54] Some of the information contained in the calendar was found to be incorrect when utilised for research purposes and at this point the research has not yet been completely verified by the research team.

[55] A fax survey was sent out to Publicity Associations, Tourism information Bureaus, Municipalities and so forth

Crafts are marketed electronically, through publicity associations, Satour and regional tourism offices; through lifestyle magazines; word of mouth; art and craft publications and exhibitions at museums and galleries around the country. It appears that in the past year there has been an increase in the number of South African websites solely marketing South African crafts or about craft marketplaces. This study identified twelve electronic websites retailing crafts[56].

The value of electronic marketing has yet to be realised, according to retailers in the craft sector that were interviewed. Shopping on-line has not taken off in this country as yet and probably won't be a big factor for some time to come as far as the individual is concerned although the number of shoppers on the internet world-wide is growing very rapidly indeed. Consumers from the domestic market are primarily women, and the profile of the average Internet user in South Africa is white, male and unlikely to go shopping regularly for craft.

A very good example of online marketing is the success story of BuyAfrika, now based in Houghton, they began two years ago promoting local crafts via the internet and have grown into a very effective concern boasting some tremendous export contracts. Both retailers and crafters can benefit from an online marketing service like BuyAfrika where people interested in purchasing craft can link up with those selling it. Retailers who do not have internet access could certainly benefit from registering as this holds enormous benefits for them when sourcing products to sell in their outlets. Producers advertising their goods online felt that it was an essential move to capture international trade, and that in a few years it would be a necessary method of marketing domestically as well.

3.1.1.4 Exhibitions and trade fairs

Another indication of the size of the craft sector can be found in the number of local trade fairs and exhibitions profiling craft products. According to a publication produced by the Cape Town Chamber of Commerce, *1998 South African Exhibitions Calendar*, and interviewees there are twenty-one shows and exhibitions involving craft[57]. These exhibitions are essential to crafters who want to establish themselves as wholesalers as most of the buyers for large retail outlets attend such events to source new products and to re-order on existing lines. This can result in very large orders for someone entering the market with good quality products at reasonable prices.

3.1.1.5 Education and training

Crafting skills are learnt in a number of different ways. These include formal art education; education in general such as high school or primary school; inherited cultural or familial traditions; apprenticeship; informal courses and training programmes, as well as through observation. There are few institutions dedicated to training people in crafting techniques and skills. According to interviewees most skills training occurs either informally or through short courses or workshops run by a range of organisations and individuals[58]. In addition there are other NGOs and CBO service providers who may

[56] See Appendix B.
[57] See Appendix C
[58] This list is in no way comprehensive, it provides only an indication of the amount of training bodies.

provide craft training in combination with their core service in response to perceived community needs.

The Human Sciences Research Council's (HSRC) online directory of training bodies around South Africa lists another twenty-eight different organisations involved in the training of garment making skills and sewing alone. It is, however, notable that most job-creation type craft training is provided at a very low level and in many cases in an ad hoc way[59]. Training is most often conducted by SMME service providers, who often fail to acknowledge the importance of design in the training, and who measure the success of their projects quantitatively in terms of numbers passing through courses. This means that many training projects produce trainees who are good copyists who produce products with a very short life cycle.

Summary of figures

- different initiatives, public and private, currently collecting data on crafters and the craft sector in general.
- Approximately 90 formalised markets retailing craft and an unknown number of roadside or sidewalk 'markets'.
- retail outlets identified nationally, with indications of many more.
- electronic websites advertising South African crafts.
- domestic trade fairs and exhibitions.
- training courses and facilities identified thus far.
- training facilities for sewing.
- national associations and several guilds.
- home industry co-operatives which are more than likely involved in the production of crafts.

3.1.2 The contribution of the craft sector to the GDP

The primary contribution of the craft sector to the GDP is only one aspect of what the craft sector contributes to the South African economy. Related economic benefits lie in the spin-off industries that arise out of craft production and retailing, and the training of skilled people for the formal sector.

One interviewee felt that "Only a few producers will make substantial incomes - most could however make enough money to make it worth the effort"[60]. Women who were interviewed informally at a Ndebele Cultural Village in Mpumalanga did not think that they earned more than R50 a month from their crafts unless they produced for orders. Despite this low-income generation, the women felt that the production and sale of crafts was an important source of income for them.

Many of the crafters in Southern Africa travel extensively to sell their wares, and this has extensive benefits for the economy. At shows and festivals crafters meet up with each other, exchange ideas, barter with each other for goods, or for those who can afford it purchase other crafter's goods for resale at other retail sites. It is also very important to note that not only do these travelling crafters earn themselves a living on the show /

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[59] Interview with Julia Kukard: Export Consultant, Western Cape
[60] Comment from Gordon Metz, DACST.

festival circuit, they encourage spending through the novelty value of their products(some customers save up for these festivals as they know that these products are only available at certain times of the year). The money they earn gets ploughed back into the local economy through their expenses e.g. accommodation, food, entertainment, petrol / transport, etc. As a result of their activities, a healthy flow of goods and cash is achieved throughout the country.

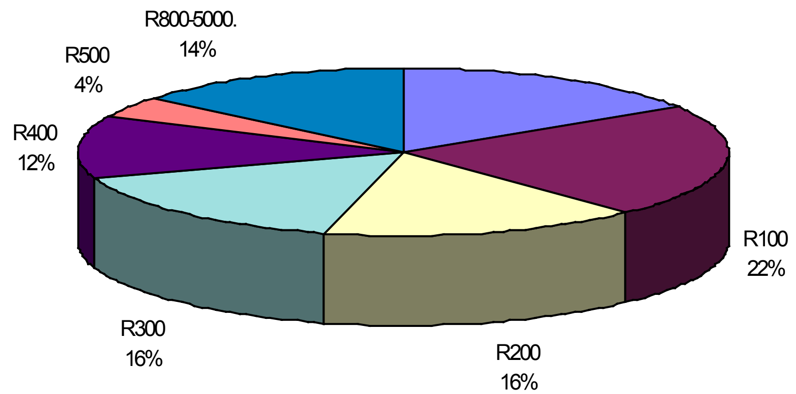
Two studies, one in KwaZulu-Natal and the other in the Eastern Cape, suggest that there are limited economic benefits derived from the craft sector by craft producers and retailers in rural areas.

ISSUE:
Research suggests that there are significant but limited economic benefits derived from the craft sector by craft producers and retailers in rural areas.

A micro-survey conducted in the Eastern Cape[61] found that income levels for craft producers varied widely between zero income and R5000. Nearly 16% had no income, 22% earned R100, 16% earned R200, a further 16% earned R300, 12% earned R400 and only 4% earned R500 per month. The remaining respondents (14%) earned between R800 and R5000 per month. The micro-survey established that the average monthly income for the crafters was in the region of R450 whilst the average monthly profit was R143. In terms of alternative income sources, 74% had no other form of income, 10% received a pension grant, 10% did not specify the source of their other income and 5% received parental support.

[61] Source: Eastern Cape Rural Industries There were a number of problems with the survey because many of the respondents could only indicate what they had earned in the past month (September 1997). Despite this factor and others, the findings of the survey are interesting.

Money earned by rural crafters in survey conducted by ECRI 1997:



We must note that these figures were collated at a particularly quiet time of the year in a part of the country that has an underdeveloped tourist sector where even well established retailers struggle to survive, especially those in rural areas who rely on tourists for their custom.

A study by Elizabeth Wood, an academic, provides one of the few economic analyses of the South African craft sector[62]. Her study established that well positioned and developed markets on the fringes of prime conservation estates encourage the average visitor to spend approximately R30 per visit. The markets generated an average in-season weekly net revenue per person of between R50 and R100 and an out-of-season rate of R10 and R20. Wood (1996) concluded her study by saying, **"**The negative relationship between wage and hours worked does not detract from the importance of craft markets in providing workers with a basic level of income. This importance is demonstrated in the fact that some crafters walk up to 20km to reach the market, and in the lack of alternative waged employment opportunities available.[63]"

Wood's study found that traders benefited more in economic terms from the sale of ready-made goods than the retailing of self-made products. She also found that basic training assisted traders to improve their income levels significantly and concludes that the economic benefits currently derived from markets have the potential to be substantially increased through appropriate training and developmental interventions. She recommends that skills training should be in terms of craft production and small scale trading.

ISSUE: Research has found that more money is earned from selling ready-made goods.

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[62] The KZN research focused on three particular markets[62], namely:
Siyabonga Crafts, St. Lucia Estuary;
Umbumbano Craft Market, Sodwana Bay
Vulamehlo Craft Market, Umfolozi Game Reserve
[63] Elizabeth Wood 1996,p.44

ISSUE: Economic benefits currently derived from markets have the potential to be substantially increased through appropriate training and developmental interventions.

Another important suggestion arising out of her study was that external support for the craft industry should occur in the shape of appropriate forms of infrastructure, such as suitable trading and storage spaces for marketplaces. Her study justifies this by highlighting the fact that the conditions of the physical trading environment can significantly contribute or detract from the economic earning power of traders.

ISSUE: Infrastructure plays an important role in the income generated by people working in the craft industry.

The levels of income earned by urban crafters remain an 'urban legend'. Interviewees have indicated that the income generated from the sale and production of craft can range from R50 a day to R10 000 a week[64]. A number of urban crafters, informally interviewed, maintained that they earned about R2 500 a month from their crafting. The amount of income generated from their crafting depends upon the time of year and the amount of tourist trade passing through.

As maintained in the study by Wood (1996), there is a distinct difference in the levels of revenue generated by crafters and by retailers of craft. Retailing is the more lucrative of the two activities. Black traders selling imported crafts on the streets of Cape Town claim to be paid R250 a week plus 10% commission on their sales, which is a minimum of R1 000 per month.

The amount of income earned depends on the time of year, the weather, physical location, consumption patterns (e.g. candles are consumables), current fashion trends and the products on sale. Most income is generated during the summer months and this income must see the business through leaner times during winter when trade drops in relation to tourism and fewer festive seasons.

ISSUE: Seasons, location, product type and the nature of passing trade heavily influence income levels.

Merchants who travel throughout Africa in search of craft products stimulate trade in many areas, and they are constantly looking for deals in which they can ern money. These deals may involve the importing of crafts into South Africa or more importantly the export of craft from here into Africa or to Europe and the Americas earning

[64] See Appendix E for list of income levels earned from craft businesses.

3.1.3 A Spatial picture of the industry

The craft industry is spread all over the country with heavy concentrations of activity prevalent in urban centres in Gauteng, KwaZulu-Natal, the Eastern Cape, the Western Cape and Mpumalanga. Each province is different and the observations contained in the chart below are by no means exhaustive but provide some insight into the varying provincial characters of the craft industry in South Africa.

ISSUE: In terms of the retailing of crafts there is an urban bias in the South African craft sector. The production of crafts is dispersed throughout the country.

Due to constraints on the research time and available information resource, information regarding the Northern Province, the North West Province and the Northern Cape is very poorly developed. The research team does not feel in a position to comment on the craft industry in these regions and they are not included in the ensuing discussions.

Note: The figures provided in the table below are incomplete and provide a better indication of which provinces co-operated with research process, than of the actual size of the craft sectors in the respective regions. The results also indicate where databases have already been established in South Africa regarding the craft sector.

Province	Description of the craft Industry
Eastern Cape	**Retail outlets:** 83 **Markets:** 5 **Cultural Villages:** 3 and a number are in planning phase **Other:** Wild Coast Spatial Development Initiative; Standard Bank Arts Festival ***Observations:*** The craft industry in the Eastern Cape does not appear to have developed as a result of external market demands. The development appears more linked to the activities of missionaries, international donor funding, and development initiatives from the apartheid government era (due to the former homeland policies, Ciskei and Transkei). Most of the craft businesses interviewed explained that they had products to sell but insufficient demand. Domestic consumption by indigenous communities is still high due to the dominant rural character of the province but it is on the decrease. Tourism has been erratic over the past few years. This is largely due to poor flow of tourists throughout the province, a lack of tourist related infrastructure and under-utilised available infrastructure (e.g. Bulembo Airport in King William's Town has the capacity for 747 aircraft but it is only used for private and VIP flights). Development of the Wild Coast and Fish River SDI's holds potential for a revitalisation of tourism in the region.

	There are a number of growing private business initiatives driven by black and white women in the province which are proving more financially successful than NGO initiatives of the past.
Free State	**Retail outlets:** 54 **Markets:** 2, of which 1 is a major market in Bloemfontein of 1700 stalls once a month. **Cultural Villages:** 1 near the border of Lesotho. **Other:** The music festivals held at Rustlers Valley and potentially the Macufe festival at Mangaung near Bloemfontein ***Observations:*** International tourism to the Free State is much lower than other provinces and most tourists are domestic and linked to environmental tourism as well as, game and biltong from hunting. There are roughly 80 nature reserves and parks both private and publicly run. As with the Eastern Cape there is inadequate flow of international tourists through this province largely due to a lack of facilities to improve this flow. The craft sector is underdeveloped but there is potential according to interviewees. The existing craft is of a 'home industry' nature and targets the tastes of the local consumers. Producers appear to be largely white women.
Gauteng	**Retail outlets:** 70 **Markets:** 9 **Cultural Villages:** 3 **Other:** The Crocodile River Ramble ***Observations:*** The craft sector is very large and relatively profitable. A high concentration of retailing takes place in Johannesburg itself, but other craft activity is scattered throughout the remainder of the province. The industry appears market and demand driven and it is supported mainly by domestic consumption. Many of the markets have been formalised and are managed by B&B Markets in Johannesburg and the surrounding areas. There is a significant amount of craft being sold on the streets in and around major shopping centres. Possibly the highest concentration of imported craft products are found in Gauteng. Thus competition exists between the local traders and foreigners, both on the streets and in formal retailing outlets. Producers come from all over the country and the continent, black and white, all ages and creeds to trade in Johannesburg. The international tourists are a significant market for products. It is unclear whether they consume South African products or craft from elsewhere in Africa, which is so readily available.

	Galleries, Museums and exhibitions are important for the urban craft sector and in Johannesburg there is enormous overlap between the craft and art industries. There is a concentration of craftart retail outlets catering for the upper end of the market.
KwaZulu-Natal	**Retail outlets:** 120 **Markets:** 34 **Cultural Villages:** 8, a number of additional ones planned **Other:** The Lubombo SDI and the phenomenon of 'meanders' or the collective marketing of an area, such as the Midlands Meander and the Battlefields one. ***Observations:*** The craft industry here is relatively well developed In comparison to other provinces. It is a market driven industry with close links to international and domestic tourism. Developments related to Zululand and the history of the province have been very important in building the market for the consumption of crafts. Missionaries have played an important role in the development of craft. The existence of a number of craft initiatives bares testimony to the involvement of the church. Nature reserves and lodges is another important aspect for the retailing of craft. The KwaZulu-Natal Conservation Society (formerly known as the Natal Parks Board) plays a significant role in this aspect of the industry through its management and development of nature reserves. Informal roadside markets are a commonplace method of retailing crafts. The formal side of the industry is well developed and the formation of 'meanders' is a characteristic marketing strategy of the craft sector, but with varying levels of success. The most successful examples are the Midlands Meander and the Battlefields Meander. Most of the producers are black women from rural and urban areas and there is a significant level of involvement and support for the craft sector from white women.
Western Cape	**Retail outlets:** 303 **Markets:** 33 **Cultural Villages:** 0 **Other:** Festivals and fairs in almost every town in the province that often involve the retailing of arts and crafts. ***Observations:*** The Western Cape has a developed craft industry linked to high levels of tourism, domestic and international. The industry is market driven as a result. There are a number of craft development initiatives in the townships surrounding Cape Town that are striving to create employment and income earning opportunities for disadvantaged black women.

	Most of the producers are white women and men but they often employ people in the production of their products who are black and coloured. As in Johannesburg, high-end craft or craftart is retailed through galleries and museum shops. Crafts are available in abundance at various tourism nodes in the province. The Southern Cape has an enormous craft industry, as well as the West coast region and at a recent development near Tsitsikamma (close to the Eastern Cape border).
Mpumalanga	**Retail outlets:** 66 **Markets:** 3 and numerous road side 'markets' **Cultural Villages:** 7 existing and 4 planned developments, linked to the Maputo Corridor SDI. **Other:** Maputo Corridor SDI; Kruger National Park ***Observations:*** Craft in this province bears testimony to the close proximity to Swaziland and many of the products are produced in Mpumalanga but can easily be mistaken as imports from its neighbouring country instead. There are a number of informal roadside market places where traders sell to tourists on their way to nature reserves and parks. The producers of craft are black men and women from rural areas. A member of the provincial Department of Arts and Culture estimates that there are very few crafters in the province, possibly only 400 or 500.

3.1.4 Summary of issues in Part One of Section Three

- Hard data concerning the South African craft sector is unavailable.
- The size of the craft sector changes in response to seasonal trade, opportunities and economic conditions.
- Increased competition is prevalent in the South African craft sector due to the liberalisation of the economy and the inability of the formal sector to create employment.
- When there are limited resources, the necessity for hard data to justify the development and support of the craft sector is a debatable requirement.
- Research suggests that there are significant but limited economic benefits derived from the craft sector by craft producers and retailers in rural areas.
- Research has found that more money is earned from selling ready-made goods.
- Economic benefits currently derived from markets have the potential to be substantially increased through appropriate training and developmental interventions.
- Infrastructure plays an important role in the income generated by people working in the craft industry.
- Seasons, location, product type and nature of passing trade heavily influence income levels.
- In terms of the retailing of crafts there is an urban bias in the South African craft sector. The production of crafts is dispersed throughout the country.

3.2 PART TWO: HOW THE CRAFT SECTOR OPERATES

The ongoing struggle to define the craft sector is symptomatic of the diversity characterising every aspect of the industry. The operations of the craft industry are explored in this section of the paper, in terms of the motivation or "beginnings" of production, production itself, and the manner in which products reach the marketplace through circulation and physical delivery. Product consumption forms the final component to this discussion.

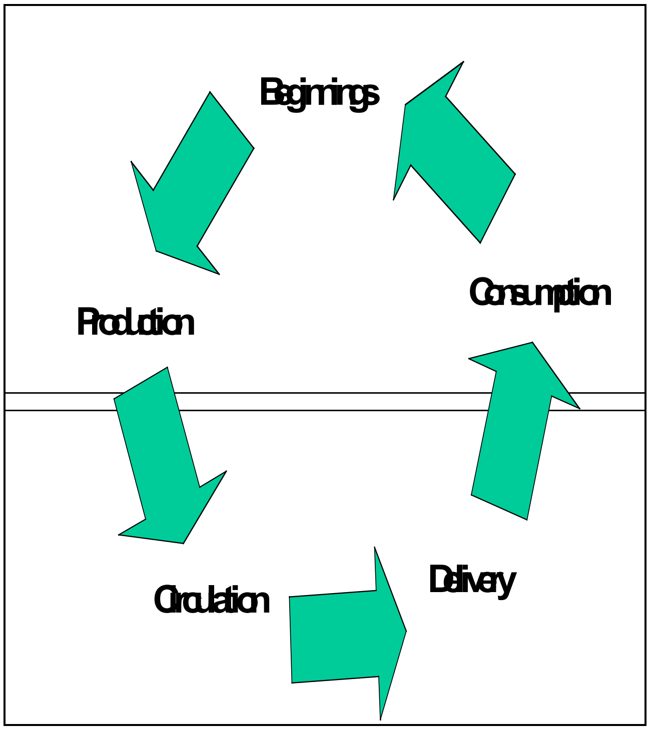

Figure: Landry's Five Columns Model

Craft originates from interplay of factors: the needs, desires, perceptions, emotions and understanding of the producer and their environment (broadly defined). However, the research has identified five significant influences for the 'beginnings' of craft: donor funding and development initiatives; market demands; economic necessity; the availability of materials; culture and heritage; artistic inspiration; and technical crafting skills[65].

> "The craft industry is stigmatised by definitions of the broader community. It is viewed as the domain of Africans and women - *not* the domain of money making and professionalism. This interpretation of the craft industry is limiting its development and resources are not being directed into it. "
> *Tessa Graaff, Montebello Design Centre*

3.2.1 Beginnings of the craft industry

3.2.1.1 Traditional Art

[65] For a summary of this section of the report, see Appendix F.

The production of Traditional art originates in the material culture and inherited production methods of a community. Aesthetics and methods of production are learned through apprenticeships, observation and socialisation patterns. International Donor funding and missionary programmes have played an important influence in developing and promoting this craft form through job creation programmes. Currently, the production of this craft is motivated by economic necessity and not because of the traditional role it plays in cultures. Demand for such products is however fairly consistent, especially if new uses have been found for traditional objects e.g. Zulu Love Letters.

ISSUE: International donor funding and aid has played a significant role in the development of the South African craft sector.

3.2.1.2 Designer Goods

"A cultural gap in style and tastes separates rural, indigenous craftspeople from consumers in big cities and developed countries. Artisans who sell outside their culture either teach people to appreciate a different sense of beauty or adapt their craft to foreign sensibilities. In the latter case, the skill of the designer – not the manufacture or place or origin – sells the work."[66] Designer goods deliberately develop out of the desire to satisfy the tastes of the international community; therefore, it arises out of market-based product development, design, international fashion and trends – ultimately the marketplace of fads. Skilled production and ongoing product development is essential but not enough to succeed in the international market. Donor funding and developmental initiatives striving to create employment are significant forces behind the production of designer goods. This is because donors perceive this kind of craft as enabling crafters to retain their indigenous style but still produce marketable products. Production and design decisions are based on market information, but it is the income generation aspect that is the most important.

Observation: The sustainability of donor driven craft production is low in comparison to production that is driven by market demand.

3.2.1.3 Craftart

Craftart tends to be a once off product, not qualifying as fine art because of its functionality, but is accepted as a *form* of art because of the quality of craftsmanship involved in the production. Craftart tends to result from cross-cultural fertilisation and cultural fusion. One can say that the beginnings of craftart lie in cultural traditions, technical skills, artistic inspiration, commissioning, experimentation and economic necessity.

3.2.1.4 Functional Wares

[66] W. Morris, et al p.46

Functional wares are the 'industrialised' production of traditionally handmade goods, such as pottery, furniture, carpets, tiles and so forth. The origins are similar to designer goods in terms of economic factors, the market and consumer feedback but not in terms of donor funding and aid. Most initiatives are business driven ventures. Design is essential to production of goods and thus technical skill and artistic aesthetics feature as part of the beginnings too.

Observation: Design is an essential feature of successful products in the marketplace

"The dominant trend is toward mechanised production of handmade goods in order to lower unit costs and thus be competitive with industrially manufactured products. In burgeoning small factories, craft and industry intersect. Many view this as the future of craft…mass production can also mean beautiful wares for the masses; the introduction of machinery and assembly line methods to the production process does not necessarily erase their unique character. Customers value functional articles that possess, style, quality materials, and good craftsmanship along with practicality."[67]

3.2.1.5 Souvenirs

It has been written about souvenirs, "Some memorabilia have no pretensions to being pretty, practical, or culturally relevant. Bought on impulse for family and friends, affordable, foldable, and easy to pack, curios and knickknacks retail at sites tourists frequent: airport stores, hotel gift shops, and quaint foreign streets."[68] Souvenirs are often mass produced items that have a proven track record in their sales, are affordable to most tourists (both domestic and international) and provide crafters with valuable cash-flow through orders placed by retailers.

ISSUE:
A significant proportion of people presently involved in the South African craft sector are there out of economic necessity rather than artistic inspiration or cultural heritage.

[67] W. Morris et al p.22
[68] W. Morris, et al p.58

3.2.1.6 Musical Instruments

Traditional musical instruments are a very popular craft item all over the world, the skills that go into making instruments have been passed down over centuries through many cultures. Tourists are prone to traditional music as they can often relate it to their own cultures. The Drummillenium 2000 project, South Africa's contribution to the global millenium celebrations inspired this message from President Mandela:
"Drummillenium 2000 is a millenium celebration using the one time honoured means of communication - The Drum. This instrument is common to every creed, every nation across the globe. From India to Africa, the Americas to Asia, Europe to the Caribbean, the rythmic vital beat of the drum is heard. This makes it an identifiable and accessible instrument, a commonality within a world of diversity."[69]

3.2.2 Production

3.2.2.1 Traditional Art

(1) Examples of products

Baskets woven from Ilala palm, beadwork, beaded pipes, wooden walking sticks, Zulu traditional hats, grass mats, mural paintings on walls of Ndebele homesteads, traditional Xhosa attire, clay beer pots, beaded garments and so forth.

(2) The producers

Craft producers are mostly black women. In many cases they are middle-aged women or at least mothers, and are the principle economic providers within the family. The men involved in crafting dominate the woodcarving sub-sector[70] of the industry whilst women produce clay pottery, woven baskets and grass products, quilting and sewing, embroidery, mural painting and so forth. A micro-study in KwaZulu-Natal found that[71]:

- Craftwork is a predominately female profession (94%).
- Average age of those who knew their birth date (62 out of 71 respondents) was 38.
- Average family size was 7.8.
- Age and family size did not vary significantly between markets.
- There was substantial variation in educational levels amongst retailers and producers.

There are indications though that increasing numbers of men are becoming involved in the production of traditional art as there are few other employment opportunities available to them[72]. Many workers are returning from urban centres as they are retrenched and cannot find new employment, this could prove to be a source of labour for craft.

(3) Materials

[69] Mr N.R. Mandela, State President of South Africa, Sunday Independent July 26 1998
[70] Interviews with a number of respondents, too many to list, as well as secondary data.
[71] E. Wood et al
[72] Interview with Mr. Linda, Vukani Weavers, Eshowe, KwaZulu-Natal

Supplies used in the production of traditional goods come from the natural environment, for example clay, various grasses and wood as well as imported products such as beads. There are problems linked to the supply of wood and the different grasses because of poor environmental management and over utilisation of resources for production of crafts.

ISSUE: Environmental degradation resulting from the production of traditional art.

For example, Ilala palm is used extensively for the production of baskets in KwaZulu-Natal. The south coast has depleted the resources and producers must buy supplies from elsewhere. Further, north towards Hluhluwe and up to Maputoland, it is still abundant. Entrepreneurs are coming into these abundant areas, buying up large truckloads and then selling the palm to producers elsewhere[73]. This may have long term implications for the profitability of basket production in the future.

Beads are imported from Taiwan and Czechoslovakia. They are relatively expensive due to the 20% import duty. Additional transportation cost is accumulated as women in rural areas either travel into urban centres to purchase the beads or buy them from general dealers or individuals who add on to the selling price their own profit margins and travel expenses.

ISSUE: High tariff's on imported raw materials, such as beads.

Clay is readily available and costs nothing. Especially high quality clay exists in the Eastern Cape [74]. The textiles and materials used in traditional clothing and garments are easily available from fabric shops throughout the country. The paint used for murals is available from hardware stores and there is clearly little shortage of cow dung used for the patterning of homestead walls. Leather or hides used in the production of traditional attire appears readily available .

ISSUE: The availability of raw materials for production of traditional art.

(4) Equipment

Producers require modest forms of technology and can obtain the necessary equipment from general dealers, hardware shops and the environment. Some equipment is produced by hand, for example, the looms used by Ndebele women up north and traditional hand tools for woodcarving. Traditional carving tools are increasingly scarce however.

ISSUE: Availability of appropriate forms of equipment for the production of craft goods.

(5) Production techniques

[73] Interview with Carol Sutton, Ilala Weavers, Hluhluwe, KwaZulu-Natal.
[74] Interview with Erika McNulty, Masithandane, Grahamstown.

Traditional methods of production are used. In most cases, the method passes from generation to generation. Increasingly, training courses and development projects are influencing production techniques by teaching producers westernised 'product development' and production concepts.

(6) Mode of production

In rural settings, people produce crafts independently or in groups, in their homes between other household duties and responsibilities. In Urban settings production of the traditional art is often a job and producers are required to come into work everyday to produce full time. There are a few collective "studios" where producers produce and sell their work at the same time, for example Cultural Villages and tourist venues. The social aspect of this form of production is very important, especially in the context of SMME support programmes.[75] There are rare cases where a producer has become recognised by the 'art world' as a master of their respective art form, such as Jabu Nala, who is known for her masterful pottery, and they may relocate to an urban centre and produce in a studio.

Observation: Traditional art production provides significant opportunities for self-employment and SMME stimulation especially in rural areas.

An interesting mode of production that exists in a number of variations around the country involves a close relationship between the retailers and the producers. The retailers supply the producers with materials and equipment necessary for production and then buy the finished goods. This category of craft provides significant opportunities for self-employment and SMME stimulation especially in rural areas of South Africa if appropriately assisted by the private sector and government.

(7) Production volumes

Production volume of individuals tends to be relatively low, but because of the large numbers of people producing similar products the market is saturated with particular forms of traditional art.

ISSUE: Market saturation is resulting from a large number of people producing the same goods, despite low productivity levels. The lack of product diversification is a significant problem for the sector.

[75] Producers, especially women producers have said that the social aspect of job creation programmes is almost as important as the income generation aspect - Interview with Julia Kukard, SMME Export Consultant

(8) Cost of production

A micro-survey of craft markets in KwaZulu-Natal found that the largest cost went on purchasing ready-made crafts to sell in the market place. Other expenses included the purchase of raw materials, dye and travel[76]. A different research project by an anthropologist[77] examined the activities of African women producing and selling Ilala palm products in Durban. The study found that most of the women's income was spent on transport costs to obtain raw materials from rural areas, and food.

According to interviewees and secondary literature indicated that despite the relatively low cost of supplies and equipment, production costs consume between 50 and 70% of the income generated from sales. Even so, when compared to other categories of craft, the production of traditional art has relatively low set-up costs and production margins.

ISSUE: Relatively high cost of materials and transportation in the production of craft adversely affects the profit margins.

3.2.2.2 Designer Goods

(1) Examples of products

Designer products are cushion covers, lampshades and tablecloths made from sheeting decorated with black edging and beadwork, in the style of traditional Xhosa garments. Place mats with Ndebele mural patterns on them, Ostrich eggs painted with bushmen styled figurines or 'African' Christmas tree ornaments to hang on stylised wire Christmas trees.

(2) The producers

In order to produce designer goods, it is imperative that the designer is familiar with the fashion and trends in the international marketplace, and that they are able to respond to market demands on an ongoing basis. This means that producers must be visually literate and skilled enough to be able to "read" product trends. This skill is learned through formal education and extensive exposure to the market. Opportunities to learn these skills have been limited for black South Africans especially for people living rurally. Urban educated whites with resources that allow them to access international information therefore dominate the sector. Producers of designer goods are largely black. Training for production is usually required irrespective of skill levels and can take place relatively rapidly, in a few weeks, according to interviewees.

76 E. Wood et al

77 Anant Singh, *Women and empowerment through the "Economy of affection" in KwaZulu-Natal: Its significance for sustainable development*. Paper obtained from an Anthropology conference held at Stellenbosch University, January 1998.

(3) Materials

The materials used in the production of designer goods are too extensive to recount in this study and therefore are not discussed in any depth. Materials come from all over the world, natural and synthetic, there are no limits to what qualifies as material.

(4) Equipment

Similar to materials, the equipment used in the production of goods ranges from industrial machines to hand tools and is too diverse to be explored in any detail in this report. Equipment is sourced from a wide variety of places - hardware shops, art supply stores, junkyards, general dealers, the natural environment among many other places. Some equipment has to be imported and this adds significant cost to production.

(5) Production techniques

The most commonly employed production techniques are wrap round and value-added. Producers often use mass produced base products (spoons, T-shirts) to which they then add value in the form of design. The combination of mass produced and value added allows them to compete both on price and design.

Observation: *The use of wrap around and value-added production techniques is proving to be one of the more successful production techniques within the South African craft sector.*

(6) Mode of production

Designer goods are produced in workshops, small factories, independently at home or by co-operatives and collectives.

(7) Production volumes

Volumes levels vary, they are dependent on the size of the producer group working together or employed, and the degree to which the production process is mechanised. Since the products are aimed at the export market - volumes tend to be larger than those produced for the local market.

ISSUE: The impact of partial mechanised production methods on the profitability of producing craft.

(8) Cost of production

The cost of production is high due to salaries of staff, workshop overheads and transportation costs. Most of these businesses are registered and pay tax. Marketing is a significant expense at all times, but especially when exporting is part of the retailing strategy.

3.2.2.3 Craftart

(1) Examples of products

Bowls and tea set made from white china and a handmade embroidered silk kimono. A Barbara Jackson plate, wrought iron chandeliers and raw silk material woven from by hand from cultivated silk worms. Ilala Palm baskets from Hlabisa in KwaZulu-Natal, the wooden carvings of Julius Mfete and the clay pots of Jabu Nala.

(2) The producers

The producers are referred to as artists or master artisans. They are generally white and have an academic background, but there are a few from other ethnic backgrounds[78].

Observation: Increasing numbers of men are becoming involved in the craft sector because they see it as offering a career and not just a hobby

White crafters appear to be of all ages and increasingly equal numbers of men and women are in the industry[79]. Several years ago, this was apparently not the case and producers were majority women. Lorraine Bester[80], explained that the reason for more men becoming involved in the craft sector is because they have come to see it as offering a career and not just a hobby[81].

(3) Materials

The materials used by the producers of craftart are the same as the materials used by any other craftsperson. To build on the exclusivity of the products they make, some producers use high quality materials that are more expensive. Most art supplies are generally imported from overseas, Europe or the US. This applies to the products used for craftart as well.

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78 The research was unable to obtain any significant information regarding craft production amongst other population groups in the country. Pieti Badenhorst of the MAG Community project in Montague, spoke of a survey they conducted in ten towns in the Western Cape to assess peoples skills in the area, particularly the coloured communities'. Men in the surveyed areas, claimed to have wood crafting skills and a few women had embroidery skills because of a training initiative, which took place sometime ago. The survey concluded that people's skill levels were generally very poor and although so few had crafting knowledge it was one of the only real job creation opportunities for people in the areas they examined.

79 Interviews with managers of craft markets throughout the country.

80 The current Arts, Craft and Small Business Manager of Cape Town's V&A Waterfront who overseas the Red and Blue craft sheds as well.

81 For many years in South Africa, in fact until very recently, crafting was perceived to be a hobby amongst white South Africans from which one could not earn enough money to support a family as well as a low status activity. This perception is changing as entire families and individuals are supported by a craft enterprise that only sells through craft markets and on commission for shops. The stigma attached to being a crafter is being challenged by the financial dividends because of their involvement.

(4) Equipment

The equipment for production is very important and of high quality to ensure the fine workmanship defining the products as art. Again, as in earlier discussions in this section, the equipment used in the production of craft art is too diverse to list.

(5) Production techniques

The production techniques are specialised. They tend to consume more time than the production of other craft forms since the emphasis is on high quality and hand production. Products are generally produced entirely by hand, from beginning to end. Originality, design and uniqueness are as essential for the definition of the product as craftart as the level of skill involved in the production.

Observation: *Originality, design and uniqueness are as essential for the definition of the product as craftart as the level of skill involved in the production.*

(6) Mode of production

The mode of production is similar to the production used by any artist – it is often a solitary activity. Producers work independently. They will produce at home, in a specialised studio if they are lucky enough to have one or share a communal production space similar to the BAT Centre in Durban or Montebello Design Centre in Cape Town. Both are complexes consisting of different workshops and production spaces, some of which are shared.

(7) Production volumes

Most of the products are made only once and thus production volumes are very low.

(8) Cost of production

Due to the high cost of materials, the length of the production period and the nature of the production equipment required, production costs are possibly the highest in this subcategory. Of course, the cost of materials and equipment vary but the time taken for production tends to remain a significant cost to be factored into the final price.

3.2.2.4 Functional Wares

(1) Examples of products

A classic example of this category is the products and production of Carol Boyes' pewter kitchen and homeware. Other examples include Green Glass, Kudhinda Fabrics, the products produced for and sold through the Hot Box design collective and the pottery of Clementina van der Walt.

(2) The producers

Employees are largely unskilled labour trained for the job. This is possible because many goods are produced in factory-like conditions with assembly line production. This category provides excellent opportunities for job creation in the manufacturing and small business sector. Carol Boyes' business employs around 120 people, Clementina van der Walt employs 10 in the production of her dinnerware, Kudhinda Fabric employs 26 people in the factory and the Hot Box Design Collective provides employment for just under 40 people.

Observation: *The factory-like production of Functional wares provides excellent opportunities for job creation in the manufacturing and small business sector*

(3) Materials

There are a fair number of craft manufacturing businesses that produced ceramics and pottery, textiles, woven goods, shoes and leather goods, wooden and metal furniture, lamps and other functional goods in a similar vein. The materials are the same as those used by other craft producers working on smaller production scales. Some is imported and some available locally.

(4) Equipment

The equipment used in production varies from hand cut potatoes to print fabric for Kudhinda and adapted jewellery equipment for the production of the pewter products in Carol Boyes' factories. Industrial applications are used where possible. For example, industrial sewing machines to produce leather goods and moulds or casts minimise production time for pottery.

(5) Production techniques

The most commonly employed production techniques are wrap around and value-added as in the production of designer goods. Carol Boyes buys ready made cutlery pieces made to meet her specifications and production requirements. The factory produces from moulds of the originals designed and initially crafted by Carol. The use of the ready made cutlery cuts down on production time and costs and the addition of the hand crafted handles significantly increases the market value of the cutlery.

(6) Mode of production

Assembly line production is commonly used. Clementina van der Walt's dinnerware line is a good example. Clementina originally developed the designs of the dinnerware. She has ten employees producing the range in a workshop. Each person in the workshop has his or her designated task to perform, like an employee in a clothing factory.

(7) Production volumes

Volumes are related to the factors similar to designer goods but since production is characterised by industrialised manufacturing the volumes tend to be more consistently high than in the designer goods.

(8) Cost of production

Costs are similar to designer good production costs, but the wages of the employees is an enormous responsibility for the entrepreneur who originally created the business. Labour regulations do not make it easy for the small businessperson employing people and as a result employees are sometimes paid a piecework rate rather than a salary.

ISSUE: Labour regulations do not make it easy for the small businessperson employing people and as a result employees are sometimes paid a piecework rate rather than a salary.

3.2.2.5 Souvenirs

The production of curios or souvenirs is an unrestrained activity that can be undertaken by anybody, anyway, at anytime. It is for this reason that the production process is dealt with differently from the other categories of craft in this report. According to interviewees, substantial percentage of the souvenirs for sale in South Africa is imported goods from elsewhere in the world and Africa. Many products available for sale, and commonly referred to as curios or souvenirs, are imported from Zimbabwe, Malawi and higher up in Africa. Interestingly enough, research indicates that immigrants importing crafts for retail in South Africa contribute significantly to the economy of the country by creating employment for South Africans[82].

Observation: Research indicates that immigrants importing crafts for retail in South Africa contribute significantly to the economy of the country by creating employment for South Africans.

3.2.2.6 Musical Instruments

Traditional musical instruments are produced at all levels from simple to highly sophisticated that require fine tuning techniques. This form of craft links us to the music industry through products that have been around for thousands of years. Examples of instruments produced in South Africa include: Drums, Marimbas, Mbiras, Flutes, Guitars, Shakers, etc. Instruments are mass produced as curios and individually by highly skilled artists. Music is an industry all on its own and there is great potential for the expansion and promotion of craft through making and selling good quality instruments.

[82] Research by C. Rogerson for SAMP at IDASA, 1997.

3.2.3 CIRCULATION AND DELIVERY : DISTRIBUTION

3.2.3.1 Traditional Art

Traditional art reaches the local marketplace via public transportation, mainly taxis, unless intermediaries purchase the goods and then transport products in private vehicles. Exported goods are sent by airfreight, unless they are large orders or the articles are very heavy, in which case they are sent by sea.[83]

The cost of transporting goods to the marketplace presents an enormous problem for many crafter producers and craft retailers without their own cars or forms of transportation. Transportation issues are particularly prohibitive for rural crafters who must bring their products into urban centres to access the markets. The only means of transportation they have at their disposal are taxis and buses, both of which charge for the space occupied by the crafts in the vehicle. This makes the transportation of bulky goods, such as baskets, very costly[84].

ISSUE: The high cost of transportation for rural (especially from villages) crafters that has to bring their goods into urban centres for retailing.

As a result of transport difficulties, traditional art is sold informally on roadsides and sidewalks. It is rare to find traditional South African art for sale at craft or flea markets. Many goods are sold at to intermediaries or buyers from speciality shops in major urban centres [85] . Most of the intermediaries are white women, though producers identified Indian men in KwaZulu-Natal as well. The numbers of middle-class black women and some men acting as intermediaries are growing according to interviewees.

ISSUE: Poor levels of marketing characterise the South African craft sector.

Some producers feel that the intermediaries are exploiting them. They feel their goods are purchased for very little and sold for much more. A perception that is not unfounded, for example it is not uncommon to find a basket is sold by a weaver for R40 and is then retailed at R300. Despite this feeling of exploitation, producers also feel they have no other option and are obliged to sell their goods to the people coming into the rural areas. Empowerment of rural producers needs to be addressed through development of the craft sector, along with issues of mobility and access to the marketplace.

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83 Interview with Export Manager at Reinfreight, Cape Town, Western Cape.

84 Spoornet is another form of domestic transportation for the craft sector. A recent change in the way Spoornet charges for sending goods on trains is seriously affecting the basket weaving industry. Recently Spoornet began charging for the volume of the goods being sent. Historically, the cost for transporting goods was determined by weight. Now, the final cost is based on whichever comes out more expensive, weight or volume. This is adversely affecting the basket industry in KwaZulu-Natal in particular.

85 An interesting piece of technology developed to assist hawkers and Spaza shop owners is the mobile Spaza shop by Venter trailers. The trailer is costly but is completely mobile and can be filled with the products to be sold and attached to the back of a taxi. The ownership and expense of such a mobile unit could be shared amongst a collective of crafters.

ISSUE: Real and perceived exploitation of rural crafters by intermediaries purchasing crafts from people in villages and then selling them at inflated prices to the urban and international markets.

Intermediaries have to cover very high overheads; these include the usual overheads of running a retail outlet, travel to rural areas and the high cost of managing orders from under-resourced and widely dispersed suppliers (product development , communications etc). Furthermore, the volumes tend to be low so the margins have to be high in order to make the activity profitable. Exporting also carries high costs such as packaging, quality standards certification (fumigation), marketing, communications, transportation and bridging finance before payment is made.

ISSUE: The capital outlay required from those in order to export craft goods to the international market.

Traditional art of exceptional quality and craftsmanship will be admitted into the world of art and circulated through gallery and museum exhibitions as well as magazine articles profiling the creator and their art. More recently, the *FNB Vita* C*raft Now* awards initiated by Wendy Goldblatt and Eugene Hon in Johannesburg, have begun to bring a wider range of high quality craft to the attention of the public.

3.2.3.2 Designer Goods

Designer goods are circulated into the local and export markets. The export market is becoming increasingly important for producers of designer goods. Designer products are distributed through brochures, international trade fairs, agents, electronic sites acting as online mail order catalogues for the international community and articles in lifestyle magazines. Retail outlets for these products include boutiques, gift shops, and import stores, homeware outlets and small shops looking for unique items.

Mail order catalogues are becoming increasingly important for distribution of replaceable and standardised products. Transportation of goods is by land, air and sea. Air and sea freight are common due to the emphasis on the export market. [86] Wholesalers, importers, buyers at international fairs and agents are all part of the circulation and distribution of the products to the international marketplace. The marketing of products, especially in the context of the export market, requires intermediaries who are skilled and experienced in that market.

ISSUE: The reliance of craft producers on intermediaries for the distribution of craft products to the market.

International Trade Fairs are of a display and retail nature. The Fairs provide platforms for direct circulation by exhibiting South African produced crafts to the international community. A majority of people interviewed in the craft sector thus far has felt

[86] When it comes to exporting, crafts, most are sent by airfreight according to the export manager of Renfreight in Cape Town. However, if a package is over 40 kilograms then it is more likely to be sent by sea. If an article is made of organic materials then it must first be approved by the Department of Health before it exits the country.

participation in Trade Fairs is imperative for accessing markets and bolstering the industry's export potential. Participation in international Trade Fairs has been erratic and based largely on the efforts of individuals. A number of problems have been experienced by individuals who have taken displays to International trade fairs[87]:

- The cost of taking an exhibition to trade fairs is high and there are no guarantees of sale.
- South African exhibitions are comparatively unprofessional in their design and appearance, due to limited financing and experience levels. This influences how buyers view the quality and desirability of products on display.
- Buyers at fairs shop in large volumes (up to 250 000 units at a time) which many South African craft producers are unable to supply at short notice and with reasonable quality.
- DTI measures provide financial support but only in arrears. This adds to the initial costs.
- New DTI measures budget for the production of a brochure to market products. The allowance is appropriate for other areas of trade but not for the crafts industry which requires extensive and detailed brochures.
- The lack of co-operation between DTI and DACST presents problems for the potential exporter operations.
- Export is a long-term operation and it requires time and regular attendance at fairs over a number of years before sales can cover all costs.
- A number of problems exist relating to the availability of HS codes and issues around Country of Origin certification and the impact it has on the Generalised System of Preferences[88].

ISSUE: Inability of South African crafters and craft businesses to satisfy production volume and quality requirements by International buyers attending Trade Fairs.

Export-related costs are funded privately or through financial assistance from export schemes currently provided by the Department of Trade and Industry, sponsors or donor funding if it is a development initiative by an NGO. ATOs play an important role in facilitating export and distribution of products from under-resourced producers.

Organisations such as the Dutch Fair Trade Organisatie and Oxfam International endeavour to provide a facilitating environment for exporting small businesses through a variety of support measures such as pre-payment, product development and packaging assistance. An example of this in the South African context is, Just Exchange, a craft exporting body which is connected to the international alternative trade organisation, Tradecraft Exchange. Just Exchange recently bought majority shares in a trading company in order to expand its assistance programme to small producers.

87 Interviews with Micheal Methvin from the Pan African Market, Val Chalton from Out of Africa Exports, Just Exchange, Rozelle Frasca of Maradadi, Tessa Graaff of Montebello Design Centre and a number of others.

88 Labour is not included as content and so South African goods can fail to received certification of SA Country of Origin because other components were imported. This means products fail to qualify for GSP. The HS codes are largely inaccessible and very complicated. Each product needs an HS code before it can be exported.

3.2.3.3 Craftart

Craftart reaches the consumer through very careful and private transportation methods. It is retailed at galleries, speciality outlets, museum shops, exhibitions and private showrooms in close proximity to the workshop space where the goods are produced. For example, the Kim Sachs Gallery in Johannesburg, the Bayside Gallery at the BAT centre and Primart in Cape Town. Tourism brochures tend to list galleries and craft retail outlets as places of interest for tourists and are an important mechanism for circulation of all craft products, including craftart. The Arts and Craft Map for Gauteng and the Western Cape are examples of successful circulation publications.

ISSUE: The lack of information available to tourism bodies, associations and structures to inform the public about the availability of craft in an area, region or country.

3.2.3.4 Functional Wares

Functional wares are distributed through a number of channels. These include online advertising for example Buy-Africa, Collective marketing initiatives such as markets or the Midlands Meander, Trade Fairs, through formal channels to Homeware Stores such as Boardmans and through private individual marketing initiaitves. Brochures, advertising and marketing are all essential for the success of the products in the marketplace.

Observation: *A growing number of producers and businesses are advertising their products and services online to access the international market directly without having to travel abroad.*

Buyers' approach Carol Boyes now, but in the beginning she had to take her products to the retailers and eventually, the job became the responsibility of a designated sales person and agents. She controls the presentation of her products by making sure shops always have a significant collection of goods to make an impression and not just one or two items lost on a shelf amongst other products. This way the identities of the goods are retained. Due to massive imitation of the pewter ware when it became successful, she now supplies retailers with a sign to show they are her articles to assist customers in making the distinction.

The development of a profile and distribution channels is as much through agents and advertising as it is through the reputation of goods, labelling, media and word of mouth. Brand or product identity and originality is very important to persuade consumers not to buy a cheaper mass produced equivalent.

3.2.3.5 Souvenirs

Tourist destinations are essentially the only delivery of souvenirs to the marketplace and speciality shops. Physical delivery takes place by whatever means necessary and may involve suppliers of related products such as postcards.

3.2.3.6 Musical Instruments

Traditional hand-made musical instruments are sold all over the African continent, as the biggest market exists for these instruments within the retail sector, delivery can take place in many ways. If the instrument has been mass produced it will be sold in very much the same way as souvenirs are sold. If the artist only produces small numbers of high quality instruments, then the mode of transportation would depend on the size, weight and breakability of the instrument.

3.2.4 Consumption

3.2.4.1 Traditional art

The tourist market, domestic and international sustains traditional art. Americans, Germans and English are among the most significant consumers and thereafter, smaller European countries, such as Holland and the Far East to a lesser extent. Woodcarvings of animals, such as giraffes do extremely well. During a field trip for this particular study, an airhostess from SAA jokingly claimed that “there are more than 20 wooden giraffes on every plain returning to Germany.” Textile products are very successful because they tend to be brightly coloured (holiday spirit), easy to fold and transport home.

ISSUE: The tourist market, domestic and international sustains traditional art.

The consumption of traditional art by South Africans in general, is limited to purchasing gifts for friends and family (to send overseas usually), shopping baskets, Zulu love letters, some beaded jewellery and various knick-knacks. Products produced by recognised master craftspeople tend to be well supported by the upper-middle and upper class members of the domestic markets. These objects are viewed as ‘art’ not craft. Consumption of traditional art by indigenous community members is still evident. However, it appears to be on the decrease as modern products replace the traditional ones. For example, the clay beer pots produced in KwaZulu-Natal are being replaced by plastic ones and traditionally worn beadwork and attire is only brought out for ceremonies and traditional occasions.

Observation: Consumption of traditional art by indigenous community members is still evident.

3.2.4.2 Designer goods

Designer products appeal to middle-class sensibilities more than traditional art, and the domestic market therefore is inclined to buy a designer 'African' product than a piece of Traditional art. Most domestic consumption of crafts is related to the purchasing of gifts. In general, the domestic market does not value South African crafts. A number of consumers felt that craft is something produced by other countries such as England, Italy, India and Indonesia. South African crafts are judged according to the prices, quality and standards set by the imported crafts. South African consumers felt domestically produced crafts to be of inferior quality and expensive. They prefer purchasing imported goods instead. Domestic consumption does vary in terms of rural and urban settings. In less urban communities white or coloured South Africans do not tend to buy 'African' goods or art but seem to consume the more 'westernised' craft forms such as stained glass lampshades or glazed ceramics.

Observation: Domestic consumption varies in terms of rural and urban settings.

Homeware constitutes a relatively new area of consumption for South Africans; it has grown substantially in the past two years according to producers. Corporate gifts and promotional items are another significant category of domestic consumption. Consumption of these products overseas seems to be value-based as buyers tend to have a link with Africa or wish to support African products[89]. This trend is however becoming less marked as people become more conscious of value for money products and the sympathy factor becomes less important. This has been noted by alternative trade organisations who have had to become more demanding in terms of the price and quality quotient. South African products tend to be more expensive and not always of high quality making it difficult for them to compete against equivalent products from the rest of Africa and the Third World.

ISSUE: South African crafts struggle to compete internationally in terms of price because of the high cost of transportation and production relative to other developing countries around the world.

3.2.4.3 Craftart

The consumers of craftart are the same consumers of art: Middle to upper class, white, European, late twenties upward and educated. The clientele exists domestically and internationally and is the most consistent and reliable market segment because it values art as more than decoration and has substantial amounts of disposable income. The high cost of products tends to determine who is able to buy the products and not necessarily the only market appreciative of the goods.

[89] Interview with Julia Kukard, Export consultant

3.2.4.4 Functional Ware

Functional ware is a highly successful area at present to be in – homeware, kitchenware, furniture accessories and furniture pieces are constantly in demand. The domestic market has awakened to this over the past five years and the growth has been substantial. This phenomenon is part of what has been labelled the global "cocooning" movement where consumers are spending increasing amounts of disposable income on their domestic environment as a means to express their individuality.

The consumers are domestic, tourists and the international markets. Mr. Raj Singh[90] from the Department of Trade and Industry made some interesting observations about the South African crafts and the international community or market. He felt that South African crafts have no problem obtaining access into markets wherever there are South Africans living, such as Australia and the UK. The immigrant communities of South Africans are a benefit for the sector and their presence in different countries should not be missed. The two largest markets for South African crafts are Europe, the UK and the US, due to historical linkages with the latter two countries in particular. Germany has been noted as a particularly faithful market for South African products.

A recent study of the market in the USA maintains "A window of opportunity has emerged for African manufacturers to supply major US retailers. African designs are 'hot' and US retailers are scrambling to source products there. African Americans are the single largest ethnic group, representing almost 30 million consumers. The Afrocentric market in the US is estimated to be between US$200 and US$270 billion and therefore represents a potentially lucrative market for African products. It has been estimated that if the amount of apparel exported to the US from Africa were to increase by 1%, this would mean an additional US$275 million[91]. "

International markets are looking for products with utility value and not just ornaments, a factor seemingly overlooked by many South Africans when they develop products for export. "Demand for ethnic, hand-crafted merchandise is particularly strong in the growing home products sector. Handmade crafts which combine quality construction with handmade, rustic appearance fit well into the more modest, back-to-basics style for the home which is now popular in Europe. Ethnic designs, which are incorporated in traditional African furniture, textile and handicrafts also, have a market in Europe. These authentic products often display geometric patterns and simple designs that complement abstract and modern decors. At the same time, they appeal to consumers who value traditional cultures, ethnic art and natural materials, such as wood, stone and natural fibres.[92]"

The study by Wood (1996) mentioned earlier, questioned the customers, most of whom were international tourists, coming to the markets in KwaZulu-Natal and found the following after surveying four markets and obtaining 236 responses:

- 50% of the customers felt the general price of the goods on sale was average;
- 76% of the customers found the quality of the crafts on sale as quite/very good;

[90] Interview, Gauteng
[91] Africa can compete! WAIS Document retrieval p.2
[92] Africa can Compete in Europe, Africa Region, Findings, Number 65, 1996

- 63% thought that the range of crafts for sale was good or very good; and
- Only a few who felt the crafts were quite poor.

***Observation:** International markets are looking for goods with utility value not just ornaments*

3.2.4.5 Souvenirs

Tourists are the primary consumers of souvenirs, domestic and international and consumption is as discussed in the previous categories of the craft industry.

3.2.4.6 Musical Instruments

Crafters producing traditional musical instruments are in a unique position in that their products are often decorative as well as functional, their cultural significance makes them very attractive to tourists, especially if they are hand made.

3.2.5 Summary of issues in part two of section three

- International donor funding and aid has played a significant role in the development of the South African craft sector.
- A significant proportion of people presently involved in the South African craft sector are there out of economic necessity rather than artistic inspiration or cultural heritage.
- Environmental degradation sometime results from the production of traditional art.
- There are high tariffs on imported raw materials, such as beads.
- The availability of raw materials for production of traditional art is difficult to secure.
- Availability of appropriate forms of equipment for the production of craft goods.
- Market saturation is resulting from a large number of people producing the same goods, despite low productivity levels. The lack of product diversification is a significant problem for the sector.
- There are relatively high cost of materials, production and transportation in the production of craft adversely affects the profit margins.
- Partially mechanised production methods can impact significantly on the profitability of craft businesses.
- Labour regulations do not make it easy for the small businessperson employing people and as a result employees are sometimes paid a piecework rate rather than a salary.
- Poor levels of marketing characterise the South African craft sector.
- Real and perceived exploitation of rural crafters by intermediaries purchasing crafts from people in villages and then selling them at inflated prices to the urban and international markets.
- The capital outlay required from those in order to export craft goods to the international market.
- The reliance of craft producers on intermediaries for the circulation of craft products to the market.
- There is an inability of South African crafters and craft businesses to satisfy production quantities required by International buyers attending Trade Fairs.

- There is a lack of information available to tourism bodies, association and structures to inform the public about the availability of craft in an area, region or country.
- The high cost of transportation for rural (especially from villages) crafters that have to bring their goods into urban centres for retailing.
- The tourist market - domestic and international - sustains traditional art.
- South African crafts struggle to compete internationally in terms of price because of the high cost of transportation and production relative to other developing countries around the world.

PART THREE - INSTITUTIONAL ENVIRONMENT

3.3.1 Legislation and policy affecting the craft industry

3.3.1.1 Informal trading by-law

The Business Act No.71 of 1991 influences the activities of street trading. This by-law allows for a much tighter management and control of the informal trading activities within Municipality's area. Implications of the by law are[93]:

- prohibition on staying overnight;
- prohibition on erecting shelters without permission;
- traders are not be allowed in areas where shop window displays are obstructed or in parking or loading bays.

Johannesburg and Durban have had numerous problems due to informal trading in the city. A conference was held in Durban for Municipalities during the end of 1997 to deal with the new by-law passed and issues related to informal trading.

ISSUE: There is a need for guidance and strategic advice to be made available to local authorities on how to manage the informal sector in urban centres to the benefit of the economy.

3.3.1.2 Copyright legislation

A controversial element in the craft industry is with respect to the issue of *copyright*. One of the characteristics of the industry is the exchange of ideas, techniques, and information which takes place fluidly between crafters. Everyone learns from each other. However, Phyllis Mapasa (a crafter) highlighted that fact that big business and art agents are taking ideas and crafts produced by the disempowered crafters and making money by producing the products themselves or buying it for a nominal amount and then selling it for much more. The crafters receive no recognition, but the reality is they probably took the idea from some one else to begin with.

Connected to this issue of copyright is the problem of a crafter developing a highly marketable product that is unique (designer craft) and successful and then suddenly the market is flooded by innumerable similar products. Can such products be copyrighted? The problem appears to be unrelated to who owns an idea or a concept or a technique, but about who is earning money and who is earning the most. Generally the originators of the ideas or the interpreters of cultural traditions receive the least amount of money and this has serious implications for the beginnings of the craft industry.

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93 Notes from Article *Traders go to the polls,* in *BIG News* October 1997 No.12

The definition of copyright is too narrow and generally inappropriate for the needs of the craft industry. For example, instead of having to copyright each design, which is impractical because a number of their products are one off, they should be able to copyright the "look" or image of a company (under intellectual property right). The look of a company needs to be recognised as a commodity to be protected.

If imitations are produced, they often undermine the reputation of a company or business when the copies they produce are of a lower/poor quality. Such a situation can have a long-term detrimental impact on a small business. It would be helpful to have some legal recourse available to craft businesses in particular. There is a Designs Act No. 195 of 1993, which has been effective since May 1995.

The problem of copyright and intellectual property was discussed at the First Ghanaian Handicraft Fair in 1998. The conclusion reached was that copyright was not viable and that the only way to protect products was to maintain ongoing innovation ahead of competitors.[94]

ISSUE: The issue of copyright needs to be better handled by the craft sector.

3.3.1.3 Co-operative legislation

To receive assistance co-operatives must be registered. This comes from the Co-operatives Act (Act 91 of 1981). The Department of Agriculture is handling this process of registration and has produced a number of brochures to assist communities in establishing a co-operative. The registration process is estimated to take up to four weeks[95]. According to documentation from the national Department of Agriculture there are around 579 co-operatives registered with the Department to date.

Craft related co-operatives are not listed as a separate group. However, a representative of the Department felt that they are part of the general category for home industry co-operatives. In the list of co-operatives supplied by the Department of Agriculture, there are 109 home industry co-operatives currently registered. It is unclear how many are involved in the craft sector, and this should be explored in greater depth by subsequent research.

***Observation:** Strong linkages exist between the craft and agriculture sectors in rural communities that should be built upon through interdepartmental co-operation between the DACST and the Department of Agriculture.*

[94] Interview with Julia Kukard Export Consultant who attended the Fair in January 1998
[95] Department of Agriculture document "How to form a co-operative" 1997

3.3.1.4 Exporting policy

The export policy which is of relevance to the craft sector aim to provide the following services[96]:

- export finance guarantees (through Khula Enterprise Finance Corporation for smaller enterprises);
- lower interest loans to fund capital necessary to expand exports;
- special import duty rebates; and
- co-funding of foreign marketing.

The following is a list of specific incentive schemes that are aimed at supporting the development of SMME exports[97].

- Short-term exports finance guarantee, which provides SMME exporters with pre- and post-shipment guarantees. The Credit Guarantee Insurance Corporation (CGIC) provides the service.
- Export marketing and investment assistance scheme (EMA). This scheme has four parts: primary market research, outward selling trade missions, inward selling trade missions and exhibition assistance.
- Ntsika has funded a product development programme for SMME producers for the export market

ISSUE: There is a need for an improvement of the communicating systems that convey information to the South African craft community about the schemes and support services available to them from government.

3.3.2 Financial service provision

Issues surrounding finance provision in the craft sector are common to the provision of finance to small businesses all over the world. All of the interviewees claim capital shortage was their primary problem. They feel that available forms of financial assistance are inappropriate for their needs, especially in the case of rural businesses or projects.

It is not a capital intensive manufacturing concern like the mining industry for example[98] and does not require massive capital injections in the beginning. The market is seasonal, the income is inconsistent and working capital is more of a concern. The low margins of the industry mean that their financial needs are pressing.

96 Big News, November 1997, Number 13, Western Cape.
97 DTI, Incentive scheme booklet
98 Interview with Nick and Margie, Kudhinda Fabrics, Western Cape

3.3.2.1 Formal provision of capital

Several incentive schemes are especially pertinent for SMMEs and are offered by DTI and the Industrial Development Corporation (IDC)[99] applies to SMMEs.

- the IDC loan schemes.
- the Small and Medium manufacturing development programme (SMMDP) offered by DTI.
- SBDC loans (which target medium sized loans that average R350 000).
- foreign investment grants from DTI.
- credit guarantees through Khula and Export Finance Guarantees.

Government schemes generally tend benefit the formal segment of the craft sector because they have the information, know-how to access to opportunities made available and are registered businesses. The informal sector is dependent on intermediaries to relay the information to them in the first place and then assist them in accessing the benefits of the scheme. Instead of the desired empowerment, there is a diversification of dependency.

ISSUE: Government support schemes for SMME development still do not tend to empower or benefit the marginal sectors of society without continued support from intermediaries.

Obtaining a loan from a bank requires huge amounts of paper work, time, developed levels of literacy, collateral and confidence. A loan application also requires a credit rating, bank account, an understanding of business principles and surety.

ISSUE: Accessing formal credit is expensive, intimidating and it takes a long time to obtain the money.

The process is as difficult for the banks as it is for the applicant. A microloan of a few thousand rands requires the same administration costs as a loan for several hundred thousand rand but has a much lower rate of return. Microloans need to be supervised and monitored carefully to prevent the applicant defaulting on their payments. Most loan defaulting is attributed to poor financial management due to lack of business experience.

ISSUE: Microloans require high maintenance to ensure that recipients do not default on their payments.

The cost of the bank services is another hindrance. Each transaction at an ATM can cost between R2 and R6. When people work with very low profit margins, R6 is a heavy expense to carry. Microloans carry high interest rates to cover the risks involved, in South Africa it is around 35% p.a. from the formal finance providers and 35% p.m. from cash loans service providers or loan sharks[100]. Banking facilities are also only available in urban centres to ensure the profitability of the venture for the bank. This means that if a rural producer group applies for a microloan they are often required to have a bank account. Once they receive their money, they spend a great deal of money travelling in

[99] Big News, November 1997, Number 13, Western Cape.
[100] Source D. Fraser, consultant

and out of town with cash and run the risk of being robbed in the process. They also have to spend a significant portion of the funding on bank service fees. Microloans delivered through banks do not tend to have a high rate of success according to development specialists that were interviewed, especially those of R500 or less. This is because of the significant amount of support borrowers need.

It is very difficult for crafters and craft retailers to obtain credit facilities from the banks so they can accept credit purchases from customers. In a normal clothing retail outlet, up to 80% of purchases are with credit cards[101]. If a crafter cannot accept credit cards, he or she can lose a substantial amount of business. It is difficult for small craft businesses to get access to credit card facilities[102]. The bank charges a 6% fee on every transaction and to keep the facility a business has to have several thousand rands turnover a month, which the bank monitors. If the customer fails to meet the target set by the bank the fee can be increased to as much as 15% per transaction or have the facility removed.

ISSUE: It is very difficult for crafters and craft retailers to obtain credit card facilities from the banks so they can accept credit purchases from customers.

The problem of cash flow is greater in the context of export. It may take anywhere from 2 weeks to 6 months for producers to receive payment because payment is made on sight of the goods at their final destination. There may also be additional complications related to international financial transactions that slow down the payment process[103].

ISSUE: The availability of working capital is a more pressing issue for craft businesses than start up capital, due to the seasonal nature of the market demand.

Despite all of the associated problems with the formal provision of finance to small businesses and microloans, the current drive to support SMME development by the South African government has resulted in commitments from banks all over South Africa to provide financing to SMMEs. The Banking Council of South Africa (formerly Cosab) estimates that 375 000 loans totalling R4 billion are currently held by established small businesses with a turnover of less than R150 000 - most of them white owned. Small and medium enterprises hold 800 loans after two special initiatives by South African banks. Another problem is that in the emerging market for loans, recipients require training and support - which is not a commercial bank's area of expertise and it costs money.

The following four institutions have recently been designed and established by DTI to ensure sustainable support to SMMEs[104] and financial assistance in the form of relevant microloans: The Centre for Small Business Promotion, Khula Enterprise Finance Limited, Ntsika Enterprise Promotion Agency (NEPA) and the National Small Business Council (NSBC). The NSBC has recently been closed down due to internal operational problems. Of the four structures Ntsika is the one most directly involved in the support of the craft sector. Ntsika is a wholesale agency responsible for promoting and co-ordinating non-

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101 Interview B. Solomon, The Stables, KwaZulu-Natal
102 Interview S. Brennan, Brennan leather, Eastern Cape
103 Interview with Julia Kukard, Export Consultant, Western Cape
104 adapted from a DTI report to Parliament *Report on the small & medium enterprise provincial study tour: November 1996*

financial support services to the SMME sector. These include enterprise management and entrepreneurship training and access to information, counselling, extension services, technology and markets. It is intended to help organisations that help small businesses.

Ntsika's Targeted Assistance Unit (TAU) has been involved in the South African craft sector. According to Sizeka Rensburg[105], Ntsika is directly involved in product development of South African crafts. They found that the quality of crafts was sometimes a problem. Ntsika secured funding from a Dutch NGO[106] for work on product development in the craft sector. The funding has been used to hire consultants, to work with various crafters on the development of their products for the marketplace.
The craft organisations that have been assisted by Ntsika to date are[107]:

- Rural women beaders project managed by "Talking Beads" in the Gauteng Province.
- Product development programme for Southern KwaZulu-Natal, managed by "Embocraft" and the "PACE Centre".
- Masiphatisane Craft Producers Network Project, co-ordinated by the "Eastern Cape Rural Industries".
- Support programme for Tourism and craft, managed by "Pondo-Crop" (Pondo Community Resource Optimisation Programme).
- Developing the Ntsika catalogue for Craft product range, co-ordinated by the "P.E.A.C.E. Foundation" (Planning Education Agriculture Community Environment).
- Product development project for Africa Trading

Despite the clearly significant contribution from Ntsika's TAU to the South African craft sector, there are several problems in terms of delivery. Due to organisational problems within Ntsika, the pace of their delivery is slow and this hampers to overall effectiveness of the services they offer.

ISSUE: Internal operational problems are inhibiting the efficacy of assistance being provided by government structures mandated to assist the development of SMMEs in South Africa.

3.3.2.2 Informal capital provision

The use of informal credit services such as, cash loan services and stokvels (rotating savings and credit associations) are more popular than the formal services mentioned in the previous section. There is little if any paperwork, no service fees, no need for a credit rating or a bank account. More importantly there is no time delay. Informal credit is granted immediately and according to interviewees preferred as a result.

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105 Head of Marketing for Ntsika, Gauteng
106 Called CBS
107 Information compliments of Zana Kific, Programme Administrator: Targeted Assistance Unit, Ntsika.

ISSUE: The use of informal credit services such as, cash loan services and stokvels (rotating savings and credit associations) are more popular than the formal services.

Family members and friends are the other significant sources of financial assistance. In some cases second jobs are the source of the capital required to start up a business or expand at a later stage. There is some racial demarcation in terms of informal credit. Whites are more likely to have a supplementary income when they start up a business and rely on revolving credit facilities supplied by banks. Blacks South Africans tend to rely on stokvels and cash loans[108] for their venture and expansion capital.

ISSUE: Crafters financial needs are immediate, in the formal and informal sectors, and informal credit tends to provide more immediate gratification.

3.3.3 Associations

Associations representing the interests of crafters are mainly local bodies concerned with the interests of a particular producer group or groups. Three national associations and one provincial association recently set up in KwaZulu-Natal focusing on rural craft development was identified. Most of the associations identified represent the interests of the informal or developmental craft initiatives.

It was clear from the research that a stark division exists between the more commercial sectors[109] of the craft industry, the artistic circles and the SMME development sectors. The associations identified and interviewed tended to service the needs of the artistic and developmental craft communities differently and, had very little if any contact with the commercial producers, markets and retail outlets. Extremely successful craft related ventures such as B&B Markets in Johannesburg and the Midlands Meander in KwaZulu-Natal had never heard of any associations that were concerned with the needs of the South African craft sector.

ISSUE: Associations in South Africa tend to only become involved with the developmental and artistic sectors of the craft industry and not the commercial or formal side of the industry.

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108 These divisions are linked to the socio-economic status of blacks and whites in South Africa, which has become racially associated as a result of discriminatory practices of the government in the past and is in no way a judgment on either.
109 Commercial refers to the shops selling curios, the production of painted ostrich eggs and manufactured eggs from stones etc.

3.3.3.1 Local Associations

Examples of local associations are:

- The *Rural Crafters Association* which is based in Gauteng whose mandate is to promote rural crafters;
- *Masiphatisane* was initiated by the Eastern Cape Rural Industries (ECRI) organisation in Grahamstown and acts as a marketing structure;
- *Masithandane* is another collective of crafters in Grahamstown producing articles from crochet plastic bags;
- The *Skukuza Alliance* in Mpumalanga which represents three crafting groups who sell their goods together at Numbi gate outside Kruger National Park;
- *Masizakhe* and *Siyazinceda forum* are in the Western Cape and represent a large number of independent crafters; and
- *Nieu-Bethesda Craft forum* in the Eastern Cape.

Producers groups often function as associations and at times the distinction between a formalised association and a producer group has been difficult to establish. This is because craft initiatives and businesses perform a host of different functions. They produce, network, market their products, lobby various government structures, supply materials and equipment to producers, offer training programmes and so forth. They also undertake these functions from a very limited skills and experience base.

Observation: *Producers groups often function as associations and at times the distinction between a formalised association and a producer group has been difficult to establish.*

Local associations tend to operate in isolation from one another. It is clear from the research, that local associations and producer groups need to be brought out of their isolation in order to develop the craft sector. The isolation of the local initiatives is attributed to the absence of a formalised and functional national body overseeing the affairs of the craft community. A similar situation exists for small businesses throughout South Africa and the establishment of the NSBC was to bring SMMEs and SMME support organisations out of their local isolation by building bridges to link local producers with the national and international marketplace.

ISSUE: Local associations are playing a significant role in the craft sector at present but generally in isolation from one another.

A number of the interviewees felt the craft sector to be in need of a national body to function as an information desk, lobby for its needs and co-ordinate national affairs. An equal number felt that too many resources are consumed by national structures and institutional arrangements should be regionally based to cut the costs involved. Others felt there should be no new structures at all. Any funding should be channelled through the National Arts Council (NAC) to ensure that the limited resources are available to the people needing it most. In general, the problems around establishing institutional arrangements for the craft sector in South Africa is related to intense competition and politics between the various members of the crafting community.

3.3.3.2 National Associations

The national bodies are the Association for Potters of South Africa (APSA), the Weavers Guild of South Africa and the Craft Action Body (CAB). There are a number of other guilds such as the Knife Makers Guild, Lace Makers Guild, and Cake Decorators Guild. According to crafters, there is very little interaction between these existing national associations. Several of the associations have provincial branches in varying levels of development. APSA is struggling to retain enough members to survive and some of the regional branches have had to amalgamate to cut costs. The Weavers Guild is functioning at a low level due to recently losing a very dynamic Chairperson and to being in the process of transition. CAB on the other hand, is a new entrant that began in 1991 with the efforts of Eugene Hon and Wendy Goldblatt. They established the South African Crafts Council (SACC) because of the obvious need for a unifying body in the craft sector. Their first activity was to co-ordinate a craft exhibition to launch the initiative, and they organised a national exhibition of South African crafts at the Johannesburg Art Gallery.

A craft conference held in 1995 resulted in the formation of CAB. It was an interim structure whose mandate was to lead to the formation of a national body for the craft sector. There is a move from within CAB at the moment to become the National Craft Council of South Africa. In 1995, the following critique was written about the activities of the South African Craft Council (SACC):

> "*Established in 1991, the SACC has assumed the self-appointed task of co-ordinating existing associations, craft guilds and community centres, as well as promoting all aspects of the discipline on a national and international level. Inevitably, perhaps, for a body consisting of members plucked primarily from urban technikons and galleries, the council has failed in both objectives.*
>
> *The SACC is regarded by many stakeholders as hopelessly out of touch with the divergent needs of the urban and rural craft sectors. Critics also argue that by modeling itself on the British, American and Australian craft councils, instead of taking its cue from other developing countries, the council will continue to remain a representative body only in a nominal sense.* [110]"

These critiques of the SACC echo those made more recently about CAB by a number of interviewees. However, most of the people interviewed for this research had never heard of CAB, or of any structure servicing the needs of the South African craft community. This was especially the case with the commercial sector of the craft industry. Those who had heard of CAB were largely from developmental institutions and the art world and tended to have a sketchy understanding of the association. It is possible that some of the negative perceptions of CAB are connected to the fact that despite an increase in their regional representatives, the main movers within the structure have remained largely the same since its inception. The legacy of past relationships and associations tend to continue despite an alteration of form.

[110] H. Friedman M&G 1995

Since the formation of CAB in 1995, they have made a significant contribution to the South African craft sector despite limited funding. An important focus of their activities involved lobbying government to recognise and support the importance of the craft sector in South Africa. They have established branches in all nine provinces, which provides an access point into craft communities throughout the country. They have developed a quarterly publication called *Craft News* that is one of the first of its kind in the country and has proven to be informative to those who have access to it. CAB actively supports the *FNB Vita Craft Now Exhibitions* (although it is not responsible for its establishment). They have also developed a series of proposals for establishing a national structure for the South African craft sector.

There has been increasing levels of confusion around the difference between the NCC, CAB and the SACC as networks broaden and diversify. In order to clarify the situation CAB intends on following through with its original mandate[111] and officially terminate the existence of CAB and change into the National Craft Council (NCC) of South Africa in December of this year (1998). The interviewees who were familiar with CAB conceded that they had made important contributions to the development of Craftart. The primary issue lies with the perception that CAB is a gatekeeper of the sector and that it does not facilitate any real grassroots development. In terms of the present research it appears that CABs most significant area of impact has not been in terms of rural craft development.

There have been suggestions from a variety of sources that one body cannot meet the needs of the entire craft sector because the needs of the sector are too diverse, especially when it comes to the difference between urban and rural craft sectors. It is possible that ultimately a diversification of responsibilities will be necessary, in order to ensure that the needs of the various craft communities are met, by whatever institutional arrangements are eventually decided upon by the DACST and the South African crafting community.

ISSUE: The continued absence or exclusion of the formal and more commercial craft sectors from actively participating in the development of institutional arrangements for the craft sector in South Africa is a significant shortcoming of all existing associations.

3.3.4 Education and training

In the craft sector there is absolute consensus regarding the skills which crafters lack but the views on how those skills should be acquired differ.

Training programmes must include the following topics[112]:

- Business skills
- Craft marketing
- Crafting skills and techniques including product development skills

[111] It was set up as an interim body to facilitate the establishment of a representative national structure.
[112] This is based on the opinions of almost every interviewee.

Producers must be exposed to the markets for which they are producing the crafts so that they can understand the needs and preferences of the market[113]. The development of this understanding will enable them to adapt when the market demands change, instead of continuing to produce products which no one buys anymore. Market exposure will also enable crafters to diversify their products thereby avoiding having to compete solely on price.

A craft development specialist working at the CSIR[114] in the Textile, Arts and Science Project felt that craft making is a good source of income only for rural people and that it is not sustainable in cities. The high cost of living in urban areas and the availability of more profitable opportunities, such as spaza shops, lies behind her analysis of the situation. Training and development must occur in the rural areas, but the people being trained must have a feeling for the process of production and the medium. The same individual felt very strongly that not everybody could be trained as a crafter because it requires an innovative mind.

One interviewee stressed that any training programmes in rural areas must not be top-down but must driven by the community. It is essential that the entire community where training is occurring understand what is happening and has the opportunity to join in[115]. The process must be open and inclusive. The reason for this is to prevent a common suspicion that the training is only aimed at making a few people rich, and jealousy should any of the trainees succeed later on.

Mark Isserow[116], of CASE, conducted a survey of four training institutions providing training to SMMEs in seven provinces in 1996. The training institutions he focused on were, Get Ahead Foundation, the Foundation for Economic and Business Development (FEBDEV), Independent Enrichment Centre (IBEC) and Triple Trust Organisation (TTO). The research was conducted on behalf of GTZ, a German aid agency. The study found that the majority of the trainees regarded the training as valuable and easy to understand. They attributed the success of their business ventures to the training. The few that experienced difficulties had problems with the language in which the courses were offered, the pace and technical jargon[117].

The research conducted by Isserow concluded that an essential ingredient in the success of a training course is ongoing support services, which continue to assist the trainees in their business and crafting ventures after the training[118]. This perspective has echoed in a number of interviews with individuals involved in training. The support service provided

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113 This view was shared by a significant number of the interviewees from all over the country. The lack of market knowledge and understanding of consumers' behaviour was identified as a major problem in the craft sector.

114 Interview with Yoshie Ragland, Port Elizabeth, Eastern Cape. Note: Yoshie Ragland has been instrumental in training people in the Eastern Cape in weaving skills. A weaving business has been established through the Stutterheim Development Foundation as a direct result of her training with people in the area. (Source: Interview with Nomfuneko Salaza, Stutterheim development Foundation)

115 Interview with Yoshie Ragland.

116 Interview, Gauteng. Note: The research document was unfortunately unavailable to the public during the period of this research.

117 Note: the evaluation of training programmes is essential and this particular research should be explored when it is available for public perusal.

118 Interview with Liezl Malan, TTO, Western Cape.

to trainees after they have been trained is one of the weakest components of current training services (for the development of the craft sector and small business development in general).

A real problem in terms of support services to rural areas is that resources are concentrated in urban centres. Training and development institutions in South Africa tend to be based in major urban centres around the country. Since most of the institutions providing training are NGOs or private ventures, they are reliant on funding.

ISSUE: There is an urban bias when it comes to the availability of training and business support service providers.

It has become essential to have a rural outreach component to their programme in order to secure any funding at all. The outreach programmes are often poorly developed and perceived as being inconvenient because it is very time consuming to travel out into the rural areas and programmes take time to implement[119]. Rural residents are not in a position to respond quickly to suggestions around complex concepts such as product development and the international marketplace. People need to be taken through a process which enables them to understand the concepts first and then learn how to interpret them in their own way. This ensures that objectives of sustainability are achieved in the long run.

International research has clearly indicated that, without appropriate support services to follow up training programmes success rates are always limited. An international study invited the organisers of 40 such programmes throughout the world to provide information on their training activities for entrepreneurship development. More than 94% of the respondents felt that follow-up advice and support for trainees was essential for successful outcomes.[120]

ISSUE: International research has clearly indicated that, without appropriate support services to follow up training programmes success rates are always limited.

Two interviewees, Lielz Malan from TTO and Harry Johnson from the Skukuza Alliance maintain that, an entrepreneur cannot be created, they are born. Lielz Malan feels that people can only be trained to become small business operators, which only requires them to have a core competency that they can keep applying. It does not mean that they will be able to easily adapt when the market changes.

ISSUE: An entrepreneur should respond to opportunities identified in the marketplace

Another important observation came from Anne Belford[121] concerning education and training. She felt that empowerment initiatives and institutions involved in training couldn't simultaneously be involved in job creation because it creates a conflict of

[119] Interview with Pieti Badenhorst, MAG Community project, Montague, Western Cape.
[120] M. Harper et al p.72/3
[121] Interview, ECRI, Grahamstown, Eastern Cape.

interests. This conflict of interest is one of the many issues that need to be address in the process of developing the South African craft sector.

ISSUE: Empowerment initiatives and institutions involved in training (production-related development) should not be simultaneously involved in job creation(marketing) because it tends to create conflict of interests.

Rozelle Frasca[122], Executive Director of Maradadi Trust, dealt with this potential conflict of interest by separating the two functions into independent organisations. She operates a training programme under the trust which is subsidised and not for profit. They have an independent trading arm called, Maradadi Resource Development (Pty) Limited. In this way, there is no confusion between empowerment through training and job creation (trading/marketing).

3.3.5 Summary of issues in part three of section three

- There is a need for guidance and strategic advice to be made available to local authorities on how to manage the informal sector in urban centres to the benefit of the economy.
- How can the issue of copyright be handled by the craft sector?
- There is a need for an improvement of the communicating systems that convey information to the South African craft community about the schemes and support services available to them from government.
- Government support schemes for SMME development still do not tend to empower or benefit the marginal sectors of society without continued support from intermediaries.
- Accessing formal credit is expensive, intimidating and it takes a long time to obtain the money.
- Microloans require high maintenance to ensure that recipients do not default on their payments.
- The availability of working capital is a more pressing issue for craft businesses than start up capital, due to the seasonal nature of the market demand.
- Internal operational problems are inhibiting the efficacy of assistance being provided by government structures mandated to assist the development of SMMEs in South Africa.
- The use of informal credit services such as cash loan services and stokvels (rotating savings and credit associations) are more popular than the formal services.
- Crafters financial needs are immediate, in the formal and informal sectors, and informal credit tends to provide more immediate gratification.
- Associations in South Africa tend to only become involved with the developmental and artistic sectors of the craft industry and not the commercial or formal side of the industry.
- Local associations are playing a significant role in the craft sector at present but generally in isolation from one another.
- The continued absence or exclusion of the formal and more commercial craft sectors from actively participating in the development of institutional arrangements for the craft sector in South Africa is a significant shortcoming of all existing associations.
- There is an urban bias when it comes to the availability of training and business support service providers.

[122] Interview, Maradadi, Cape Town, Western Cape.

- International research has clearly indicated that, without appropriate support services to follow up training programmes success rates are always limited.
- An entrepreneur responds to opportunities identified in the marketplace.
- Empowerment initiatives and institutions involved in training (production-related development) should not be simultaneously involved in job creation because it tends to create conflict of interests.

SECTION FOUR - STRENGTHS-WEAKNESSES-OPPORTUNITIES-THREATS

Despite the unique characteristics of the various sub-categories of craft a number of generic issues affect the success of craft business ventures. Interviewees highlighted the following problems as significantly impacting on levels of success and failure in the craft industry.

1. Shortage of capital;
2. access to information;
3. lack of demand for products;
4. the need for product development (support);
5. availability and cost of supplies and equipment for production ("inputs");
6. the need for education and training;
7. inappropriate legislation and regulations.

Shortage of capital is the most commonly identified factor though some sources maintain that this is more of a perception than a reality. Some of the time, lack of capital is due to the inappropriate usage of existing resources[123]. Inappropriate use of resources is linked to education and training along with a number of the other problems cited listed above. Lack of demand for products[124] is the second most common complaint and thereafter, issues relating to materials and equipment, product development, information, education and training and inappropriate legislation and regulation.

Small business development experts have linked lack of demand to a combination of factors "inadequate access, disadvantages of scale and the lack of skill and initiative in marketing"[125] as well as, product quality, market saturation, education levels and the fickleness of the market. Producers also often try to enter the wrong market for their products, for example trying to sell heavy ceramic pots to tourists.

Regulations and legislation seem to become issues for business ventures involved in exporting, employing staff and producing in small factories and workshops. Otherwise the absence of enforced regulation is more to the benefit of the craft industry, especially for those engaged in informal retailing. Marketing is an important element of circulation but it occurs erratically at present and is closely tied to the weaknesses of the craft industry.

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123 M. Harper et al p.28

124 Note from the author: It may seem that statements concerning the nature of local demand and markets is contradictory at times, by mentioning at some points in this report that the demand is high and at others there is a lack of demand. This is due to the diversity of markets in South Africa, which have different tastes, as was discussed in the Section Two of the report, where consumption was explored.

125 ibid.

4.1 STRENGTHS OF THE SOUTH AFRICA CRAFT SECTOR

Cultural heritage	Every respondent interviewed felt that South Africa's cultural heritage (African European and Asian) has provided a strong foundation for the craft industry. South African's have a tradition of producing and utilising hand made goods.
The presence of diverse markets	An important strength for the craft industry is the existence of several market systems supporting the production of crafts.
Existence of strong local demand	The most significant market is the local or domestic market (domestic tourists included), thereafter come the tourist market and finally the international markets. This order of significance originates from the observations of individuals managing markets in major urban centres in South Africa.
Belief in capacity to generate wealth & jobs	The perception that the craft industry has the potential to generate wealth and create jobs is important for the growth of the industry – it is a vote of confidence from the public.
Low level of entry into the economy	Involvement in the craft sector allows marginalised segments of society access into the economy.
Development of provincial identities	Provincial craft communities are beginning to come together and see the province as a unit which can work together to improve the opportunities of each other collectively, for example KwaZulu-Natal. Increasing forms of unity are important for the growth and development of the sector as a whole.
Strong local associations	The existence of disparate but strong local associations around the country can facilitate the development of provincial and national ties within the sector.
Forex generation	Retailing craft already brings in a substantial amount of foreign exchange and through the development of the sector. There is the potential to substantially increase the level of foreign exchange brought into the country through craft export.
Increasing competition	The increasing levels of competition in the South African craft sector is forcing the domestic industry to improve the quality of its products, production methods and so forth.
Presence of other African crafts and traders	The presence of crafts from all over Africa is largely having a constructive influence on the local industry. The quality of the products is higher, they are more diverse and the salesmen and women tend to be more sophisticated in their retailing skills and business management. Their presence raises the level of competition in the industry.
Few barriers to entry and exit	Few barriers to entry means that a wide variety of producers can enter this sector bringing with them new information and responses to demand. Few barriers to exit means that producers can close or open businesses in response to demand. These factors assist in making it a vibrant and opportunistic sector that can respond to the changing needs of the marketplace without experiencing problems larger

	business would have in relation to capitalisation.

4.2 WEAKNESSES INFLUENCING THE CRAFT SECTOR

Poor levels of co-operation	The low levels of co-operation amongst people involved in the craft sector resemble anti-competitive behaviour found in other industries. Competition for survival is so high in the sector that people are unwilling to co-operate with one another. There needs to be a mindset shift that is more collaborative in its nature.
Separation of the commercial, artistic and developmental sectors	The clear separation of the commercial craft sector and the developmental and artistic sectors is a significant problem for the growth of the South African crafts sector as a whole.
Institutional arrangements	A symptom of this behaviour is the absence of institutional arrangements at local levels of the society. Crafters and related businesses and organisations act in isolation from one another and as a result the industry is fragmented.
Survivalist enterprises	Connected to the latter point is the economic reality of many craft initiatives. It appears that very few rise above the level of a survivalist enterprise to that of a micro or small business. As a result, crafters are unable to undertake R&D in order to differentiate their products, thus forcing them to compete on price which results in very low margins that perpetuate the ongoing vicious circle of continued underdevelopment and underinvestment.
Crafters' capacity *Literacy levels* *Business skills* *Critical thinking* *Market knowledge* *Product development*	Low capacity amongst crafters is a crucial factor. The research has identified the following areas as problems directly related to the capacity of crafters: • Low levels of literacy and numeracy, especially amongst rural crafters. • Poor understanding of what is involved in running a business and practical business skills such as pricing and costing, marketing, sourcing supplies and financial assistance, managing their finances. • Critical thinking skills • A developed understanding of the markets for whom they are producing. • There is an obvious need for product development to take place to diversify and improve the range of products in the marketplace.
Financial services	The absence of appropriate financial services and schemes to assist small business involved in the production of crafts. Craft enterprises require a steady flow of capital since they are not capital intensive industries and their revenue is seasonal. The following points are related to financing: • Crafters struggle to build up a sufficient level of capital and

	therefore they are often unable to build up enough stock to provide the market with choices or capitalise on seasonal demand curves. • There is also some evidence that crafters tend to erode their own capital base by starting up too many businesses in order to weather the seasonal fluctuations of their first business. • Many recipients felt that the system of paying for craft products only as they are sold is stifling the industry.
Unregulated nature of informal trading	The unregulated nature of the craft sector is also a weakness. Informal trading in major urban centres of South Africa has become a significant issue over the past few years and is damaging the reputation of the craft industry. Informal trading was deregulated several years ago. There is a move for municipalities to begin regulating trading in cities in order to minimise over trading and the congestion of pedestrian areas.
Low status of products	Informal trading has become associated with illegal immigrants, an increase in petty crime and a physical degradation of environments. There is a relationship between the perception of the retail method and the status of the products sold through informal trading.
Status of craft	This perception links into the overall undervaluation of crafts unless otherwise identified as craftart or period pieces. Consumers are unwilling to pay high prices for craft products and crafters work with very low profit margins.
Environmental sustainability	The production of Traditional art is under threat by increasing levels of environmental degradation resulting from over harvesting materials by producers and the absence of sufficient measures to ensure the replenishment of materials.
Limited production capacity	South Africa's successful participation in the International market place is being restrained by the inability of producers and businesses to produce enough goods meet the orders of overseas retailers.
Policy environment	Most industry related legislation has been developed with the interests and needs of large businesses which are very different from the needs of small businesses and the craft industry in particular.

4.3 OPPORTUNITIES FOR THE DEVELOPMENT OF THE SOUTH AFRICAN CRAFT INDUSTRY

The opportunities in the craft sector are mostly external to the industry itself and are linked to other development initiatives or national government strategies.

Low cost of developing the craft sector	The most significant opportunity is that the development of the sector requires the investment relatively small amounts of money. R10 million in the film industry can finance the production of maybe three feature films; R10 million invested in the craft industry create enormous opportunities for many rural communities.
SDI's	Current research and development of the Spatial Development Initiatives (Lubombo, the Maputo Corridor, Fish River and Wild Coast) which are focusing on tourism as a key industry sector are important for developing linkages between rural crafters and the market.
Large business	2.5% commitment from large business to invest in small businesses in 1995 and the establishment of **linkages** between the craft industry, crafters and the corporate sector such as Wooltru.
Tourism	Development of the tourism industry, numbers of tourists are expected to triple by the year 2000. This represents a huge captive market for the industry if it is appropriately developed.
PPP's	The development of Public-Private partnerships is an exciting opportunity for the development of the craft sector. The public sector has ready access to the types of resources desperately sought after by the craft sector, especially in terms of sourcing of raw materials, experience in costing and bulk purchasing in order to reduce costs and increase profit margins. The craft sector on the other hand can provide us with the necessary tools to promote cultural development at home and abroad.
Small business development	Small business development – provided public and service providers could accept that a craft enterprise is a legitimate and potentially successful business initiative. Current lack of confidence means that crafters struggle to obtain financial support from institutions.
The development of local government	Local government related initiatives such as the development of training manuals and courses for local government officials, the establishment of an electronic network specifically to support the craft industry. If capacity is generated at a local level there is greater potential for national strategies to be implemented. According to WESGRO, the Cape Town City Council has already identified the craft sector as an important industry for the local economy and have plans underway to support the development of the sector.
BASA	The Business and Arts South Africa initiative should be actively supported and developed since the links between the private sector and crafters hold great potential for increasing job opportunities for craft producers and retailers.

4.4 THREATS WHICH COULD SIGNIFICANTLY UNDERMINE THE DEVELOPMENT OF THE INDUSTRY

The craft sector is extremely resilient and has demonstrated its ability to survive and persist – the challenge is to create an environment, which facilitates the **prosperity** and growth of the craft sector, and those working within the industry, particularly the crafters. The threats identified by interviewees relate to the weaknesses of the craft industry. Many felt that without any intervention the weaknesses have the potential to undermine the industry as a whole.

Lack of appropriate rural development	Lack of appropriate rural development strategies, which has resulted in an over-resourcing of urban areas and a lack of resources in the rural areas of South Africa.
Absence of equivalent institutional arrangements between the urban and rural environments.	The ever-changing face of politics in the urban centres serves only to confuse and further alienate rural people. The increasing specialisation of urban institutional arrangements, i.e. local government which serves only the interests of urban populations. There are few cases where equivalent institutional arrangements exist in rural area and the interface between the urban and rural institutions is extremely difficult. Rural people do not know who they should talk to about their needs, so how can their needs be addressed?
Access to markets	Lack of access to markets. There are regions in South Africa that are excluded from significant flow of tourists, this results in poor exposure and cash-flow opportunities for the crafters in these areas.
Information	Lack of information for crafters and customers about the craft sector.
Poor management of the sector	The lack of institutional arrangements facilitating the activities of the craft industry in South Africa contributes to poor industry management and the exploitation of crafters by opportunists. This may have detrimental consequences in the future.
Marketing by public tourism institutions.	Poor marketing of the craft industry by Satour and regional tourism structures due to insufficient information regarding the sector and the rapidity of the change which characterise it.
Fragmentation	The continuation of anti-competitive behaviour within the craft sector.
Availability of raw materials	Problems related to accessing materials. This is particularly urgent for the development of rural areas and businesses ventures in urban townships.
Market knowledge and awareness	The continued production of poor quality products out of sync with customers' preferences contributes little to the growth and development of the craft sector. It can in fact damage the overall perception of the industry held by the different markets currently supporting producers.
Delivery mechanisms	Systems for delivering rural products into the marketplace are too costly and can significantly impact on the final profitability of craft production for rural craft producers. The cost and lack of access or mobility makes this a powerful barrier to entry into the craft industry.

SECTION FIVE - STRATEGIC DILEMMAS FOR THE DEVELOPMENT OF THE CRAFT SECTOR

This section explores a number of dynamics relating to impacting upon the South African craft sector. This includes the distortion of the craft sector that occurred during the 1980s as a result of the economic isolation experienced by South Africa during sanctions. The effects of the pass laws and the homeland policies of the National Party Government on craft skills transfer as a result of families being split up. The controversial role-played by white women in the craft sector, the implications of culture for the promotion and development of the craft sector, the consequences of profiling the craft sector and lastly, the relevant strategies required for developing small businesses in the craft sector.

5.1 THE DISTORTION OF THE CRAFT SECTOR DURING THE 80'S

5.1.1 Isolation

In the past fifteen years, economic isolation of South Africa and the subsequent reintegration of the economy into the global market have significantly influenced the craft industry. In the world of design, some positive developments occurred as a result of isolation in the 1980's:

> *"Sanctions had many unexpected effects…Sanctions brought the drastic devaluation of the South African currency. In hindsight, this traumatic experience had a surprisingly positive affect on South African design. Foreign designers who dominated the South African scene were no longer as interested to work in South Africa as it was not profitable as before. This opened the arena for South African born and trained designers who previously would have been overlooked because of the notion that local is not as good as imported. This introduction of 'indigenous' designers might be one of the most important forces that brought about the first signs of greater sensitivity and understanding of local consumers as the primary market with its own cultural interpretations and needs for appropriately designed products[126]."*

The isolation from the international marketplace resulted in a culture of "copying" overseas consumer products to fill product gaps and satisfy the intense need of consumers to feel connected with international trends[127]. The craft industry was particularly prone to satisfying this need through the production of clothing, decorative ornaments and so forth. Copyright was never a big issue but with the re-incorporation of South Africa into the world economy, copyright has become a pressing issue for craft businesses. The issue of copyright was discussed in greater detail in part three of Section 1.

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126 Address by A. Viljoen , Manager of the Design Institute for the 4th National design Conference in Mexico, February 1997

127 Interview S. Brennan, Brennan Leather, Port Elizabeth, Eastern Cape

5.1.2 The effect of the Pass Laws and Homeland Policies of the Apartheid State

The Pass Laws and Homeland policies, along with young men travelling to the cities to seek employment all contributed to the splitting up of African families throughout South Africa in the 60's, 70's and 80's. This led to young men missing out on learning the craft skills that had been passed down through generations in their families. Women stayed behind in the rural areas and have cultivated and nurtured their skills, as a direct result they dominate this sector in rural areas.

5.1.3 The impact of funders and Alternative trading bodies on the craft market.

The influence of the political struggles of the 1980’s, sanctions on the craft industry, and the consequences of political freedom, were frequently raised while interviewing development practitioners working in the craft sector.

During the 1980’s funding was channelled into supporting NGOs working with crafters in rural areas, with few strings attached. Consequently, a number of organisations seem to have developed during this period focusing on the craft sector development. Products from these organisations were then bought by similar international associations who wanted to support the victims of apartheid. These transactions were politically motivated and buyers were not too concerned with quality, cost or production deadlines. Importing organisations such as Fair Trade Organisatie bought significant amounts of product from South Africa and as a result organisations such as Vukani[128], Rourkes Drift[129], ECRI[130] and so forth prospered. An indication of the impact of this trade is that despite sanctions during the 80's exports from South Africa increased considerably.

The consequence of the 1980’s interventions has resulted in a distorted perception of South Africa in relationship to the international marketplace. Goods were uncritically and enthusiastically purchased by international consumers during the 80’s and actively supported by international development agencies. As a result, there is an assumption that the international market desires goods produced by South Africans irrespective of quality, price and so forth. Especially goods made by rural women.

Unfortunately, the short sightedness of many craft development initiatives established during the 80’s, did not train crafters in the economics of crafting by including relevant courses in business skills, product development and marketplace knowledge. Sympathy driven development did not result in commercially sound projects. Business ventures from this period were often not cost effective or sustainable without continued financial support from government or funding agencies.

With political freedom in 1994, several changes occurred which affected the face of development in South Africa. International funding was diverted to the government instead of NGOs and within a short period of time hundreds of NGOs collapsed due to

[128] Interview A. Linda, Vukani Weavers, Eshowe, KwaZulu- Natal
[129] Interview K. Wells, ML Sultan Technicon, Durban, KwaZulu -Natal
[130] Interview A. Balford, Eastern Cape Rural Industries (ECRI), Grahamstown, Eastern Cape

their inability to obtain funding. South African crafts lost their political appeal and it became 'business as usual'.

These changes mean that craft business is now like any other business and no longer a human rights support mechanism. This effect has been compounded by the shrinking European market for craft products during the early 90's which has resulted in international buyers becoming more concerned with quality, cost and production deadlines[131]. Due to this market pressure, ATO's have also decreased their craft ranges and turned their attention to more marketable products, such as food from South America for example. The crafts imported now are expected to be of a consistent quality, produced in large volumes to firm deadlines, and with a diverse range that takes cognisance of market needs. The volumes of exports have dropped as organisations and crafters repositioned themselves to meet the needs of the marketplace and more appropriate craft initiatives evolve which are based on business principles and not welfare.

Observation: *For a crafting initiative to be successful it needs to be operated as business enterprises. Training in the field is focusing more on business skills, market awareness and product development rather than production techniques.*

5.2 EXPLOITATION OR FACILITATION

Historically missionaries have played a significant role in the rural craft sector throughout the developing world. Many schools teaching particular craft techniques such as weaving were set up at missionary settlements to train the indigenous people of the area in skills which could generate income. Two such examples in South Africa are Rourkes Drift in KwaZulu-Natal and All Saints in the Eastern Cape. The success of these initiatives relied heavily on the presence of the missionaries because of the access, which they brought with them, to the international community through the religious networks, to telephones, and to capital, supplies and infrastructure. When the missionaries left the projects often collapsed, because the knowledge and access disappeared with them.

The role of white women currently in the South Africa sector can be seen to have parallels with that of the missionaries of the past. The research revealed that most of the individuals running craft development organisations are white women. Their role in the industry is source of deep controversy. The opinions of people interviewed varied from viewing the women as exploitative and self-interested to seeing them as well-intentioned but misguided in their understanding of empowerment and development. Others felt that their role in the sector was essential and they must not be excluded from a strategy to develop the industry simply because they are white.

Many of the women working in the craft sector who were interviewed formally and informally had an alternative source of income which allowed them to be involved in activities which were not necessarily financially beneficial. Either the women had husbands who earned enough money to support the family, a father who provided them with financial assistance, or they had inherited money making them somewhat of devoted but temperamental "dilettante" in the craft industry. This is a very important fact, which is

[131] Interview with Julia Kukard based on knowledge of Traidcraft, Oxfam and Fair Trade Organsiatie markets.

not isolated to the craft sector and is a pattern found in other cultural industries such as film and music.

The white women working in the craft sector bring access to the broader community with them. They have telephones, addresses, computers, email, faxes, and family and friends who live all over the country and overseas. Black rural and even urban crafters do not have the same technological and relational access to the international marketplace. Rural craft producers have limited access to telephones, capital, addresses, a fax and computer. More importantly, the lack of an extended family network limits their opportunities i.e. having a relative who lives in Sweden, who knows someone there, who wants to open a South African retail outlet. This latter point is not easily substituted through training and skill courses.

Even so, crafters can be trained in the relevant skills that will enable them to establish their own business networks and thereby facilitate access to the various markets, but it takes time and money to provide the training and appropriate forms of infrastructure.

A development strategy for the craft sector must take the role played by white women into serious consideration and identify ways of maximising their contribution instead of simply saying they are exploiting black women. They may not understand the dynamics of the industry well or the politics surrounding it but they are just as important as the crafters themselves.

5.3 CULTURE AND DEVELOPMENT OF THE CRAFT SECTOR IN SOUTH AFRICA

During field trips to KwaZulu-Natal, the Eastern Cape and Mpumalanga, several points were raised during interviews with crafters and craft practitioners concerning the role of culture and people's worldview in the development of the craft sector.

ISSUE: The values of any society influence the desirability of particular occupations – craft production is not culturally neutral.

To be an artist or a crafter often means to be an outsider and according to interviewees it is more desirable amongst many black youth to belong to a group and fit in with the 'mainstream culture'. Obviously, there is a great deal of pressure on individuals to conform to the norms of a particular community in all sector of South African society, irrespective of race and therefore the preference raised by interviewees to belong is not unusual. The point of this discussion is to indicate the possibility that crafting may not be a culturally desirable economic activity within black communities due to its low status and the perceptions that artists are different from the rest.

Another important issue relates to successful crafters. A number of cases were spoken of during interviews where an individual of a rural community had become a very successful crafter and been completely rejected by their community[132]. The reasons for this rejection have been attributed to jealousy of their success from community members. Successful people are accused of using witchcraft to become successful and in rural

[132] This phenomenon is prevalent in other traditional societies around the world and is not unique to South Africa. It also needs to be accepted as a potential outcome of development initiatives, not denied as so often happens. Not just for crafters but to any successful businessperson.

areas throughout the country witchcraft is a major issue influencing people's day to day existence. This however also occurs in other small businesses faced with the same challenges.[133]

An international craft development practitioner raised another interesting point in relation to the role of culture. His position is that the sector's development cannot be dictated. He writes of his own research on the craft industry in South America, "One of the surprising findings of this study is that the type of organisation artisans form is a reflection of the society around them rather than an outgrowth of the type of crafts they produce and the manner of production. Groups making traditional crafts do not necessarily set up co-ops nor do groups involved in mass production necessarily build factories. Groups in cities build factories because factories are the existing model." [134]

Observation: The type of organisation artisans' form is a reflection of the society around them rather than an outgrowth of the type of crafts they produce and the manner of production.

According to anthropologists and secondary literature, historically the role of the artist and the process of becoming an artist in African society were similar to that of being and becoming a traditional healer. Individuals would have a 'calling' to the vocation of an artist and would live on the outskirts of the community. In interviews with crafters, several would speak of their involvement as a "calling" and said that if they did not practice their art they would become ill. At a community art centre set up in a township outside of Gonubie, a residential area in East London, very few community members supported the initiative except for the Sangomas in the area who would frequently visit the centre.

If this is true for South Africa that people build on the organisational models prevalent within their environment, there are serious implications for any development strategy for the domestic craft industry. The research has shown that the desire to be employed is stronger in most communities than the desire to be self-employed. In fact a papermaking project set up by WWF in Port St. Johns, in the Eastern Cape, recently closed down after two years of operations because the women trained up wanted to be employed more than in charge of their own businesses. This is a fundamental problem for job creation projects because as soon as people become skilled and thereby employable in the formal sector they tend to leave - a brain drain similar to that experienced in NGOs.

ISSUE: Research has shown that the desire to be employed is stronger in most communities than the desire to be self-employed.

In and of itself this desire to be employed as opposed to being self-employed, is not a problem because it presents great opportunities for formal business ventures producing designer goods, functional wares or souvenirs under factory-like conditions. The labour intensive nature of some forms of craft production means that to produce in large volumes, a large labour force is required. Setting up and supporting the establishment of larger crafting enterprises should constitute an important component of strategies striving to develop the South African craft industry.

[133] Interview with Julia Kukard based on experiences in South Africa, Ghana and Uganda
[134] W. Morris et al p. 132

5.4 PROFILING THE CRAFT INDUSTRY – THE POSSIBLE CONSEQUENCES

One of the problems facing the craft sector is that the products are perceived as having an inherently low value due to the status of the enterprise unless they become defined as 'craftart' and are placed in museums or galleries. This means that craft cannot be sold for high prices because the market is unwilling to pay them. The profit margins of crafters remain very low and in many cases crafters struggle to cover their costs due to the high cost of materials and stall rentals.

An obvious response to this situation is to improve the status of the craft sector through marketing and advocacy and thereby increase the value of the products in the eyes of the South African society. However, the appropriate strategy for improving the perceived value of craft products is not so simple. A possible reason that craft products remain largely untouched by large businesses is because they are not perceived as highly profitable goods. Therefore, by improving the perceived and real profitability of the craft industry in South Africa to influence the status of craft could indirectly result in production being taken over by larger businesses with which individual crafters could not compete. In order for the craft sector to attract the necessary talented people to produce world class products, the opportunities within the craft sector need to be highlighted. We need young aspirant artists from all walks of life to plough their energies into this field in order to reap future rewards.

5.5 STRATEGIES FOR DEVELOPING SMALL BUSINESSES IN THE CRAFT SECTOR

New democracies around the world have been characterised by a policy emphasis on the development and support of the informal economy and small business sector. Botswana is a good example, because it is close to home with some similarities. The state developed elaborate strategies and institutions were created to provide the necessary support to existing and emerging small businesses.

> *"Although Botswana has adequate finance, an extensive institutional framework and the requisite policies, it has not been entirely successful in fostering citizen entrepreneurship, especially in manufacturing…The openness of the economy allows foreign competition against local enterprise, further undermining the development of local entrepreneurship. However it is highly unlikely that the Botswana government will become more interventionist to protect local enterprise. Indeed, further economic liberalisation, in view of the requirements of the World Trade Organisation and the opening up of South Africa to the international economy, will lead to increased competition and pressure on local enterprise. The prospects for citizen enterprise development are bleak. Reservation policies are not likely to work in the new order. Wage and labour controls are unpopular and may lead to loss of support for the regime. Direct financial supports are also unsustainable, given the fall in revenue from diamonds and the lack of other sources of economic growth. The promotion of partnership between the public sector and the private sector may hold the best hope*

> *for maintaining some form of citizen control over the national economy and diversification of the mineral dominated economy[135]."*

The situation sounds familiar to South Africa in a number of ways. The South African government made a decision to actively support the growth and expansion of SMMEs and the country has seen a proliferation of bodies, forums and structures to support SMMEs at national, provincial and local levels. The NSBC and its related support structures were formed to directly co-ordinate the activities and support of small businesses in South Africa. The NSBC and other structures or forums are important in principle, but if they are unable to efficiently fulfil their mandate then long term sustainability and efficacy becomes a question which must be asked. There are indications however, that the level of delivery from these bodies remains circumscribed due to internal management problems[136] particularly in light of the recent closure of the NSBC.

If institutional arrangements and support services are insufficient to stimulate and build small businesses in a country, such as the Botswana case, then what alternative strategies and policies need to be effected to ensure the success of small business development in South Africa? This is an important question that needs to be considered when it comes to developing policies aimed at stimulating the small business sector in South Africa - especially manufacturing.

This question is partially addressed by the development of more specific forms of support. In general though, there is a tension between the need for generic support for small business development and specialised programmes targeting various types of industry activities. In response to these different needs a range of service centres are presently being set up. Local Business Services Centres (LBSC) are an important concept, which has taken off in some provinces rather well, and appear to be very effective means of grassroots development. Active support manufacturing includes the establishment of Manufacturing Advice Centres (MAC) other forms of support for manufacturing has been initiated. These structures are only as wonderful as they deliver, and as always there is a danger of function replication and spreading limited resources too thinly. These structures should benefit all forms of manufacturing and small businesses that include the craft industry.

Observation: *Local Business Services Centres (LBSC) are an important concept, which has taken off in some provinces rather well, and appear to be very effective means of grassroots development.*

The benefits derived from the various bodies depend on the level of social capital in an organisation or structure and the capacity of the individuals working within them. Organisational problems prevalent in the national structures for SMME development are also found throughout the provincial and local structures. Capacity courses are another important area for future focus to ensure that development is as much about content in

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135 M. Kaunda & K. Mitit, Promotion of private enterprise and citizen entrepreneurship in Botswana, Development Southern Africa Journal, Vol. 12, No.3, June 1995
136 DTI et al.

the future as it is currently about form. Social capital cannot be built up quickly, but it is absolutely necessary for sustainable development of the economy.

ISSUE: The development and nurturing of social capital is essential for achieving sustainable development of a particular sector and the economy as a whole.

SECTION SIX - POLICY RECOMMENDATIONS FOR THE DEVELOPMENT OF THE CRAFT SECTOR

It is the overall opinion of the research team that almost any intervention into the craft sector will make a significant impact on the industry, since the needs are so extensive, and the nature of the support so fragmented. The most important element of any form of intervention strategy is that there is a unity of vision and support of the intervention by the various stakeholders. The implementers must own the strategy in the end. Development experts have found that the most comprehensive and well-developed development programmes have failed only because they lacked the support of the stakeholder and community members.

Obviously as a result of the time spent researching the craft sector in South Africa the research team has developed some ideas around how the sector would be best developed – most of which are encapsulated in the recommendations of this section of the report. However, it is because of the belief in the need for 'ownership' of the final strategy that the recommendations in this final section of the report are not weighted in order of importance. This is done in order to ensure that whatever strategy is developed in the end ultimately originates from those organisations and individuals that will be responsible for the implementation.

The policy recommendations presented here grow from the study carried out by CISG on behalf of the DACST to identify the most feasible and cost effective ways to expand the role of the craft sector in the South African economy. These recommendations focus upon those interventions, which appear to offer the government and the craft industry, the greatest benefits for the least costs.

The research clearly shows the need for two distinct strategies for expanding the craft sector - one rural and the other urban - if DACST wants to realistically increase the income generated in the two different craft enterprise environments. Therefore, these policy recommendations will attempt to describe both a rural and an urban craft development strategy. These two strategies are looked at in terms their logic and potential benefits, the targeted audience or recipients and recommended interventions.

A general development strategy begins with a target audience, the desired objective(s), the resources available, the context of transformation, and the recommended interventions. The objectives must be as simple as possible and the interventions must be sustainable. It is also clear from the research in South Africa and from international examples, that the development of the craft sector should be reserved for the benefit of those segments of our society referred to as 'vulnerable' and economically disadvantaged, such as rural women, disabled people, street children, and the unemployed.

***Observation:** The development of the craft sector should be reserved for the benefit of those segments of our society referred to as 'vulnerable' and economically disadvantaged, such as rural women, disabled people and street children, and the unemployed.*

Following the discussion on the different strategies, the report goes into a more detailed discussion of potential public sector interventions and projects. This discussion looks at the role that can be played by DACST in the development of the South African craft sector. The opportunities for co-ordination and collaboration is heavily emphasised here because the research has established that a large number of independent initiatives already exist (public and private) which haphazardly serve different needs of the craft industry. However, there are major gaps in the coverage of the craft sector by these independent initiatives. Many of these gaps could be closed through developing more systematic co-ordination between existing activities. A series of relevant public sector initiatives, which have been identified by the research team, are briefly presented here, but the list of possible interventions is not meant to be exhaustive.

6.1 PRINCIPLES

6.1.1 Small Business Approach not welfare

It is essential to recognise that the craft industry promotion strategies presented here are not part of a 'make work' social welfare programme for unemployed people. This assumption is commonly made when considering the marginal economic role of the craft sector in national economies in the developing world. However, experience has shown that when the development of the craft sector is confused with social welfare, the interventions made by public sector and/or NGO agents become distorted into unsustainable sheltered workshop enterprises. With no strong market connection, predominantly welfare oriented craft ventures are largely dependent on a continuous flow of charity and financial support from external sources.

6.1.2 Government Commitment

Instead of relegating craft enterprise to the social welfare departments, this study strongly suggests that craft support activities and craft product consumption should be incorporated into the mission and operations of all departments of the national and provincial governments. This happened under the guiding influence of Mahatma Gandhi in India, where the government reserved a percentage of specific markets for low tech village producers. Through this it is possible to gradually transform craft production in South Africa into a significant (15 to 20%) employment generating, low capital and dynamically expandable part of the macro-economic growth strategy for the country.
Local government and Municipalities should work together in planning permanent informal trading areas within urban centres, establishing pedestrian routes through these areas in order to secure good passing trade for entrepreneurs to sell their wares. This will lead to successful traders establishing themselves and building their businesses on particular sites, leading to eventual integration into the formal economy.

6.1.3 Social and Economic Sustainability

It is critical that any proposed expansions of the craft sector must be socially and economically sustainable. The sustainability principle must be acknowledged by all policy makers and craft development agents as the foundation of all future public sector interventions in the craft sector.

If the South African craft sector is going to compete with other types of development for scarce public funds, Projects receiving support must be researched comprehensively to establish their level of social and economic sustainability.

6.1.4 Cultural heritage issues

Promotion of South African culture is a vital ingredient in the raising of awareness of craft both domestically and abroad. During the Apartheid years African culture was scorned, Black South Africans were estranged from their cultural heritage through the Pass Laws, labour migration and homeland policies. This is a country of eleven different languages, each of these languages carries a cultural heritage that people should be proud of. It is through the exhibition of the products of these cultures, whether they be in Music, Dance, Poetry, Art or Craft that better understanding and interest can be achieved between them.

Enormous interest has been raised internationally through sport in our country. Both Bafana Bafana and the Springbok Rugby Team have been prominent on the international stage this year, perhaps we could use the opportunities that our sporting heroes are creating for us. A well choreographed show, featuring traditional music and dance on the field prior to a major sporting event to encourage our team and entertain their fans would be a huge promotion for South African culture. Furthermore, Trade delegations, Art Exhibitions and Stage Productions could gain valuable exposure through aligning themselves with such tours. We as South Africans need to put our best foot forward, by giving our artists the opportunity to capitalise on the strengths of other sectors we can catapult them to international stardom and at the same time gain exposure and encouragement for other people within their sectors. Craft needs to be seen as a means of cultural expression, through it we can promote our African heritage.

6.2 DEVELOPMENT STRATEGIES

Many of the needs of the craft sector identified in earlier sections of this report relate to institutional arrangements, financial services, education and training, access to information, support services and the policy environment. A large body of research and literature exists which deals with the needs of SMMEs around the world in a ‘standardised’ manner. Many of the recommendations contained in the literature have already been put in motion by a variety of agents, funded by the DTI, to provide support services to small businesses in South Africa, such as NSBC, NEPA, Khula and so forth.

A more contentious issue concerns the reason why some of these SMME support programmes are more successful than others. The literature dealing with this question has highlighted the fact that cultural differences between the SMME agents and the beneficiary enterprises invariably play a significant role in the success or failure of development programmes. It is important for both policy makers and development practitioners to build good relations and communication links with the entrepreneurs they are attempting to assist. It is also important to understand the needs of the crafters, access to loans is not necessarily as good as access to abundant, reasonably priced raw materials.

Aims of strategies
To facilitate growth and development in the craft industry.
To generate jobs and wealth for rural crafters in particular.
To raise awareness both locally and internationally as to the cultural significance of craft
Key Actions
Relationship building through promotion.
Collaboration with existing resources and programmes.
Creating linkages between craft community and broader society.
Information generation for benefit of craft community and marketing.
Promotion of craft through exploiting other higher profile sectors.

6.2.1 Rural craft sector development

The needs of rural communities in South Africa are intimately linked to shortages of infrastructure, information, supplies, services, and income earning opportunities. The development of SMMEs is heavily supported by the public sector at present as the employment limitations of the formal sector are increasingly recognised. There is some dispute around how many SMMEs actually exist in South Africa, but it is entirely possible that the number of survivalist enterprises far exceeds the total number of recognisable SMMEs. The dominance of survivalist enterprises in the rural areas of South Africa, especially in the craft sector, was evident during field trips during the research process and through discussions with rural development practitioners around the country.

The creation of huge numbers of income earning opportunities within rural communities of South Africa, which are sustainable, is one of the central challenges facing the country. The following hurdles to rural craft enterprises were identified by this study:

Hurdles	Key words
There are no purchasing and marketing institutions brokering the productivity of many small producers to large buyers in the private and public sector.	*Purchasing and Marketing Brokering Institutions*
Craft production in rural areas struggles because of underdeveloped design skills and costly transportation to gain access to markets. Many of the products being produced need improved finishing standards to meet the quality required for sale into the domestic or international markets. Although the skills base in terms of craft is very good in rural communities, the lack of availability of good raw materials means that people must improvise in order to keep producing, e.g a basket woven out of reeds with a genuine leather handle will fetch a much better price than the same basket with a plastic handle (the leather adds value where the plastic cannot).	*Access to the markets: Transportation & Product development*

Rural communities experience difficulties in accessing support services. This poor access is due to a lack of interfacing mechanisms and methods of communication between public sector service providers and the craft producers.	*Access to information & communication networks.*
Rural crafters need access to comprehensive sourcing services that can establish reliable, reasonably priced supply lines of the raw materials they need. A service of this nature could also provide alternatives to existing materials that are either proving too costly or are in short supply. An aligned advisory service for product development and improvements would also help here.	*Appropriate Supplies*
Limited cash and credit facilities available to micro enterprise ventures and survivalists. Inability to wait long periods for payment means that it is difficult to enter into supply agreements with major retailers who require between 30 and 90 days to pay.	*Cash and credit facilities*
Limited access to banking facilities, which are situated in urban centres. This makes tracking of deposits from customers difficult, banks in rural areas should be encouraged to accept orders on behalf of SMME's who do not have telecommunication facilities. This would provide the customer with a level of confidence that the order is being dealt with and it will enable the relevant bank to assist their client where possible to ensure timeous delivery.	*Banking facilities*

The factors listed above are all connected to the general isolation of rural communities from urban areas and complexes. A substantial body of research and literature exists dealing with the interdependence between rural and the urban economies in South Africa. It argues for the impossibility of achieving rural regeneration without also successfully reorganising the urban industrial economic system. For the purpose of this study, we will assume that it is reasonable to work more or less independently on the urban and rural ends of the development equation.

6.2.1.1 Identification of the market

A number of development practitioners interviewed during the course of this research maintained that a market for craft production must be identified first before there is any serious work done to promote new craft production. It often happens in rural craft projects that production precedes the discovery and/or creation of adequate market demand at the right price for a particular line of the craft products. The need to create job opportunities in rural areas often overpowers the normal logic of private enterprise whereby supply follows demand, and normally stays in close balance. So, if there is no demand for craft products, no purchasers, there simply will be no money to pay for the cost of the labour and materials tied up in production. The important rule of thumb here is that all rural craft development programmes should begin with a careful assessment of market demand then move into the motivation, training, and organisation phases of new enterprise development.

6.2.1.2 Information and communication networks

If new job opportunities are to be created in rural areas which are based on craft production, it often happens that an already existing craft enterprise will be used as model for the emerging craft enterprise to pattern itself after. New craft enterprises often fail, for the same reasons that most other small enterprises perish: poor planning, under-capitalisation, family intervention, weak market demand, poor quality products, sickness, exploitation, insufficient passing trade etc. Realistic and basic small enterprise support services need to be provided to both existing and emerging craft enterprises. A series of articles and publications need to be written and circulated to craft producers and marketers which provide basic information about how the craft sector operates in South Africa. These publications must strive to make rural crafters aware of two different types of information:

1. What support services do the craft producers really need to become successful owner operators of their own small enterprises; where can they obtain assistance and/or training in the skills and linkages required for running a successful small enterprise.

2. What markets exist where there is demand for their craft products; also, what other craft products, can they make - or can they learn how to make - for which demand exists or could be awakened within their nearby market areas? What assistance, if any, is available to small craft producers and enterprises to help them discover and penetrate new local, regional, national and international markets? (Market education).

These craft oriented publications can be written in a general enough way to make them informative to any competent development organisation working in rural areas. Also, municipalities or other local authorities interested in promoting craft production in their area, church groups, RDP funded programmes, LBSCs, Agricultural Extension workers, MACs and so forth will be able to utilise them. The obvious lack of appropriate information - both general and specific (contextualized to a particular micro regional market) is the biggest problem for development practitioners working closely with potential craft producers residing in rural communities.

The *Craft News* publication from CAB is possibly the only domestic publication addressing the practical information needs of the craft sector in South Africa. A LBSC in the Eastern Cape felt that it was the best source of information for them at present. Other groups had no information sources other than international magazines that they struggled to get their hands on and when they did, they were already out of date.

Based upon responses from craft producers and brokers in the field, it is clear that the *Craft News* publication needs to be continued and its distribution networks expanded. It is also obvious that additional publications need to be initiated and circulated to address the need for market education mentioned earlier.

Another publication which could greatly assist small scale craft producers would be a national/international directory of commercial sources for materials and technologies that introduce them to lower cost materials, sources of supply, and production enhancing technologies and techniques. This could also open the door for collective bargaining for better prices within certain sectors of the craft industry, thus reducing costs and making our products more competitive.

Another important form of information that would be of interest to craft producers is a regular publication listing the different kinds of products that publicly funded institutions such as hospitals and clinics, schools, universities, office buildings, TLCs, etc. regularly purchase from the private sector. Craft producers, or associations of small producers, might be able to bid on tenders to supply publicly funded institutions. The DACST would also seek to encourage major private sector buyers such as Woolworths and the major retail chains to create buying mechanisms that will permit many small producers to create product that is aggregated and sold through their outlets. This same publication could also publish what schemes and incentives relevant to craft production are available from the different government departments. All of the publications should be made available on the Local Government electronic network, LOGON.

6.2.1.3 Distribution networks

Physical access to the markets in urban centres is another big obstacle for rural crafters. Many of the suggestions given by rural producers and project agents revolved around how best to overcome the transportation hurdle such as large scale programmes involving taxis, trailers and so forth. However, this study has repeatedly discovered that the more complex and costly the solution, the greater the chance that it will fail to cover its operating costs and therefore the more inevitable its eventual failure. As a rule, the simplest and least costly solution to a craft production and marketing problem invariably turns out to be the most successful solution. The one which makes the cleverest use of existing infrastructure and which requires the smallest possible outside intervention is the approach that delivers the most benefit to the craft producer for the least cost.

Observation: *As a rule, the simplest and least costly solution to a craft production and marketing problem invariably turns out to be the most successful solution.*

Therefore, if transportation linkages are to be viable they must be either managed by a private company or institution which specialises in this function, or the means of transportation must be operated and maintained by the producer group itself. One of the aims of a craft development programme should include carefully thinking through how the products are going to get to the market once they are made and how that transportation connection is going to be paid for. Transportation to market is essential if the right product is to be supplied at the right time to the right market outlets.

Desired interventions

- Relevant publications informing craft producers, development practitioners and local authorities about demand for craft products and the supply of materials and technologies useful to craft producers.
- Inclusion of craft sector into general SMME development and support programme currently maintained by DTI.
- Directory of the craft sector in South Africa, similar to the Film Industry Handbook.
- Business advice desks which acknowledge the craft industry as a significant manufacturing concern and treat its requirements as such (particularly where groups of craft producers organise themselves into craft enterprises and associations of producers).

6.2.2 Urban craft sector development

The urban craft sector consists of formal and informal segments. The research found the formal craft sector, which consists of registered businesses, to be a strong segment of the industry. The informal urban industry consists of craft markets, sidewalk vendors, hawkers - any unregistered economic activities involving the production or retailing of crafts.

6.2.2.1 The informal urban craft industry

The needs of the informal craft sector are similar to any informal economic activity. Its strength and its weakness lies in its highly flexible, unregulated nature. The informal industry should be sufficiently regulated in urban centres to ensure that it does not self-destruct. Informal craft traders contribute to creating vibrant public spaces, but an over proliferation of poor quality crafts being sold in particular markets with high visibility and impact, such as the Durban beach front, does not contribute to this vibrancy.

The need for Metropolitan Municipalities to rebuild and regenerate their city centres includes the necessity of regulating street vending and maintaining both public order and standards. These Municipalities should take an active interest in the retailing of crafts in the city centres. In order to encourage the development of this retail sector, its expansion needs to be planned and provided for. A major environmental constraint which influences informal traders is the availability of appropriately supportive infrastructure. By infrastructure we mean well positioned and attractively constructed trading and storage space.

Space needs to be created where crafters can sell their goods without running foul of the local authorities. This space must encourage high volumes of pedestrian traffic so that the crafters can enjoy good trade in these areas. Assistance can be provided in the form of merchandising and display materials. This will lead to the formation of natural markets where street traders can organise themselves and prosper. Storage space is a problem for most informal traders who often end up having to transport large quantities of stock to and from the market place every day.

A significant level of craft production occurs in townships surrounding Metropolitan centres which can become tourist attractions in their own right if properly developed and promoted. Independent tour operators are playing an important role in bringing tourists to craft production and/or marketing centres in the townships. A number of projects in townships visited by the research team reported that support by tour operators was critical to their survival.

There is not one way of dealing with the requirements of the informal urban craft industry since each situation is unique. However, since it is the Municipalities, which are dealing directly with the informal industry, it is these local authorities which need to learn how to constructively manage craft production and marketing activities in the future. The proper development of craft outlets in urban centres can be guided through literature to local authorities and to craft initiatives, and also by organising workshops between representatives of producers, marketers, and officials of city government.

***Observation:** Local authorities need to learn how to constructively manage craft production and marketing activities in the future*

The formal craft industry in urban centres consists of:

(i.) retail outlets which buy goods from craft purchasing agents or directly from the producers (African Image in Cape Town),
(ii.) outlets which sell products produced by employees (Nova Africa in Hout Bay), and
(iii.) factories (Carol Boyes factories). The craft businesses examined in detail by the research team enjoyed significant levels of turnover.

Importantly, these businesses create a large number of job opportunities for the more vulnerable segments of society, especially women.

Formal craft related businesses need to be viewed as important mechanisms for employment creation and the promotion of African culture, even though most of the business owners are white. There are a number of rising black entrepreneurs in the formal craft sector who are beginning to set up business ventures and establish powerful producer groups.

The Midlands Meander in KwaZulu-Natal is fifteen years old and the Chairman, estimates that for every business, 10 jobs are created and thus out of the 140 business members, 1400 people are employed. Granted that not all of these businesses are craft shops, but a fair number of them are. Therefore, it is safe to assume that craft businesses do indeed generate significant urban and rural employment for primary craft producers

The proven capacity of the craft industry to harness the hands and skills of tens of thousands of potential workers means that strong and sustained demand for craft products will be rapidly converted into income generating employment. The capital cost of generating employment in the production of craft is very little when compared to other types of employment creation (probably less than R5 000 per employment opportunity defined as an annual income of R3600). Since most of these costs are carried by the private sector, the return on wise investment of public funds on stimulating regional, national and international demand for South African craft production can be significant.

The needs of craft businesses are similar to any business sector around the world especially one comprised of SMMEs. It is institutional support from the public sector and accurate market information about demand for craft goods that are the most frequently voiced requirements. For example, one of the challenges faced by the Midlands Meander was with respect to signage regulation. The existing legislation did not permit the Meander to advertise itself along the roadsides. The executive committee had to fight for years to have the regulations altered to allow them to advertise their existence as a craft collective on public roads.

Marketing is essential for the success of businesses and is very expensive. The Meander markets itself and this year they produced a sixteen-paged brochure that cost them R385

000. The most successful destinations are those which are well advertised. Unfortunately, not all businesses are able to invest so much money on their own marketing, even when they realise the importance of aggressive advertising.

The link between craft businesses and tourism bodies is a very important component of marketing. A number of businesses interviewed cited a lack of support from the local tourism associations as an obstacle to achieving higher levels of business success.

This was especially the case in secondary cities. Tourism associations maintain that they cannot keep up with the changes in the craft industry, since shops open and close so quickly. They rely on information supplied by craft outlets themselves. This relationship needs to be built up and encouraged. Both public and private agents of tourism in South Africa need to be systematically supplied with information about sources of craft and craft markets.

Sites for the retailing of craft on well established pedestrian routes require identification and development. Cheap and sometimes free sites in the late eighties and early nineties led to the emergence of some very strong market traders, who have now integrated themselves into formal retailing. They were free to develop their concerns without too many overheads. It is much more difficult to enter the retail sector now as there are a lot more traders to compete with and stall fees are often prohibitive to the small crafter.

A directory of craft businesses, which provides regional and metropolitan breakdowns and even maps, would go a long way to solving the information obstacle. The proposed directory could be similar to the Film Industry Handbook. Another important example is the Arts and Crafts Map produced for the Western Cape and Gauteng. These publications are very successful in marketing the craft industry in these areas.

Other interventions which would contribute to strengthening the formal craft industry include:

- The active promotion of financial assistance through private banks.
- Business advice services through information desks (websites and telephone hot-lines) to answer questions about marketing opportunities and sources of materials.
- The printing and sale of technical publications, and the systematic promotion of South African craft products in international markets through shows, trade delegations, sports events, festivals, etc..

Desired interventions

- Institutional support from local/provincial/national authorities for craft businesses i.e. signage requirements and other forms of appropriate infrastructure.
- Inclusion of craft sector into general SMME development and support programme currently maintained by DTI.
- Marketing support from Tourism Associations and bodies.
- Provision of updated information to tour operators and tourism associations about craft sites in urban centres.
- Directory of the craft sector in South Africa, similar to the Film Industry handbook.
- Financial assistance in the form of venture, working and expansion capital.
- Business advice desks which acknowledge the craft industry as a significant manufacturing concern and treat its requirements as such.

- Facilitation of cultural promotions on the local and international stage at every opportunity, make African culture a happening by creating a demand for products through entertainment and exhibititions.
- Assist our major craft retailers in breaking into valuable overseas retail markets.

6.3 ROLE OF THE DEPARTMENT OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY

A number of South African government initiatives are presently underway to address issues of structural inequity, which could directly assist in the development of the craft sector. However, 'craft' is simply not yet on the national agenda because it is not perceived as offering the nation a way to create large numbers of real jobs. Neither is the craft sector viewed as possessing real capacity to contribute wealth to the national economy in its own right. Mostly, the discussion of the economic potential of the craft industry is limited to craft practitioners, agents, retailers, and government officials.

Craft production needs to be recognised by the government and the mainstream private sector as a potent and relatively low cost/high return tool for creating work and self employment in the economy. It has the potential for making a solid contribution to black economic empowerment, helping to nurture a thriving small manufacturing sector, capturing significant quantities of foreign exchange through tourist consumers and export contracts.

The findings of this national survey of the craft industry very strongly support the conclusions of an ACTAG report to the effect that strategies adopted for the craft sector must promote and effectively intensify collaboration *between DTI, DACST, DEAT & D.Ed*. If there is no support for the industry from and between the different departments, then the high level DACST policies and directives will have very little chance of being converted into practice in the nine different provinces, each with their own distinctive metropolitan centres.

Relevant government initiatives which can potentially assist in the development of the craft sector in South Africa include those of, DTI, DACST, DEAT and the Dept. of Labour. Some of the relevant initiatives identified by the research team are as follows:

Gov. Sphere	Department	Initiative or activity
National	Department of Trade and Industry	• SMME development through activities of Ntsika, Khula and CSBD • Especially, the Targeted Assistance Unit (TAU) of Ntsika • Local Business Service Centres (LBSCs). • Manufacturing Advice Centres (MAC) • Export schemes for Small businesses
	Department of Arts, Culture, Science and technology	• Management and support of Museums • Recent research on the SDIs and the relationship between culture and tourism • Role in the preservation of culture and heritage • BASA - public private partnerships
	Department of Environmental Affairs and Tourism	• National Parks Board and related conservation management structures • Development of tourism infrastructure
	Department of Education	• Recently incorporated craft into 2005 curriculum • National Qualification Framework (NQF)
	Department of Labour	• Ongoing skill training programmes • National Qualification Framework (NQF)
	Department of Agriculture	• Co-operative development and registration • Extension workers and outreach programme to support rural industry related to agriculture
Provincial	Interdepartmental	• Spatial Development Initiatives (SDIs) at the Wild Coast, Maputo Corridor and Lubombo • Industrial Development Zones (IDZs)
Local Government [137]	Variety of different offices included	• Integrated Development Plans (IDPs) • Local Economic Development strategies (LED) • Metropolitan Spatial Development Initiatives • Online Local Government network to keep local authorities informed • Capacity training programmes for local authorities

[137] Local government structures have interests in the craft industry because it creates ambiance in the cities for tourists coming to Africa when there are markets with African crafts, performances and so forth. The Cape Town metropolitan spatial development plans are stimulating the development of number initiatives in townships and outlying areas.

Other government departments are also involved in the craft sector, such as the Department of Health and Welfare, which has set up craft projects as part of its recent re-interpretation of the meaning of welfare. An example of this is, the Philani Flagship Project[138] in Khayelitsha, where women are trained in printing and textile skills to enable them to become self- supporting.

A significant number of structures exist which can assist in the development of the craft sector. Many of these are independents and others are partially supported by government. Examples of the latter include the CSIR, publicity associations and tourism information bureaus at all levels of government, the Central Statistical Services (CSS), development parastatals, and major NGOs involved in the promotion of craft production and marketing.

From the above initiatives, it is clear that any development of the craft sector should not depend upon the generation of new bodies or structure which will merely replicate what already exists at a provincial and/or national level. **The craft sector requires something more challenging.** It needs the public sector departments, institutions, and programmes presently influencing the craft sector to become proactive. Starting with the unifying objectives of using the craft sector to create as much wealth and employment as possible. DACST needs to invent a series of interfacing mechanisms that will enable craft producers and marketers to find and make use of exactly those public sector resources and assistance which they require to grow their craft enterprises.

Development of the craft industry can occur also by engineering demand through aggressive marketing. There can be a significant level of cross over with the development of tourism and tourist destinations and the promotion of craft products or ventures. Tourism agents could be responsible for creating viable interfaces between the craft co-operatives and the needs of business i.e. interior decorating of hotels and commissioning the products from crafters.

All forms of craft are part of our 'living culture' in South Africa. The mandate to the Heritage Subcommittee is to *"conserve, promote and revitalise our national cultural heritage."*

6.4 MECHANISMS FOR DEVELOPING INTERDEPARTMENTAL COLLABORATION

6.4.1 Craft commission[139]

It is recommended that a delegation of individuals be selected by the DACST to be responsible for the advocacy of the craft sector at governmental level. A member of the department, and several representatives of the craft industry should serve on the Commission, as well as other relevant figures in the field who have experience and vision. The membership of the proposed Commission should be no more than four or five people at a time; membership can change over time to ensure the representation of all interests.

[138] Interview with Sarah Polonsky, Manager of Philani, Western Cape
[139] Based on suggestion by C. Cook, Development Specialist, Fort Hare University.

The essential function of the delegation is to secure commitments or contracts from each government department for the active support of the craft sector. For example, Foreign Affairs could be encouraged to commit themselves to spending 25% of the budget to furnish mission stations around the world with South African crafts or hand made goods. Such a commitment would be formalised with a signed contract and would be managed through the Craft Development Secretariat discussed below.

Essentially, the proposed Commission should approach as many government departments as possible, and challenge the political leaders and senior civil servants to use their procurement budgets creatively, in order to increase the direct and indirect purchase of locally produced craft products and services. Departmental purchasing power would therefore be converted into more jobs than would be the case if machine-assembled (mass produced) products were purchased. The aim of the Craft Commission is to secure a significant support base for the craft sector inside the governments own purchasing system. These initial commitments then constitute the starting point for the Craft Development Secretariat's national campaign to increase the size of the direct and indirect purchase of craft products by the national, regional and local governments.

6.4.2 Craft development secretariat

If the DACST is going to successfully carry out a national campaign to boost growth in the craft sector they will need to spend some money, we all know that in the age of redevelopment the government is pre-occupied with other priorities and resources are limited, we must therefore spend very wisely. It is often the case that individuals and organisations have ideas, experience and opportunities but insufficient capital or raw materials to act upon them.

It is, therefore, important for the DACST and government to have more direct mechanisms for addressing the needs of the South African cultural industries. It should be noted that of the provincial and local government representatives of Arts and Culture that were interviewed, there was a shared sentiment concerning the form of support they could provide Cultural Industries. Due to a shortage of funds available to the various departments to spend on developing art and culture in their area, representatives felt little could be directly done in terms of the better organised Cultural Industries, such as music and film. This is different for the national DACST. All of the provincial and local government officials who were interviewed, expressed an interest in the craft sector. They felt they were in a financial position to assist this sector more than others, and the sector had the potential to create new jobs and grass roots development. This is an important interest to harness and support in the future.

The DACST itself has expressed continued interest in the support and development of the craft sector throughout the research process. The research team is of the opinion that the DACST should have a more formalised relationship with the South African craft sector, through the establishment of a Craft Development Secretariat, situated within the DACST itself. One of the reasons for this recommendation is that experience has shown that limited resources tend to be expended upon the development of new bodies or commissions, and very little funding reaches the target recipients. By situating the Secretariat within the DACST, additional overheads that are generally incurred through the establishment of new bodies will be avoided, and the available funding can be channeled more directly and productively into the craft sector itself.

The responsibilities of the Secretariat should include management of available funds for the development of craft in South Africa. A central activity to the provision of finance includes advocacy for the inclusion of craft on the developmental agendas of other departments and for profiling craft in South Africa and abroad.

In addition, funding could be channeled through existing bodies, such as the National Arts Council (NAC), Business Arts South Africa (BASA) or the funding bodies set up for SMME development, such as Khula. Before such a relationship could be set up, an exploration of each body would have to take place. The exploration would have to include an audit to verify that there is sufficient capacity available for additional tasks, an understanding of the issues in the craft sector and whether the task would not compromise their original mandate in any way. All of these bodies are involved in the promotion of the craft industry in some way already, since craft support is the same as SMME support but tends to include product development/design/national culture component. By using existing structures, the DACST could avoid wasting limited resources on substantial salaries for officials which would have to be representative of all the provinces.

The Secretariat would also serve to publicly justify the continued promotion and development of the craft industry through commissioning research and rendering updated statistics and information available to the relevant stakeholders and government departments[140].

Additional functions of the Secretariat could include:

- information provision concerning support mechanisms and schemes available from the various government departments for the craft sector;
- management of available funding for craft;
- assistance in terms of participation in international trade fairs and trade missions;
- assistance to craft retailers and tourist operators wishing to break into international retail markets;
- the exploitation of other sectors(e.g. Sport) for the promotion of our cultural industry as a whole;
- stimulation and support of projects (as listed in the subsequent section entitled Potential Public Sector projects) to aid the craft sector where the free market fails

[140] A number of interviewees made it apparent that they had no time to waste participating in 'talk shops' or forums to discuss theoretical development programmes. Should a forum be called to discuss how public sector investment in the craft sector can best be organised to stimulate both craft production and marketing, then there would be much to talk about and to plan. Financing is required for venture capital, expansion of businesses or projects, infrastructure, education and training, support of development initiatives, such as the Rural Craft Development Forum recently held in KwaZulu-Natal and the generation and dissemination of information to empower the broader crafter community. The over-arching principle guiding all of the decisions should be black economic empowerment through the facilitation of opportunities.

The Craft Secretariat should have access to a pool of skilled and resourced individuals, associations, and institutions to guide the selection of appropriate projects and initiatives. Those who participate in the forum guiding project identification and development, should receive no financial remuneration for their services – their participation should allow them to satisfy the requirements of their existing job description such as, Ntsika's TAU, the CSIR's existing product development programme and the HSRC's small business development services. The participants are also not a fixed forum but something that will be constantly adapted to meet the requirements of the Secretariat. Financing will only be made available for actual projects.

6.5 POTENTIAL PUBLIC SECTOR PROJECTS

6.5.1 National craft and design institute

The National Craft and Design Institute[141] could be created as an institution devoted to the profiling and marketing of the South African craft sector. A museum that focuses on South African craft and design instead of a broader cross-section of art forms. The purpose for this having a Craft and Design Institute is to forge more direct links between the industrial design and craft sectors in South Africa. It is clear from the present research that such a relationship could serve to benefit both sectors.

Through the establishment of the Institute an important relationship could be built between the craft sector and the design industry. The following statement is found on a brochure for Montebello Design Centre in the Western Cape, "design has a critical role to play in the development of the SA economy and the creation of jobs. From the humblest craft based micro enterprise to the most sophisticated manufacture, adding value through design is the key element to competitiveness."

The Institute would be primarily responsible for the following:

- Profiling the best of South African craft and design through ongoing exhibitions
- Facilitation of exchanges between the craft and design sectors
- Reward "achievers" through prestigious awards
- Develop an index of South African craft and design that would be publicly available
- An information resource centre for the craft and design sectors
- Production of publications about and for the craft and design sector
- Identifying works for travelling international exhibits

As a spinoff of profiling South African craft and design products, the Institute should also be involved in the marketing and retailing of the products being profiled by offering a comprehensive sourcing service to potential customers, both locally and internationally. This would open up tremendous marketing opportunities for people within the industry.

[141] This concept of the Institute is derived from the entirety of the research but in particular some key interviewees, namely: J. Kukard (Export Consultant), T. Graaff (Montebello Design Centre), A. Meyer (Empangeni Museum Curator), G. Metz (DACST) and C. Cook (Rural Development Expert).

It is important that the functions of the Institute are not too diverse to begin with to ensure that the initiative succeeds. In time however, the Institutes functions should expand and it could become more directly and actively involved in the craft and design sectors. Its secondary functions should be derived directly from its core functions and could eventually include:

- Provision of market research for local and export markets to facilitate the product development process
- Lobbying and advocacy work (Parliamentary representative) and policy development
- Look for leveraged policy interventions to create a more facilitative environment for crafters and designers e.g. tax (on supplies and on business)
- Identification of catalyst sub-sectors for special support, for example the metal and wood sectors
- Building capacity of support organisations and marketing intermediaries
- Development of supply chain networks and development of collective purchasing opportunities
- Promotion and facilitation of strategic partnerships and joint ventures with the public and private sector
- Research, training and education development including the provision of grants and the development of academic programmes

The Institute should be financially supported through a combination of financing from the state, the private sector, and the craft and design sectors. The establishment of the Institute provides a perfect opportunity for a Public-Private-Partnership (PPP). Start-up funds should come from the PPP and then working capital will slowly be developed through membership fees, Corporate sponsorship[142], the sales of publications, and other services that will be developed over time and eventually charged for. The objective is for the Institute to eventually become a self-sustaining venture.

The main building housing the Institute must be easily accessible to the public and in a major Metropolitan centre, such as Durban, Cape Town or Johannesburg where there is a naturally high concentration of tourists and passing trade.

6.5.2 Local government link-up

Local Government is a very important vehicle for developing the craft sector in the end. There are also possibilities of immediate returns in large metropolitan areas, such as Cape Town, Durban, and Johannesburg. Municipalities are the primary managers of the craft industry in urban centres already. They provide permits to street traders, allow craft markets to be set up and in some cities, it is alleged that City Councilors are even managing craft markets in some places. Local Government can also be instrumental in the formation of forums for traders both local and foreign, encouraging them to work together to overcome any obstacles to the growth of the sector. This will encourage traders to generate ideas around solving problems relating to street trading in their areas.

[142] Corporate bodies can benefit from sponsorship for example Corobrick currently sponsors clay related handicrafts manufacturers of craft supplies etc may also be interested in playing a role in specific projects.

6.5.3 Spatial development initiatives

The SDIs provide an important opportunity for developing job opportunities through the craft sector. Recent research commissioned by DACST examines the potential opportunities to link culture and tourism in three SDI's: the Maputo Corridor, Lubombo and the Wild Coast. Thus far, a substantial amount of progress has been made in terms of identifying opportunities to link tourism and culture in the first two SDI's. The development of the SDI's will lead to the extension of existing arterial transport routes into these areas. This will encourage people to travel into these regions for both business and leisure purposes. The increased activity will have enormous benefits for these regions as people can set their businesses up along these routes, capitalising on the increase in passing trade.

The studies are focused and have already identified specific projects for investment and development in the Maputo Corridor and Lubombo SDI's. Craft production and retailing has featured amongst the recommended developments initiatives identified. The support and involvement of DACST in the development process of these SDI's is an important interdepartmental link that must be maintained.

6.5.4 Craft sector information desk

The need for information is acute within the craft sector. It is necessary for uniting business and development, the formal and informal retailing segments. Information also serves to improve opportunities for joint ventures, exporting, income generation, education and training and marketing of the craft sector by private and public tourism bodies.

A neutral information desk to serve the needs of the craft community needs to be established. Its purpose should be to produce a series of publications containing information about

- current legislation and its implications for crafters;
- a directory of crafters;
- craft outlets and development initiatives;
- product development information and market research;
- relevant government and private sector tenders;
- collective marketing and bargaining initiatives;
- information about funding and support schemes available to crafters and producer groups.

This directory for the craft industry could be similar to the directories available for other cultural industries, such as film and music. The information desk could ensure that the Publicity Associations, Tourism Information Bureaus, and Municipalities are constantly informed of new and exciting developments within the craft sector in South Africa. This would serve to improve current levels of marketing which are poor due to a lack of information more than anything else.

To facilitate relationships in the Southern African or SADEC craft industry, information is an essential prerequisite. The information desk could serve as a reference point for crafters and consumers throughout Southern Africa.

6.5.5 Craft publications

This area has been discussed in some length earlier on in this section of the report and therefore it will not be repeated here. Relevant publications need to be developed and maintained in order to keep the craft industry informed about new developments and opportunities. These publications will also prove valuable when promoting craft to the consumer.

6.5.6 Mobile exhibition

The mobile exhibition was an idea raised from within the DACST. The acquisition of an exhibition could be the outcome of a co-operative partnership between government and a University or members of the private sector. The exhibition could be used at international events and related occasions, such as the recent trade mission to New York by DTI. Craft can be promoted as part of our cultural heritage, if it is presented along with appropriate music and visual effects it can be used as a very effective marketing tool for the country as a whole.

As important as the actual exhibition, is an exhibition stand[143] which could be developed and made available to those groups or individuals exhibiting South African craft at International Trade Fairs and shows. Such an exhibition should be light, easy to assemble and adaptable so that it can be manipulated to suit a variety of venues.

6.5.7 Local content campaign

The importance of marketing for the success of a product or business venture is essential. Unfortunately, the budgets of very few craft producers and craft businesses are large enough to include marketing due to the high cost of producing brochures and advertising in the print media. The recent introduction of free advertising on the Internet from Buy-Afrika is an innovative marketing tool which is only accessible to a small number of successful producers. The benefits of Internet advertising are potentially exciting and have enjoyed substantial levels of success internationally.

Government can play a vital role in the marketing of South African crafts through a number of different strategies. Marketing by government could include a *Local Content Campaign* for the craft sector; a mobile exhibition of South African crafts owned by DACST, the formulation of a promotional campaign for South African crafts in all museums shops, the establishment of a National Craft and Design Institute which profiles South African products to the public through exhibitions and programmes.

The idea of enforcing local content is constantly raised as the saviour for local film and music industries in South Africa, but not for the craft sector. A *Local Content Campaign* for the craft sector, initiated by DACST could influence the consciousness of the domestic market concerning South African crafts the way it has for music. For example, most of the ‘African’ attire worn by South Africans comes from Ghana, Swaziland and elsewhere in Africa. A small percentage of modern African fashion is from South Africa.

143 Recommendation based on the suggestion of Sue Heathcock, CAB, Western Cape.

As part of the *Local Content Campaign*, an annual fashion competition could be established, in collaboration with fashion and design institutes. Fashion & design students, as well as South African designers, could be invited to develop contemporary South African fashions and clothing lines. A prestigious event and award ceremony has the potential to attract enormous publicity, interest, and investment from domestic and international communities.

6.5.8 Museum, airport and national parks shop retailing policy

Another marketing intervention could be to encourage the above retail outlets to stock and promote South African craft. A campaign through these outlets promoting crafts that are made in South Africa could significantly improve their sales. The DACST could make a political statement about their decision to support the local craft industry and producers, by adopting such a campaign. To legislate on the local content carried by these outlets may affect the profitability of the outlets and lead to similar policies in other African countries which could hurt our craft exports to these countries.

6.6 SPECIFIC SHORT TERM INTERVENTIONS

6.6.1 Rural craft development initiative in KwaZulu-Natal

KwaZulu-Natal has continued to remain at the forefront of supporting the craft sector in South Africa and today the province has one of the few initiatives focusing on the development of the rural craft sector. The initiative consists of a variety of members from all over the province, including NBI. Recently, the group hosted a Rural Craft Development Forum to bring together people from all over the province to focus on how the craft sector in rural areas can be developed.

Development initiatives such as this need to be encouraged and actively supported by Provincial government. It is recommended that in provinces where there is a significant amount of crafting activity, such as Gauteng and Mpumalanga, similar initiatives are established.

6.6.2 CSIR TEXTEC programme

The CSIR can play an important role in the development of SMMEs involved in the craft industry, especially through the provincially based Textec programme which is concerned with the development and promotion of textile related business activities at present. They currently offer technical assistance in some areas, but crafters are not aware of this.

Individuals working in the South African craft industry have repeatedly voiced the need for coordination of product development and the need for a diversification of products in the market place. There is a product development programme within the Textec division that could become a resource for DACST and the broader craft community in the country.

6.7 ADDITIONAL COMMENTS ON FUNDING

6.7.1 Education and training

A portion of the funding made available for the development of the craft sector should be channeled into education and training, since research has proven that appropriate training significantly alters the economic returns of crafters and craft retailers and their ability to survive in the long term.

Funding should focus on developing the design and product development aspect as existing SMME training covers most other areas through a number of existing SMME support organisations. There needs to be a more synchronised use of resources and the promotion of a more business like attitude amongst crafters. Such an attitude shift among the policy makers and the practitioners in the craft domain will ensure that the craft industry is represented and profiled within the SMME community and receives the benefits of inclusion in the domain of mainstream business ventures.

Business skills, critical thinking, and problem solving are some of the necessary competencies required to make a success of a business venture. SMME Support NGOs, CBOs and Local Business Service Centres (such as those accredited by Ntsika) are important structures for this training, together with a number of other community development structures.

Product development is another area of focus that requires training to improve the quality and diversity of products currently found in the marketplace. Linked to this point, is the availability of market information in order to guide the product development process.

Furthermore, some funding should be allocated to the provision of support and follow-up services. The emerging *National Craft Development Policy* can make an extension to provide long term after care and technical assistance a prerequisite for receiving funding from or through the assistance of the DACST.

A wealth of training courses have been developed in countries around the world where craft has been viewed as an important industry, for example in Ecuador, India, Mexico and Botswana. The DACST could minimise the cost to the government and the tax payer for developing craft by developing relationships with the international craft agencies and projects, which have already created and implemented such training programmes. Exchange programmes could be arranged between South Africa and different countries for training related to the development of the craft sector. This could in turn, result in a widening of the support networks available to DACST as a national department and the South African craft industry as a whole.

6.7.2 Appropriate forms of technology

Development of appropriate technologies relevant to craft production is not the direct responsibility of the DACST. However, it should be an area into which public sector funds are invested because of the leveraged impact appropriate technology interventions can have.

Globally, a wealth of knowledge relating to appropriate technology and an Appropriate Technology movement exists, but there is very limited information available in South Africa. Initiatives working in this area, such as Rutec[144], need to be encouraged and given opportunities to profile their products. Experiential exhibitions are also a very useful tool for spreading knowledge related to technology.

The *Design for Development* competition, hosted by the Institute of Design in Johannesburg, is an important event publicizing appropriate (maximum benefit for minimum cost) technology oriented inventions by South African designers. A joint initiative between design schools around the country and the DACST could be created to focus on the development of appropriate technology for the production or manufacture of craft.

6.7.3 Infrastructure

The creation of multi-use facilities can benefit a number of different cultural industries and activities at the community level throughout the country. Sometimes it will be possible to share premises with more conventional businesses and manufacturing enterprises. Disused building can often be converted into incubation 'hives' for many different small craft industries. New infrastructure may need to be developed.

Unfortunately, it frequently happens that private donors are more comfortable investing in bricks and mortar projects (the edifice complex), rather than investing in the other, equally essential, facets of craft enterprise development. If the start up capital, training, and supportive business services are under funded or ignored, then the only beneficiaries of some craft initiatives turn out to be the contractors and construction companies.

Where infrastructure development would have a large impact is in the provision of electricity to rural areas (faster production and facilitates night work), telephone lines (to manage transactions - sales and suppliers) and the provision of roads or transport links so that producers can get their products to market, and also to obtain raw materials at the best prices. This is not the responsibility of the DACST but it is an area needing attention.

[144] An enterprise actively involved in supplying appropriate technology for small businesses

6.8 MONITORING OF GOVERNMENT

The monitoring of all governmental departments, programmes and activities is a very important function within a democratic society to ensure that all civil servants are accountable to the people, their representatives in parliament and the tax payers. The systematic monitoring of programme delivery by citizen's representatives and stakeholders, which affect the well being and the profitability of the craft sector, is essential. There will always need to be both general policy and specific programme delivery oriented evaluations of strengths and weaknesses of the DACST and collateral government programmes from the point of view of the different major constituencies and role players in the craft industry.

In turn these evaluations and observations must be communicated to the relevant stakeholders and community members thereby ensuring the craft industry is at least aware of the measures designed to assist them. It is important that the lines of communication between the public and private sector are opened and nurtured.

In many instances knowledge of DACST policies and programmes is not sufficient to ensure that government programmes will be fair and responsive to the client they are mandated to serve. That is why it is necessary to formally empower monitoring bodies and task teams to oversee the performances of civil servants and public sector programmes and then report back to the craft community about their findings and recommendations for improvement[145].

It is clearly a role to be filled by an independent body composed of relevant actors from the worlds of the university, NGOs, and business. There are a few existing bodies monitoring the activities of government, such as IDASA (national). Interestingly an organisation called Article 27 has emerged which focuses on the activities of the DACST. The presence of monitoring agencies is very important, especially because there are currently not enough nationally recognised organisations representing the views and interests of the different stakeholders in the crafting community.

The existing associations serving the interests of the craft sector at national or local levels provide more of an advocacy function than a monitoring one. They tend to lobby the relevant department for support and assistance for their endeavors. There is no reason their activities cannot come to include monitoring the ongoing work of the DASCT and collaborating departments of the central and provincial governments.

[145] A strong and productive relationship with the government may also encourage crafters to pay their tax.

SECTION SEVEN - CONCLUSION

The key to understanding the potential for the craft sector to contribute to economic growth is for there to be a recognition on the part of government and industry stakeholders that craft can provide a large number of people with modest prosperity and work. However, this can only happen if the sector is developed in a strategic way.

The discussion contained in the introduction of this report, regarding the importance of the craft sector, is indicative of the sector's potential. The main points raised in that section of the introduction were as follows:

- Craft provides employment for many segments of society.
- Craft is an entry point into the economy.
- Most craft business is small business.
- The development of SMMEs is important for the economy.
- Craft is a source of innovation for the entire economy.
- Craft is interlinked with and can impact upon the development of other industries.
- Development of the country's skills base and labour pool.
- Growing export (forex generation) and local markets for craft products.
- The craft sector is an entrepreneurial breeding ground.

The craft sector provides significant opportunities for job creation for women in particular because of the flexibility of production and the low barriers to entry. Although some craft forms require highly specialised materials and equipment (such as ceramics or jewellery production) it does not mean that job opportunities are limited to traditional handicrafts as the capital set-up costs of a craft enterprise are relatively low when compared to other industries.

It is clear that any development of the craft sector should not depend upon the generation of new bodies or structures, which will merely replicate what already exists. What is required is for existing support services supplied by a number of different government departments and structures to be co-ordinated.

The development of the craft sector will significantly contribute to the overall prosperity of South Africa by providing more citizens with a legitimate means of earning an income which in turn will enable them to participate more fully in the affairs of their communities.

SECTION EIGHT - APPENDICES

8.1 APPENDIX A: DATA BASES IDENTIFIED BY RESEARCH

1. *Provincial departments of Arts and Culture:* Mpumalanga (estimated 400 crafters), the Eastern Cape (estimate 8000 crafters and 50 craft retailers), Western Cape and North West Province.

2. *Parastatals:* CSIR, Publicity and tourism associations throughout the country, ML Sultan Technikon, museums and galleries.

3. *Associations:* the Craft Action Body (5000 on database), Association for Potters of South Africa, Weavers Guild on South Africa, the Rural Craft development initiative in KwaZulu-Natal.

4. *NGOs:* Eastern Cape Rural Industries

5. *Private sector:* Buy-Afrika electronic website(400 crafters online), B&Bs electronic website, V&A Waterfront Red and Blue Shed management, Joss Lean's provincial catalogue development project, Montebello Design Centre, African Art Centre in Durban and Pietermaritzburg

8.2 APPENDIX B: Websites & Publications

1. Cape Town's V&A Waterfront website with detailed information on the Red and Blue craft sheds by listing all of the stalls.
2. The city of Durban has an electronic magazine, D'Arts, providing detailed information about the activities of the craft sector and other cultural events in the city.
3. There is a website profiling Zulu beadwork.
4. M-web offers a marketplace guide to over 1000 shops and under the category of 'Arts, crafts, antiques and curios' is a list of several sites to visit. These sites include African masks, Calabash Curios, Dolls for Africa, Jewellery Kingdom, Hand-crafted goods from Rural Craft and Western cane trading.
5. A shop African Image has a site within the Captour website and advertises their goods on-line.
6. Buy-Afrika is a Liberty Life sponsored initiative, which promotes SA crafts (among other things). It is free to advertise and the site has 400 producers with around 1000 products.
7. B&B Markets in Johannesburg administers a website called the SA Craft Markets Directory. The site has two functions, the provision of an online guide to crafts, arts and the producers (called the Marketplace) as well as links to different craft markets in the area. There are links to five markets, the Rooftop market, the Hilfox market, Mutual Square market, Cloisters market and the Hospice Charity market.
8. African Craft Traders specialise in the supply of authentic Xhosa beadwork and advertise.
9. Included in the Spaza website is a link to the Craft Market South African Craft which advertises different types of crafts.
10. An Art & Culture Catalogue has a number of different links to sites involving South African crafts.
11. A new site has recently been established called Artslink which connects to the publication by the Department of Arts and Culture called the South African Arts, Culture and Heritage: 1997 calendar.
12. A site called SA Arts & Craft was set up and managed by Web Solutions cc to showcase products from Southern Africa. The site encourages ordering and online shopping using an electronic shopping cart system.

Specific publications contributing to the profiling of the craft sector are:

1. *Craft News* is a quarterly publication by the Craft Council of South Africa which plays an important role in disseminating information about the activities of CAB and the NCC as well as informing the crafting community of opportunities.
2. The catalogues produced after each *Craft Now FNB Vita craft awards* provides an invaluable resource for craftart in South Africa. To date there are catalogues from the Pretoria, Northern Province and Durban exhibitions.
3. Joss Lean has had funding from DACST to produce a craft catalogue[146] on all the provinces individually. Each province is allocated twenty-nine pages and he has recently finished the one on KwaZulu-Natal.

[146] Interview Joss Lean, Eastern Cape

8.3 APPENDIX C: Trade Fairs and Exhibitions

Exhibition	When	Where
Worcester Show	January	Western Cape, Worcester
Bredasdorp Show	February	Western Cape, Bredasdorp
Victoria West Show	February	Victoria West, Northern Cape
Heidelberg Show	February	Heidelberg, Southern Cape
Riversdale Show	February	Riversdale, Southern Cape
Fraserburg Show	February	Fraserburg, Northern Cape
Williston Show	February	Williston, Northern Cape
Calendon Show	February	Calendon, Western Cape
Beaufort West Show	March	Beaufort West, Western Cape
Westcoast Show	March	Vredenberg, Western Cape
Outeniqua Show	April	George, Western Cape
Clanwillian Show	April	Clanwilliam, Western Cape
Northern Cape Expo.	April	Upington
Grahamstown Arts Festival	July	Eastern Cape
Design for Living	April/May	Cape Town
Autumn Trade Fair: Giftware and toys	n/a	Cape Town
Christmas Exhibition	n/a	Cape Town
Knysna Oyster festival	n/a	Knysna
INDABA: Tourism in South Africa	May	Durban
KwaZulu-Natal Trade & Leisure Show	n/a	Durban
DECOREX SA	August	Johannesburg
Christmas Trade Fair:	n/a	Johannesburg
INTERSHOP	n/a	Bulawayo
Hand-made at SARCDA	March, August	Johannesburg

Craft Awards to promote the industry and the work of crafters: FNB Vita Awards and Vita Craft Now Exhibition (and catalogue). There have been three national exhibitions to date and recently a regional exhibition held in the North West Province. Several exhibitions are planned for 1998, one of them in the Eastern Cape and another was recently held in Durban.

8.4 APPENDIX D: Education & Training institutions

1. Pretoria and Wits technikons offer training in ceramics[147].
2. The Vaal Triangle technikon offer training in weaving.
3. Parktown technical college offers training in ceramics as part of their teacher's training course.
4. The Montebello Design Centre offers a range of courses for aspirant crafters as well as providing an outreach programme for townships.
5. Create-a-craft in Potgieterus provides skills training.
6. Siyazisa Trust who operate in Gauteng and KwaZulu-Natal.
7. SHADE[148] (Self Help Assoc. Dev. Economic) – Johannesburg. Note, this service was ended at the end of 1997.
8. Embo Craft[149]: trains rural women in sewing skills and quilting techniques in KwaZulu-Natal
9. Triple Trust Organisation[150]: Manufacturing skills training in leatherwork, sewing, operating knitting machines and silk screen-printing. Graduates of their courses can join the Triple Trust Club for on-going business support. TTO operates primarily in Western Cape but they have recently expanded into the Eastern Cape.
10. Esikhawini College of education[151]: teaches arts and craft skills in Empangeni, KwaZulu-Natal
11. Zenzele Enterprises: Trains people to make clothes, furniture, to do welding and pottery. Provides business training through COD.
12. Jireh Community Projects: Provides sewing and computer training
13. New World Foundation: Business training for rural women.
14. Philani Flagship project: trains mothers from the townships in silk-screening skills on fabric and paper. New Cross roads, Western Cape.
15. Philani Programme Khayalitsha : trains mothers in weaving
16. The African Co-operative Action Trust (ACAT) provides skills training in the former Transkei and KwaZulu-Natal.
17. Foskor Development Trust in Phalaborwa trains people in various craft techniques and business skills.
18. Maradadi Trust in Cape Town trains women in beadwork techniques and business skills.
19. Wolanani in Cape Town trains women suffering from Aids in crafting skills.
20. Twananani trains women in fabric printing training project for women : Elim
21. Akanani : trains in business skills and craft training : Elim
22. Dakawa : Craft and Art Skills : Grahamstown
23. ELC Rorkes Drift trains in weaving and fabric painting : Natal
24. Kommagas Spin en Weef trains in weaving skills in Namaqualand
25. National Crafts Association or Rural Craft trains and markets craft for disadvantaged producers nationally

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[147] Interview with Eugene Hon, Wits technikon, Gauteng
[148] Interview with Leatitia White, Gauteng.
[149] Interview with Brenda Locke and Gladys Sithole, KwaZulu-Natal. The HSRC online directory of training bodies around South Africa lists 28 different organisation involved in the training of garment making skills and sewing alone.
[150] Interviews with Ruth Martin and Liezl Malan, TTO, Western Cape.
[151] Interview with Annamarie Meyer, curator of the Empangeni Museum, KwaZulu-Natal.

26. Pfananani trains women to weave near Elim
27. Thusanang trains women to make linen and other products in the Free State
28. Mzamba provides training and support to crafters in Port Shepstone
29. Kapazjao provides training and support for previous members of Battalion 32

8.5 APPENDIX E: Case Studies of Craft Enterprises

Case studies of different craft businesses provide another indication of the income levels earned by the craft businesses in South Africa.

Name of Company/organisation/structure	*Product*	*Province*	*No. of employees*	*Annual Turnover*
Kudhinda Fabric[152]	Hand printed potato print fabric	WC	26 staff 2 managers /owners	_ million rand in first year of operation
Clementina v.d. Walt ceramics business [153]	Decorated slip casts and hand produced ceramics	WC	10 staff	+ R1.8 million (R150 000 p/m)
Brennan leather[154]	Leather goods, belts, waistcoats, wrist bands etc.	EC	2 contract workers 2 full time staff	R150 000 (R12 500 p/m)
Carol Boyes[155]	Pewter ware	WC/NP	120 staff	R8 million in 1997
Vukani Weavers[156]	Ilala palm baskets and other woven grass products, some carvings	KZN	2000 members, no employees mentioned	unknown
Hot Box Design Collective[157]	Designer Homeware and Furniture	WC	11 members employing collectively 38/40 people	R1 million in first year of operations (R80 000 p/m)
Masizakhe[158]	Variety of crafts from textiles to products from recycled materials	WC	29 members in the collective	R660 000 turnover in 1997.
Ilala Weavers[159]	Baskets woven from Ilala palm	KZN	1500 to 1800 weavers, sell their goods directly to Ilala which then sells their goods to	R2 million p.a.

152 Interview with Margie Robertson and Nick Murgotroyd, Nova Africa, Hout Bay, Western Cape.
153 Interview with Clementina van der Walt, Cape Town, Western Cape.
154 Interview with Seamus Brennan, Port Elizabeth, Eastern Cape.
155 Interview with Carol Boyes, Cape Town, Western Cape.
156 Interview with Linda Andrew, Vukani Weavers, Eshowe, KwaZulu-Natal.
157 Interview with Peter Raffin, Cape Town, Western Cape.
158 Interview with Rozelle Frasca, Maradadi Trust, Western Cape.

			the public.	
Midlands Meander[160]	Variety of shops and craft outlets	KZN	140 members in collective association	R100 to 120 million rand p.a.

[159] Interview with Carol Sutton, Hluhluwe, KwaZulu-Natal
[160] Interview with Simon Kerr, Midlands Meander Executive Committee chairman, KwaZulu-Natal

8.6 APPENDIX F: Characteristics of each subcategory of the craft industry

8.6.1 Traditional art

- Begins in cultural traditions and heritage with production greatly influenced by donor funding and economic necessity as well.
- Producers are primarily black women from rural areas, but evidence of increasing numbers of black men joining in.
- Production utilises accessible forms of technology, some of which is indigenously produced.
- Inherited forms of production techniques.
- Producers work independently at home, especially in rural areas. Production also occurs in organised collectives and co-operatives.
- Provides good opportunities for self-employment and stimulation of SMMEs, especially in rural areas, but require appropriate support mechanisms.
- Relative to income levels of producers the cost of production is high.
- Few barriers to entry.
- Individually produce low volumes of goods but because there are so many producers making the same goods, the market is saturated in many places.
- Products have varying levels of aesthetic value because of the fluctuating levels of technical skills amongst producers.
- Retail of goods involves little direct marketing and a heavy reliance on intermediaries or agents.
- The international and tourist markets, with varying levels of domestic 'indigenous' consumption are the main consumers.

8.6.2 Craftart

- The beginnings lie in artistic skills and expression as well as economic necessity, the market and commissioning.
- Products are of high aesthetic value and design is an important component.
- Producers are generally white, urban artists and a few black producers from urban and rural areas.
- Production often requires specialised materials, equipment, and skills.
- High production costs due to materials and equipment and the time involved in producing the actual craft item.
- Goods are produced in very low volumes and most are once-off items.
- Producers work independently, in studios or collective workshops as well as at home.
- Low job creation potential but high levels of income earned by producers.
- Goods are sold at high-end retail outlets such as galleries and art shops.
- High cost of items makes them exclusive and consumers are middle to upper class, domestic and international.

8.6.3 Functional wares

- Inspiration for products comes from original handcrafted items and market research.
- Design is an essential part of beginnings.
- Designers tend to be white and the employees in the factory, black.
- Assembly line production in factory-like conditions, buy involving varying levels of hand production processes.
- Production can require highly technical and mechanised equipment, but not always.
- Variety of materials employed in production.
- Provides exceptional opportunities for job creation.
- High production costs result from salaries for employees, production overheads and supplies.
- Diverse marketing strategies which are very important to retailing of goods.
- High volumes produced.
- There are a variety of different markets consuming goods, domestically and internationally.
- Highly competitive subsector of craft.

8.6.4 Designer goods

- Goods are engineered to meet the tastes of the international markets, so market research plays an important role in the beginnings.
- Product designers tend to be white and the producers are black, and usually women.
- Production involves a wide range of materials, equipment, and skills.
- Successful production techniques rely on wrap around and value adding processes.
- Production can occur under a variety of circumstances - home, factory, workshop space - it depends on the structure of the business venture.
- Costly to produce, because of salaries for employees, transportation and related business overheads.
- High volumes of production.
- Good job creation potential, but needs appropriate support measures to ensure it is sustainable business venture.
- High levels of marketing. ATOs play an important role in the marketing of goods and international trade fairs.
- Consumers come from international markets and tourists.

8.6.5 Souvenirs

Arise out of demands from the tourists market for products, which they can easily take home for presents and reminders of their travels (locational memories preserved through memorabilia).

- Local culture is not requirement in product, and goods tend to be of low 'artistic' aesthetic quality.
- Producers are from all over the world, since it is a highly competitive international industry in which manufacturers from the Far East play an important role. Most producers are in fact, employees.

- If produce goods in factory equipment is mechanised and materials specialised. In rural settings, modest forms of technology and readily available supplies are used in production.
- Produce in large volumes, mass production.
- High costs incurred through production and retailing - similar to other subsectors.
- Marketing is dependent on the location of the retailing outlet.
- Agents and intermediaries are essential in the circulation of goods.
- Relatively good opportunities for job creation since tourism industry is growing in South Africa.

8.6.6 Musical instruments

- Provide us with a link to the music industry this is a valuable resource for promoting craft
- Traditional craft skills can be used to add value to instruments
- Small souvenir replica instruments can be mass produced

8.7 APPENDIX G: Interviews conducted

Government
Dylecia Forbes 07/08/97
Social Development Facilitator for Art and Culture, Cape Town City Council Community Liaison Unit, Western Cape
Hanetjie du Preez 23/09/97
Director of the Western Cape Provincial Department of Arts and Culture
Jenn Roland
Eastern Cape Provincial department of Arts and Culture
Terry Flynn 4/11/97
Deputy Chief Education Specialist for Visual Arts
Eastern Cape Provincial department of Arts and Culture (telephonic)
Zabalaza Mthembu 18/11/97
Provincial Department of Arts and Culture Empangeni region
Vuyo Mahlati 29/01/98
Manager of the Wild Coast SDI (telephonic)

Business
Philip Krawitz 22/09/97
Chairman of the South African Chamber of Business (SACOB) and the owner of Cape Union Mart, Western Cape
Nomfuneko Salaza 20/11/97
Stutterheim Development Foundation – Business Advice Service Centre, Eastern Cape

Stakeholders
Wendy Goldblatt 13/10/97
Craft Action Body, Gauteng
Sue Sellschop 13/10/97
Craft Action Body, Gauteng
Philip Todres
Chairperson of the Craft Action Body, Gauteng
Khushu Dlamini 17/11/97
Craft Action Body, KwaZulu-Natal
Sue Greenberg 15/11/97
Craft Action Body, KwaZulu-Natal
Kevin Mansfield
Independent Craft Consultant, Handicraft Institute, Gauteng
Charmaine Haines 5/11/97
Craft Action Body in Port Elizabeth (telephonic), Eastern Cape
Brenda Burke 21/11/97
National Arts Council member and Eastern Cape Provincial Arts Council
National Business Initiative forum for Rural Craft Development 17/11/97
NBI Offices in Durban, KwaZulu-Natal
Betsy Nield 03/98
APSA (Association for Potters in SA) for the Western Cape

Eugene Hon 6/11/97
Wits Technikon - Ceramics department, Gauteng

Museums
Anna-Marie Meyer 18/11/97
Empangeni Museum, KwaZulu-Natal
Gordon Metz 22/08/97
Consultant for DACST working on the restructuring of the museums, Western Cape

Design
Mel Hagen 14/10/97
Director of the Design School at the Cape Technikon, Western Cape
Adrienne Viljoen 22/10/97
Director of the Design Institute in Johannesburg and editor of the publication *Design Briefs.,* Gauteng
Rayda Bekker 19/08/97
Gertrude Posel Art Gallery, Gauteng
Peter Raffin 23/02/98
Hot Box Design Collective, Western Cape

Retailers
Margie Robertson and Nick Murgotroyd 17/10/97
Owners/Managers of Nova Africa and Kudhinda Fabrics (based in Zimbabwe), Western Cape
Phyllis Mapasa 29/07/97
Cashier for Masizakhe Cooperative at the V&A Waterfront and well as a crafter of traditional crafts, Western Cape
Clementina van der Walt 23/08/97
Ceramics crafter, Western Cape
Mr. Andrew Linda 18/11/97
Manager of Vukani Weavers, KwaZulu-Natal
Muriel Miya 18/11/97
Ordering department of Vukani Weavers, KwaZulu-Natal
Mr. J. Ndwandwe 18/11/97
Chairman of Vukani Weavers management committee, KwaZulu-Natal
Anthea Martin 17/11/97
African Art centre in Durban, KwaZulu-Natal
Imraam Ismail 1997
Buy-Afrika Website operator (telephonic), Gauteng
Gail and Gordon Sink 3/98
Pondo People, Eastern Cape

Craft Markets
Loraine Bester 24/10/97
Manager of the Red and Blue Sheds at the V&A Waterfront and also involved in spearheading the Crafters Association, Western Cape
Micheal Methvin 23/07/97
Manager of The Pan African Market in Cape Town and crafter/artist, Western Cape
Crafters at the Mai Mai Market

Gauteng
Barry Solomon 16/11/97
The Stables Market, KwaZulu-Natal
Brent Herbert 14/11/97
B&B Markets in Johannesburg, Gauteng

Financial Services
Charles Mangold 12/11/97
LANOK Rural Development Company – provides microfinancing, Western Cape
Sizeka Rensburg 14/10/97
Marketing department of Ntsika, Pretoria
Zana Kific 02/98
Targeted Assistance programme at Ntsika (telephonic), Pretoria

Training and Education
Sarah Polonsky 09/09/97
Manager of the Philani Flagship Project which run training programmes in screen printing for women with children under five, in Crossroads, Western Cape
Robert Robsin 01/08/97
Individual involved in bringing together crafters and the corporate sector in Cape Town, Western Cape
Tessa Graaf 31/07/97
Director of Montebello Design Centre and member of CAB (Chairperson for the WC), Western Cape.
Ruth Martin 23/10/97
PRO for Triple Trust Organisation, which is, involved in SMME development through training in the Western Cape and more recently the Eastern Cape.
Yoshie Ragland 19/11/97
Textile Arts and Science Project at the CSIR in Port Elizabeth, Eastern Cape.
Anne Belford 20/11/97
Eastern Cape Rural Industries, Eastern Cape
Erika McNulty 20/11/97
Masithandane Association, Eastern Cape
Kate Wells 15/11/97
ML Sultan Technikon, KwaZulu-Natal
Terry-Ann Stevenson 15/11/97
Community Mural project in Durban, KwaZulu-Natal
Brenda Lock 16/11/97
Embo Craft in Durban, KwaZulu-Natal
Glady Sithole 17/11/97
Rural Trainer for Embo Craft, KwaZulu-Natal
Mr le Roux 5/11/97
Manager of Foskor development trust in Phalaborwa (telephonic)
Mr. Mtwa 5/11
ACAT Training Manager in Umtata (telephonic), Eastern Cape
Ryan Mapisa 6/11/97
African Culture and Community Association in East London (telephonic), Eastern Cape
Rozelle Frasca 3/02/98
Maradadi Trust and Masizakhe co-operative, Western Cape.

Liezl Malan
Triple Trust Organisation, Western Cape
Laetitia B. White 19/12/97
SHADE in Gauteng, operated craft project for a while but recently closed that part of the programme (telephonic)
Nozuko Kaisling 3/98
Amapondo Art and Craft in Port St. Johns, Eastern Cape

Retailers of Supplies
Myron Traub 21/11/97
Traub Brother trading Store in East London, Eastern Cape

Exporting
Val Chalton 20/08/97
Owner of *Out of Africa Exports* which exports crafts to Europe, Western Cape.
Raj Singh 14/10/97
Department of Trade and Industry, Pretoria, Gauteng
Keith Steeman 03/03/98
Renfreight in Cape Town, Export department manager, Western Cape
F. Beudeker 1997
SAFTO offices, Cape Town (telephonic), Western Cape
Julia Kukard 1998
SMME Export Consultant, Western Cape

Crafters
Kim Sach - 13/08/97
Kim Sach Gallery, Gauteng
Theresa Jo - 26/08/97
ArtVark, Gauteng
Neville Blair Brown - 06/10/97
African Heritage, Gauteng
Bongekile Ngema 18/11/97
Potter from Eshowe, KwaZulu-Natal
Fuzekile Ndlovu 18/11/97
Crafter of traditional Zulu Hat “Intloko”, KwaZulu-Natal
Vusimuzi Langa 18/11/97
Woodcarver in Eshowe, KwaZulu-Natal
Phindile Nobhanda 21/11/97
Zanokhanyo Communtiy Art Centre in Township near Gonubie, Eastern Cape
Thembeka Zazini 21/11/97
Zanokhanyo Communtiy Art Centre in Township near Gonubie, Eastern Cape
Seamus Brennan
Brennan leather in Port Elizabeth, Eastern Cape
Carol Boyes 24/02/98
Pewter homeware business, Western Cape

Harry Johnson and Philemon 26/02/98
Skukuza Alliance, Mpumalanga
Matomela Khumalo 19/08/97
Mai Mai Market crafter producing wooden chests, Gauteng
Sophie Mahlangu 20/08/97
Viva Afrika stall, SARCDA - Nasrec Showgrounds, Gauteng
Jabulile Nala 08/97
Potter in Gauteng region
Christina Buda 08/97
Ndebele craftswoman from KwaMsiza, Northern Province
Willis Nxumalo 24/4/98
Carver from Empangeni area, KwaZulu-Natal

<u>**Other**</u>
Lita Mcwabeni 10/11/97
Provincial Local Economic Development Support programme (PROLED) at ECSECC in King Williams Town (telephonic), Eastern Cape
Mike van Graan 11/11/97
Article 27 in Durban, Western Cape
Dr. Robin Chandler
Sociologist and professional visual artist currently working at North Eastern University in Boston, USA
Mark Isserow 6/11/97
Community Agency for Social Enquiry (CASE), Gauteng
Glynis Rathbone 17/02/98
Deputy chairperson of the Shongololo Crawl in Amanzimtoti (Telephonic), KwaZulu-Natal
Mark Wilby 16/02/98
Chairperson of the Arts Forum in Nieu-Bethesda and manager of the Ibis Art Centre (telephonic), Eastern Cape
Professor Anna Marie Trollip 16/02/97
University of Pretoria, involved in setting up a strategy for developing the craft sector (telephonic), Gauteng
Simon Kerr 23/4/98
Chairperson of the Midlands Meander Committee in KwaZulu-Natal
Carol Sutton 22/4/98
Ilala Weavers operator, KwaZulu-Natal

<u>Other activities during the course of the research</u>

Field trips were undertaken to the following provinces:
- Mpumalanga (2 days),
- KwaZulu-Natal (4 days) and the
- Eastern Cape (4 days).

Participated in a craft tour of the Gauteng region (3 days).
Attended:
- Lecture by Tessa Graaf at the UCT Summer school.
- Rural Craft Development group in KwaZulu-Natal meeting held the NBI Offices.
- AGM of the WC Association for Potters of SA (APSA).

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International

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GLOSSARY OF TERMS

BASA	Business Arts South Africa
BMR	Bureau for Market Research
CAB	Craft Action Body
CASE	Community Agency for Social Enquiry
CBO	Community Based Organisation
CIGS	Cultural Industries Growth Strategy
CSIR	Council for Scientific and Industrial Research
CSS	Central Statistical Services
DACST	Department of Art, Culture, Science and Technology
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
D. Ed.	Department of Education
DFID	British Department for International Development
DTI	Department of Trade and Industry
ECRI	Eastern Cape Rural Industries
FEBDEV	Foundation for Economic and Business Development
Forex	Foreign Exchange Earnings
GTZ	Deutsche Gesellschaft Fur Techische Zusammenarbeit
HSRC	Human Sciences Research Council
IBEC	Independent Enrichment Centre
IDB	International Development Bureaus
IDP	Integrated Development Programme
IDZ	Industrial Development Zone
LBSC	Local Business Service Centre
MAC	Manufacturing Advice Centre
NAC	National Arts Council
NEPA	Ntsika Enterprise Promotion Agency
NCC	National Craft Council
NGO	Non Governmental Organisation
NSBC	National Small Business Council
RDP	Reconstruction and Development Programme
SACC	South African Craft Council
SDI	Spatial Development Initiative
SMME	Small, Medium and Micro Enterprise
TAU	Targeted Assistance Unit
TLC	Transitional Local Council
TTO	Triple Trust Organisation
USATA	United States Aid to Artisans
USP	Unique Selling Point
WWF	Formerly World Wildlife Fund