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Youths in the Craft Sector: Socio-economic Opportunities and Challenges in the Eastern and Western Cape

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Youths in the Craft Sector: Socio-economic Opportunities and Challenges in the Eastern and Western Cape

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Contents

1	Executive Summary	4
2	Challenges	5
3	Recommendations	5
4	Introduction to the South African Craft Industry	6
5	Methodology	8
6	Youth in Craft: Life and Work Experiences in Eastern and Western Cape	8
7	Craft Sector Challenges: Secondary Evidence	10
8	Challenges faced by Youths in the Craft Sector: Primary Evidence	14
8.1	Financial Constraints	14
8.2	Marketing Skills.....	14
8.3	Market Competition.....	14
8.4	Lack of Skills.....	15
8.5	Limited Information	15
8.6	Point of Sell.....	15
8.7	Technology	15
9	Recommendations	16
10	Conclusion.....	16
11	References	18



1 Executive Summary

The craft sector is attracting increasing attention in South Africa as a potential economic growth avenue anchored on technologically enhanced innovation and a driver for job creation. While this potential is exciting, the reality is that extracting value from the sector needs full understanding of its operational intricacies. For example, the crafts value chain is complex and requires specialised knowledge and skills set to be of economic value or cultural expression satisfaction. There is the provision of inputs (organic and synthetic), design, marketing, distribution, retail and consumption; all of which require specific industry training, expertise and capacity. These value chain relations are also highly contested and competitive, between producers, distributors and retailers.

It is estimated that hundreds, perhaps millions, of South African youths are engaged in some form of craft or the craft value chain (Gregory, 2019). The sector has shown great promise to improve economic opportunities for youths because it allows entry even for those with a relatively low skills base and minimal capital input. Its economic benefits are anchored on consumer demand for handcrafted, unique African-inspired products. Further, other income generation opportunities include; corporate and government artefact demand, boardroom accessories, local fashion industry decorations, interior decorative products for homes, hotels and restaurants.

This research found that the motivations for youth involvement in the crafts sector vary. These include creative expression, entrepreneurship, livelihood diversification, poverty alleviation and community development imperatives. Some of the youths entered the craft sector as a result of failing to penetrate their preferred industries. Upon entering the sector, the youths are predominantly sourcing capital from family members and social networks to procure required organic and synthetic inputs. This small start-up capital is in the form of soft loans with repayment expected upon generation of first sales income. Given their small capital, the majority cannot afford to rent or own manufacturing or office space. They are thus manufacturing from home (in the backyard), in open public spaces and in local community centres. For example, in Duncan Village in East London, the Buffalo City Metro has availed a free community centre for use by youths for manufacturing purposes. Eastern Cape youths are also assisted by the provincial and local governments through Craft Hubs. For example, the Mthatha Craft Hub has been very instrumental in enhancing the skills of the youths through product quality enhancement, enterprise development and marketing. The Hub assists registered youths in studying market trends so as to produce those items that are in demand. They are also provided business support in terms of company registration as small businesses and registration with SARS for tax clearance so that they can tender to supply government departments.

Their craft products can be broadly categorised as follows: beaded products, wooden, grass-based, clay, ceramics, plastic and leather products. While income generation varies per business, it is generally low. For example, the new start-up small businesses reported generating up to R1000 per month, those who have been existence for a few years (intermediate businesses) were making between R2000-R5000 per month while the established businesses with a track-record had profits of more than R5000 per month. Given that most of the interviewed youths were still in the start-up phase, this means they are generating very small profits. Despite this low profit, most of the interviewed youths, indicated that this covered some of their operational expenses with little to spare for basic food commodities. Those generating higher profits are able to meet their overall family food needs, transport costs and school tuition fees for their children.



2 Challenges

Youths are facing a myriad of challenges in the sector. These include: financial constraints, lack of manufacturing space, limited specialised craft skills, limited marketing skills, lack of adequate information about the business elements of the sector, highly competitive local market, slow uptake of new technology to enhance product quality at low cost.

3 Recommendations

In an effort to address these challenges, youths proposed the following (a) the private and public sector should avail more start-up capital for organic and synthetic inputs and equipment (b) there should be further specialised skills development and training in order to equip youths with relevant craft knowledge, e.g., product quality development, business skills, marketing, branding and sales (c) affordable and secure product manufacturing space should be made available (d) technology adoption for innovation, improvement of product quality and lowering costs should be prioritised by the youths (e) there should be enhanced marketing of local craft to both local and international consumers so as to generate more profits for the youth (f) youths in craft should be encouraged to register their small businesses and run them formally. This will require requisite training, capacity building and financial assistance.



4 Introduction to the South African Craft Industry

The Department of Trade and Industry (1994) defines the crafts sector as “the creation and production of a broad range of utilitarian and decorative items produced on a small scale with hand processes being a significant part of the value-added content. The production of goods uses a range of natural and synthetic materials” (Callinicos, 1996). Materials, specific techniques and product types vary significantly. Craft enterprises use a combination of materials, techniques and design styles to produce a range of products. This results in far greater diversity than is contained in most other sectors. Craft products also have very different quality standards and scales of production, and are positioned very differently within markets. Market positioning includes predominantly functional items, fashion-led items, gift and novelty items, corporate gifts, collectibles or craft art, souvenirs and socially responsible or fair trade items.

Those involved in the crafts sector have very different motivations, including creative expression, entrepreneurship and profit generation, as well as survival, community development and poverty alleviation. Further, the crafts value chain includes design, provision of inputs, production, services and distribution, retail and consumption. Value chain relations in the sector tend to be complex and contested, as producers do not necessarily have the skills to manage non-production activities such as distribution and marketing; intermediaries are often necessary, but resented, with perceptions of inappropriate distribution of margins within the value chain.

The craft sector is attracting increasing attention worldwide as a potential economic growth avenue. Others also see craft as a possible innovation and job creation driver for the youth. In South Africa, Gregory (2019) notes that although statistics are not available, it is estimated that millions of South African youth are engaged in some form of craft that when they organise could boost the craft economy. Despite this, there have been few previous studies of socio-economic opportunities and challenges on youth in the craft sector in the Eastern and Western Cape. Although there have been attempts to measure the size of the creative economy using survey data (for example, regional studies such as the Western Cape (2009) and Gauteng (2009) studies, these studies have some constraints: (i) since the population of craft sector was not known, there was always a concern that the sample was not representative thus reducing the reliability of the results; and (ii) since the surveys were expensive, they were not conducted at regular intervals and thus do not allow for comparisons over time. To address this limitation, this paper provides an accurate and up to date assessment of youths in the crafts industry and expected future trends.

Currently, there is no comprehensive and reliable secondary data on the crafts sector. This is despite the fact that many craft aspects, including their value chains, are present within the Western Cape and the Eastern Cape. From these value chains, especially in the Western Cape, it is clear that the dominant aspect of the value matrix is retail due to the large number of tourists and existence of a relatively affluent urban population in the metropolitan area. By contrast, in the Eastern Cape, craft production is fragmented, with most producers operating on a micro or small scale. However, in both provinces, production is oriented towards mid to high end pricing, with a very diverse product range. There is also a dominance of home-ware, fashion jewellery and accessories using textile beads and ceramics.



Numerous national, provincial and local government entities are currently involved in interventions that impact on the sector in both provinces. The following national, provincial and other support entities are currently involved in interventions that impact on the craft sector: (1) National: Department of Arts and Culture, Department of Science and Technology, CSIR, Create SA/MAPPP-SETA, Department of Social Development, Department of Labour, National Arts Council, National Lottery, National Development Agency, Umsobomvu Fund, DBSA, SA Heritage Resources Agency, National Research Foundation, Department of Public Works (2) Provincial- Department of Economic Development and Tourism, Department of Arts, Culture, Sport and Recreation, Western Cape Cultural Commission (3) Local-City of Cape Town, other LED programmes, universities(UCT, CPUT) (4) Donors: Ford Foundation, Kellogg Foundation, Aid for Artisans, Canadian International Development Agency, NGOs and CBOs, private sector (e.g Business Arts South Africa, Nedbank and Cultural Trust, Anglo American Chairman's Fund, Shuttleworth Foundation.

To date the craft sector has shown great promise to improve economic growth because it offers a number of opportunities to the youth. The craft sector supports sustainable livelihoods out of relatively low skills base and minimal capital input. There is also consumer demand for handcrafted, unique African-inspired products which make the sector unique and it provides potential financial viability. According to Rogerson & Rogerson (2010), other opportunities include: corporate and government procurement demand (e.g, boutique hotels), new residential developments, boardroom furniture& accessories, design of handcrafted products that can improve quality of life, strengthening local fashion industry, opportunities in the local and international tourism markets, empowerment transformation of the sector, and resultant new energy and innovations, developing Proudly South African consumer awareness and purchasing.

Makhitha (2017) further notes that the demand for crafts has increased in the interiors of homes, hotels, restaurants and offices. Homeware stores such as Mr Price Home, @Home and Pep Home have increased in SA. The décor magazines are also playing an important role in popularising handcrafted products (Makhitha 2017; Rogerson & Rogerson, 2010). The rise in consumer disposable incomes, together with the tendency to accessorise and re-style homes with unique articles, are the major driving factors in the surge in demand for crafts and decorative products (Makhitha, 2017). This presents opportunities for craft producers to sell to the retail market. However, they need an understanding of what the market needs and expectations are for them to design products and marketing strategies that matches the needs of retailers. The growth in tourism in SA creates opportunities for craft producers. Hu & Yu (2007) note that tourists spend approximately one-third of their travel expenditure on retail shopping and textiles, with craft and apparel items accounting for a large portion of the consumer products bought. They buy products as souvenirs or gifts. Souvenirs are products bought when travelling to serve as a reminder of the travelling experience. Tourists also buy various products including, among others, crafts, antiques, clothing, jewellery, art, local foods, books, postcards and mementos (Swanson, 2004). They buy regional specialty arts and craft such as carvings, jewellery, glassware and non-regional arts and crafts such as paintings, or stuffed replicas of animals or toys (Makhitha, 2017). Increasing tourism has also influenced the demand for ethnic and culture-specific goods since tourists visit various places to learn about different cultures. Tourists furthermore learn about crafts, their origin, how the products are made, who made them, why, and what they are used for (Musa & Chinniah, 2016).



5 Methodology

This research is based on primary and secondary data. The first phase involved an analysis of secondary data in order to generate an overview picture of the sector. Secondary data was collected from government policy documents, government and public entities research reports, relevant legislation, strategies and academic literature. The second phase involved an in-depth primary inquiry of the current situation through interviews with youths and key informants in the sector. Primary data was collected through interviews with youths who were purposively sampled from available data bases with craft agencies in the Eastern Cape and Western Cape, as well as from craft centres and other areas where youths in craft operate from. The process of collecting primary data had many challenges as craft agencies were overly protective of information, especially databases of youths which they regard as confidential. Further, key informant interviews were conducted with craft policy experts and officials from provincial government agencies and private craft enterprises. It is anticipated that the empirical findings and recommendations herein will partly inform craft policy and practices at local, provincial and national level.

6 Youth in Craft: Life and Work Experiences in Eastern and Western Cape

Primary evidence indicates that youth produced and retailed craft products in both provinces can be broadly categorised as follows: beaded products, wooden, grass-based, clay, ceramics, plastic and leather products. The youths in the two provinces under study had different experiences of the sector. In the Eastern Cape the craft industry was not as pronounced and well developed as in the Western Cape where deliberate interventions were made in order to expand the sector and make it more attractive and attract a lot of people who have so far developed careers out of craft sector. In the Western Cape, the Cape Craft and Design Institute was identified as key to the development of the craft sector in the Western Cape and hence there was partnership with provincial government to deliberate expand the sector. This investment was for job creation and hence the city regeneration efforts included the strategy of the expansion of craft industry.

Most of the youths that were interviewed in the Eastern Cape indicated that the craft industry had a lot of challenges as it was not a very popular or lucrative enterprise locally. Most had entered the industry as a result of failing to penetrate other industries. One university graduate in Art at a local university in the Eastern Cape had this to say; *"I found myself unemployed with a university qualification. I would have loved to have started working for a company then later on venture on my own after raising enough money, but that was not possible. The pressure to provide for my little girl pushed me to start using my own hands on craft. I am able to fend for my family although I do not make that much"*. Some youths in art joined the industry in order to escape unemployment which is rife in the Eastern Cape. The start-up capital was usually obtained from family members who contributed for raw materials. Most informants indicated that the major challenge was on how to start due to lack of financial resources. The start-up capital was in form of soft loans which they were expected to repay as soon as they made their first income. That suffocated them, as it usually became difficult to restock raw materials. The expectations from families also grew once the first product was produced, everyone expected money to be generated very fast, but that was not the case. The Western Cape scenario provided as sharp contrast as the industry was well developed with a strong incline to commercial and retail side as well as being a major player in the tourist industry. The products were sold in shops, outlets, galleries and in informal setups.



Most of the interviewed youths in the craft industry had no formal skills in art, for some, this was just a natural talent. Others had learnt informally from other crafters in the community, upon payment of a small amount of money for training, thereafter, they could stand on their own. Some youths had opened their own private companies that they used to sell their products, and they had even registered with South African Revenue Services and had tax clearance certificates, however, they remained as small businesses that were generating small amounts of money.

The working spaces were individual homes, along the coast as well as in community halls which hosted craft centres. The youths were not required to pay anything to utilise the municipality infrastructure at Duncan Village. This was a positive contribution by the Municipality as it gave them decent space to operate from. However, it was noted that only a few crafters could be accommodated at a time, leaving out others who needed the same working space. The market for their products was generally local. They sold their craft as individuals around the community, and some had the opportunity to supply local craft shops which put 15% mark-up on their products. Some sold around the tourist attraction areas such as the coast.

The majority of youths that are in the craft sector joined the industry to earn a living. With unemployment rate not declining, craft has become one sector to earn a living especially for the most economically marginalised segments of the society that includes women. Rural economies like the Eastern Cape do not offer enough opportunities to the youth, and the dilemma is even worse for rural based youth. Craft gives a relief to unemployment challenges that are faced by the youths. The craft skill is often learnt informally without having to attend any classes, it is a skill that one learns at home, more often from elders. The attraction about craft is its flexibility in terms of working space, it does not need big spaces and hence can be done from home and this saves on rent. According to Eastern Cape Arts and Craft Hub, the youths that are in craft are mainly the unemployed ones that learn the skill from their families as it is passed from one generation to the other. In the Eastern Cape, craft is closely linked to one's cultural orientation, for example AmaXhosa, AmaBhaca, AmaBomvana, AbaThembu and AmaMpondo would produce craft that is unique to their cultural groups. The skill on craft is therefore passed from one generation to the other. The types of products vary from beading, ceramic, grass and leather products, however, beading is very popular and the sourcing of materials is not difficult. The raw materials are sourced from local suppliers in the province as well as from other provinces such as KwaZulu-Natal and Western Cape.

In order to improve on the quality of products, Craft hubs in the Eastern Cape have been very instrumental in enhancing the skills of the youths through product development, enterprise development and marketing. On product development, the hubs assist the youths in studying the market trends and producing those products that are in demand. Hence the youths that are in the database receive relevant training. Only those youths that register on the hub's database access support services. The youths also receive support on enterprise development. They are provided business support in terms of company registration as small businesses and registration with SARS for tax clearance so that they could tender to supply the government.



The youths were mainly assisted by the hubs to market and sell their products especially in different districts in the Eastern Cape. The craft hubs are located in Mthatha, Queenstown, and King Williams town. At the time when this research was conducted, only the Mthatha Craft hub was still operational. The other two hubs were not operating. In the Western Cape the Cape Craft Design Institute played a pivotal role in the organisation of the craft sector with assistance offered to all categories of players, the youths also had a reasonable representation in all craft activities.

In terms of income generation, the youths in the craft sector could be divided into three categories as follows: (1) start-ups (0-R1000), (2) intermediate (R2000-R5000) (3) established (above R5000). The start-ups craft businesses were reported to be making anything from 0 up to R1000 a month. The Intermediate businesses were those that were making between R2000-R5000 and the more Established businesses were making more than R5000. Most of the youths were still in the Start-up category, and were only able to generate a small amount of money. Most of the youths, indicated that although they had not yet managed to grow their craft businesses to a stage where they could generate constant income, the little that they made covered some of their expenses and they could put food on the table.

Most of the interviewed youths indicated that they were sustaining their families through the funds that they raised through selling of their wares. Some of them indicated that they had children that they took care of as well as sent to school and paid for their school requirements. The crafters also indicated that their family members looked up to them for provision, however, their income is not that much to support everyone. The situation was different though in the Western Cape that seemed to be in sharp contrast with the Eastern Cape experiences, although all categories of craft businesses could be found there, the sector seemed to be more organised into small medium and large businesses that could make thousands of Rands each month. The Western Cape attracts a lot of local and international tourist, and craft seemed to sell much more.

7 Craft Sector Challenges: Secondary Evidence

One of the major challenge facing craft producers is lack understanding of what the market needs, which leads to an inability to formulate appropriate and competitive product and marketing strategies (Makhitha, 2015). They often sell similar products that do not address market demands and they have difficulty in accessing the markets (Makhitha & Bresler, 2011; Rogerson, 2010). Craft producers also lack skills in product design, distribution and organisation management (Makhitha, 2016). This is detrimental to their success and survival since craft producers that succeed do so by designing products that are new, relevant and meet the needs of customers. Craft producers possess limited knowledge of the lifestyles and product preferences of their potential customers and the promotional strategies needed to target those (Makhitha, 2016). This is due to the fact that they do not conduct market and environmental analysis crucial for a business to monitor changes in customer preferences and lifestyles. Craft producers copy each other's product designs and their products lack innovativeness and uniqueness (Makhitha (2015). It is due this and other reasons why they lack access to market. The market also demands craft products that are unique, original, of good quality, new and unique. Craft producers are thus pushed to differentiate their products



from those of competitors (Makhitha, 2016). However, craft producers in SA lack an understanding of what the market needs and are unable to formulate appropriate and competitive products and marketing strategies (Makhitha, 2015). Craft producers also lack skills in product design, distribution and organisation management (Makhitha, 2016). They possess limited knowledge about the lifestyles and product preferences of their potential customers and the promotional strategies needed to target these customers. This requires that craft producers understand the needs of the market and formulate appropriate marketing strategies for each market segment. The demand for low-priced, machine-made products that are of higher quality is another trend affecting the craft industry in South Africa. Frost & Sullivan (2005) mention that for example the Chinese craft producers produce competitive machine-made crafts that are less expensive than the high quality crafts of some craft producers in South Africa which create growth and survival challenges for local craft producers. The South African craft producers are unable to compete on price because of the high cost of raw materials. They also lack transportation, which increases the cost of making products available (Makhitha, 2017). Basic education levels are low among craft producers (Makhitha & Dhurup, 2014).

According to Luxande (2006), the craft industry value chain is such that the black population constitutes the majority of craft producers who have the ability to produce craft products. However their lack of skills and limited access to resources affects their ability to match the quality standards and production capacity needed by their customers. Formal craft retailers have to deal with these informal craft producers who lack understanding of what they (craft retailers) are looking for (Mago, 2018). They are also unable to identify market opportunities and, where they are able to identify the market opportunities; they are unable to pursue them because of their limited skills (Storey, 2016). Craft producers lack the required resources such as finance, machinery and factory or workshop requirements to run their businesses (Jena, 2010; Storey, 2016; Rogerson & Rogerson, 2010). Furthermore, they experience challenges such as a lack of access to finance, transportation problems, inadequate workspace, limited access to raw materials, high costs of materials, machinery and equipment as well as the high price of raw materials, which makes it difficult for them to match the prices of international craft producers (Storey, 2016:10; Rogerson & Rogerson, 2010); Luxande, 2006).

Makhitha (2015) investigated the level of understanding of consumer behaviour among people participating in community craft projects and the findings showed that project owner/managers lack an understanding of consumer behaviour. This in turn leads to the formulation of ineffective and inappropriate marketing and product strategies targeted at end consumers. The study emphasised the need for understanding consumer behaviour as a prerequisite for formulating competitive marketing strategies. Obiri (2003) conducted a study to investigate whether craft businesses adopt a market-led approach in marketing craft products. The findings revealed that the majority of craft producers deliver products based on personal inspiration instead of on what the market really wants. Hay (2008) also agrees that craft producers do not respond to market demands, which prevents them from accessing the market successfully. Craft producers are driven by their desire to satisfy their artistic sensibilities, yet they find themselves in a situation where they have to balance their artistic vision and market demand. Some craft producers are more driven by the former, which implies that they fail to meet market demands since some of their artistic visions do not reflect what craft retailers and end consumers want (Obiri, 2003; Makhitha, 2016). As a result, some craft producers create products with no economic benefit derived from these products. For craft



producers to derive an economic benefit, they need to gain an understanding of the markets (Rogderson, 2010).

In addition to these challenges, large retailers have market power that allows them to return any unsold goods during a certain period, which discourages some craft producers from selling to craft retailers; instead they opt to sell through flea markets and certain retail chains (Rogerson, 2010). Craft retailers are also known to exploit craft producers (Makhitha & Dhurup, 2014). These challenges widen the gap between craft producers and craft retailers, making it difficult for the craft producers to sell their products through craft retailers. The developments in the craft industry have resulted in the commercialisation of the products, which means that craft producers have to create marketable products that meet the needs of the market (Rogderson, 2010).

For craft producers to grow and survive, they will need to overcome some if not all of the above challenges. Unless they do so, they will remain operating on bread line when they can grow in size. However, government, at national, regional and local levels will have to play a major role in the development of craft businesses by providing necessary support. Craft producers need to take cognisance of the local and global trends affecting the craft industry in South Africa. They must be able to assess local and global trends and identify opportunities that might exist and also adapt their products and marketing strategies accordingly. Nettleton (2010) studied the importance of product design by craft producers in South Africa and recommended that design interventions be put in place to assist craft producers in developing designs that match the needs of the market. Craft producers need to undergo training and development on designing and developing new products for such markets to ensure their enterprise growth and sustainability. Training should also include other areas of business management such as finance, management, and supply chain management that are important in running their businesses. The advancement of technology has brought about changes in the distribution and, particularly, the delivery of products to end consumers (UN, 2008). In some countries, Internet shopping is a growing trend, particularly in Germany and the USA (Makhitha & Dhurup, 2014) investigated the importance of Internet technology for craft businesses and indicated that the Internet does not require highly technical expertise and that it could be used to display products in the most appealing way. Craft end consumers use the Internet as a source of information while retailers are increasingly using the Internet as a communication tool (Maduku, 2015). Since the USA and Canada as well as the European Union are the major export markets for SA craft products (Rogerson & Rogerson, 2010). The Internet could benefit producers, who could use it for communication and for order placement (Maduku, 2015). For craft businesses, the Internet also provides opportunities such as online catalogues, learning design ideas, collecting market information and providing online videos of their products (Batchelor & Webb, 2002). In South Africa, craft producers lack access to the Internet to facilitate communication, co-operation, access to information and services and marketing (Makhitha, 2017).

Government support could be sought in this regard with establishing a public website that craft producers could use to market their products. Government and its agencies could also broaden its support base and make support services accessible to craft producers. For example, government could extend its effort in providing marketing and financial support available to craft producers. Furthermore, government and its agencies could create channels



of distribution for craft producers they can use to make their products available. For example, a craft market where craft producers can sell their products through the market. The cost of craft raw materials are higher, government could subsidise the purchase of craft raw materials so that local craft producers could be more price competitive compared to foreign craft producers. The establishment of the craft design centres in three major provinces: Gauteng, Kwazulu-Natal and the Western Cape, is crucial for marketing and training, particularly training in product development. The Gauteng, KZN and the Western Cape provinces are core market for the majority of craft enterprises (Wesgro, 2000). The craft sourcing enterprise, which is still to be established, will serve as a distribution channel to bring the craft enterprise and craft buyers together (Hagg & Selepe, 2002). However, the enterprise is still to be established. The support mechanism of the craft design centres need also be strengthened to reach the majority of craft producers who currently receive no support from these centres. Government could also sponsor craft producers, assisting them in creating catalogues, attending craft exhibitions and accessing the Internet. There is increasing importance placed on cultural content in product development and the application of handmade processes to ensure that products are easily differentiated in the global markets (Rogerson & Rogerson, 2010). Craft producers could emphasise the culture of origin when designing and developing their products. For example, women in Mpumalanga or Kwazulu- Natal Provinces in South Africa could design products that reflect the culture of those regions to entice tourists who are visiting their areas. Craft product branding has also taken its toll in the world market. In countries such as the USA, craft producers are branding craft products with the name of the region where they are made. For example, craft products have stamps such as 'Made in Hawaii'. For some craft buyers, this is very important when buying crafts while for others it is only fairly important (Goswami, 2018). However, there is no positive local and international media coverage to promote craft producers, their products and brands. This is necessary to create more awareness of the craft industry and its produce (Makhitha & Dhurup, 2014; Makhitha, 2017:115).

There is also a heightened awareness of environmental and social concerns, which requires that craft producers improve their production processes and pay attention to matters such as quality, safety and working conditions (UN, 2010:65). Some retailers consider these aspects when evaluating suppliers (Makhitha, 2016:28). This awareness also creates opportunities for craft producers to produce traditional craft (Rogerson & Rogerson, 2010). Environmentally friendly products emphasise reducing, reusing and recycling of materials used in the production of craft products. Craft producers can benefit from being environmentally friendly since end consumers consider this aspect when buying crafts (Tham, 2008). The increasing number of trade shows and fairs as a vehicle for regional exchange and trade development has opened up opportunities for craft producers to access both local and global markets (Gallo, Antolin-Lopez, & Montiel, 2018). There are many craft exhibitions in South Africa and globally that specifically focus on craft products. Craft buyers are interested in the story behind the crafting of the product. The social story is concerned with how a product is made, who made it, where it was made and the raw materials used, to satisfy fair trade principles. Craft end consumers, particularly international tourists, prefer the story behind the craft products, which is a selling tool for craft retailers. As a result, some craft retailers attach a swing tag which explains how the product was made and by whom (Tham, 2008). Craft producers operate in highly competitive environments and do not have the substantial market clout nor the monetary resources and expertise to build marketing campaigns to redress their shortcomings.



Cooperatives are needed to create a marketing strategy that can position them against larger and more powerful competitors (Makhitha, 2016). Cooperatives operate on a local or regional basis, serving members in the chosen area. The importance of the craft cooperative is that it can link the production capabilities of its members with a wide array of markets. Cooperatives can help improve production efficiency and product quality and also decrease production costs. Craft producers, as a cooperative, can also approach government or its agencies for funding required for developing crafts catalogues. Product catalogues can also be distributed at exhibitions targeted at consumers and craft retailers. Craft producers need to consider working closely with associations, government agencies and departments, such as Handmade SA and the Department of Tourism Industry, which offer support.

8 Challenges faced by Youths in the Craft Sector: Primary Evidence

8.1 Financial Constraints

Financial resources were identified as a major constraint in the craft industry, with the youths indicating that local people had limited knowledge and appreciation of craft. Only a few crafters were able to breakthrough in the industry and make names for themselves. As a result, it was difficult to obtain any loans at financial institutions such as local banks. Some even suggested that a loan could easily become a burden due to the erratic nature of the craft sector. In some months, one could make money followed by a dry season where they could hardly make anything. When such difficult times arose, they could hardly take care of their own personal expenses such as rent and buying of food as well as providing support to their families.

8.2 Marketing Skills

Another major obstacle to their progress in the craft sector was marketing of their products which they felt was limited. They had few chances to expose their work, and in the Eastern Cape marketing was mainly done at Grahamstown arts festival. The limited marketing opportunities were tied to limited financial resources that they had access to. Although the Mthatha Craft Hub indicated that they assisted the youths and other players in the craft sector, they could not do so for everyone, and the exposure itself was not enough. Marketing of products requires a lot of money to attend events and other platforms which give an opportunity to display and sell art products. In Mthatha, the Eastern Cape Arts and Craft Hub had assisted some of the crafters through training them on marketing skills as well as selling their products at the Mthatha Museum and Airport. It was noted that more could be done in terms of acquainting the crafters with skills through craft clinics and short courses that could be tailor-made to suit even those without formal education.

8.3 Market Competition

The market was also identified as a limitation. The youths indicated that their craft was not really appreciated locally. Although their products were handmade with so much labour that was not convincing enough to the local market that found their products to be highly priced. Heavy competition from similar and cheaper products from other countries such as China was also identified as a major obstacle. The market preferred cheaper Chinese craft, and this was creating a lot of challenges for them since they could not match the cheap prices due to escalating cost of raw materials and transport. This challenge was felt in both province, and in the Western Cape it was not only the Chinese products that competed with those produced by local crafters but those from Zimbabwe as well.



8.4 Lack of Skills

The lack of skills was also identified as one of the challenges to crafters. Most of them did not have formal training in craft and relied on knowledge that was passed to them through their families. If their skills were enhanced through training, they believed that they could be more profitable in their businesses. They needed skills in product diversification, marketing and sales distribution. Some of the youths that were employed in shops were also learning the skill whilst working, as a result, it took a long time for them to learn since their core business was to serve the clients. The youths also indicated that craft had not been taken seriously and only a few were attracted to do Fine Art at institutions of Higher Learning, as the returns were most often considered to be too small compared to other qualifications.

8.5 Limited Information

The youths that were interviewed attributed some of the challenges that they face to lack of information regarding the sector. Some were not sure about where they could get assistance from in order to develop their trade. Even when it came to registration of small businesses, some had no idea on how to go about it. They also cited lack of resources to stay in touch with current affairs as one limiting factor. The craft hubs have played an important role in the dissemination of information, however, in the Eastern Cape, only one hub was active and the other two hubs in Queenstown and King Willams town were not operational. The situation is different though in the Western Cape which is mainly urban and information is much more easily accessible to the benefit of the crafters.

8.6 Point of Sell

Most crafters indicated that they did not have proper points of sell, hence some just moved around with their wares and sold along the coast. This did not bring them much returns, and most potential clients usually had doubts on the quality of such products. The hub in Mthatha indicated that it intervened to assist the crafters by negotiating with potential tourist venues for sale of craft wares, but not all the craft could be taken to museums and airports, leaving other crafters to organise for themselves. A few crafters supplied local shops, but they indicated that there was too much scrutiny on their work and only a few products made it into well-established businesses.

8.7 Technology

The business world is rapidly moving towards an automated approach where technology takes the lead in production, marketing and in sales. The outputs from machine productions also seem to indicate positively on a future that would rely on technological route. In the craft sector that would mean replacing hands with machines in order to increase production as well as to standardise the product quality. The usage of technology to produce craft has resulted in the flooding of the market with machine produced art especially from China. The youths in craft in the Eastern Cape have not really advanced their production to the stage of using technological equipment due to financial constraints. Most of the art that they produce is manual, and laborious, time consuming and produces only a few products at a time products which is a huge blow to their quest to be competitive. The textile designs are the ones that mainly use technology for designs and to improve output. The beads craft is still very manual and that pushes up the price of the end product which makes it difficult to sell. In the Western Cape, the Cape Craft Design Institute has been providing modern technological support to crafters in order to improve on their craft products. Hence in the Western Cape, even in terms of technology, the province leads as it is the second biggest in the sector. From the information



gathered, there is still a room for youths in craft to be supported through technological advancement in order to make them to be more competitive.

9 Recommendations

- Start-up capital should be availed to crafters, especially the youths to enable them to start their operations. The start –up capital is needed to purchase raw materials and basic working equipment as well as to enable them to register their businesses.
- Lack of education and training was identified as one of the challenges facing the youth in craft, there is need to invest more in such educational opportunities in order to equip youths with relevant knowledge. Skills development training in business management, marketing, design, branding, and sales should be provided.
- Most youths did not have a standard place to operate their production from. This issue needs to be looked into so that a central location could be identified, and subsidised for the youths. The same applies to a point of sell, there is need to develop cheap market places where the youths could showcase and sell their work.
- The technological component in craft production needs to be incorporated in order to enhance production levels as well as to make the youths to be more competitive.
- There should be a deliberate move to aggressively market local craft to both local and international markets. This will require a lot of resources to be mobilised and invested on marketing.
- The youths should be encouraged to specialise in one product so that they could perfect the skill as well as increase creativity.
- Craft sector needs to enhance its business model so that it could be taken seriously as a source of livelihood. This should involve an improvement on visibility as well as viability of the sector.
- There should be an improvement on communication channels so that all opportunities in the sector could reach all potential beneficiaries, this should involve an improvement in information dissemination in the rural areas.
- Platforms for marketing of craft product should be created and invested on, this includes the creation of websites and online stores.
- Youths should be encouraged to register their businesses and run them profitably. This would require training, motivation workshops and financial assistance.
- Environmental impact assessment should be periodically conducted in order to balance craft and nature.
- Increase the visibility of craft through print and electronic media. An effort should be made by craft stakeholders to have more publicity through different forms of media. That should also involve publicising outstanding craft work by local talent as well as rewarding it.

10 Conclusion

This research found that the craft sector has a lot of potential to contribute to youth employment creation, income generation, small business development, creative artistic expression and general economic growth in both Western and Eastern Cape. While the sector



has relatively easy points of entry, it is however characterised by a complex value chain which requires requisite capital, conducive operational space, specialised skills, branding and marketing knowledge for one to derive economic value. It was also established that youth craft producers face numerous challenges such as lack of access to finance, lack of access to markets and supply chain challenges. In order to succeed in the sector, it is important that youths, in partnership with the public and private sector, devise strategies to overcome these challenges. Government, its agencies, and private businesses could play an important role to support youth craft producers through provision of soft loans, grants and operational or manufacturing space. Further support should be provided for them to market their products effectively, develop quality products that meet the needs of the local market and for them to gain access to international markets.



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