

Crafts, a hidden heart of creative industries

1. The creative economy

In the last two decades there has been a huge interest in the effective economic value of cultural and creative industries in a debate which started in Great Britain in the second half of the 1990s and continued both within individual countries and at international level, spreading rapidly across Europe and the United States, and more recently involving many developing countries. Countless studies have been dedicated to analyzing this macro sector, studies that clearly revealed the extent to which publishing, entertainment and fashion are both constituent elements of the image of a country or of a particular region and fundamental sectors of the economy with high percentage incidences on the GDP. In the EU the turnover of cultural industries amounted to 654 billion euro in 2003. In the same year in Germany the cultural industries achieved in terms of value creation a larger share than the software or energy industries with a turnover of 81.5 billion euro(1). The creative sector contributes for about 60 billion pounds a year to the British economy (68 billion euro and 7.3% of GDP)(2), while in Austria, according to the third Austrian Creative Industries report, in 2007 there were about 33.5 thousand creative enterprises with a turnover of more than 19 billion euro(3). The recent White paper on Italian creative industries gave impressive data for Italy too; here the economic value of the cultural and creative industries – considering the whole production chain – is worth 9.34% of the Italian GDP, employing over 2.8 million people(4). This figures refer not only to metropolitan areas such as London, Berlin or Milan but show their significance also for wide European regions such as Lombardy, Catalonia, Scotland, the North Rhine-Westphalia and many others. The complexity of the creative industries division, the different methods adopted for its quantification and the numerous connections of this macro-sector with other economic activities makes it very difficult to make comparisons between countries but it is still possible to appreciate the significance of such data. The impressive growth of the creative economy – and the enormous debate that this has led to – goes well beyond economic figures and cross-sector spillovers, and also affects our way of consuming and producing: as observed by Lash and Urry “ordinary manufacturing industry is becoming more and more like the production of culture. It is not that commodity manufacture provides the template, and culture follows, but that the culture industries themselves have provided the template”(5).

2. Creative industries in developing market economies

The interest in creative industries is not a concern for western economies only: many Asian and South American countries have been in the forefront in analyzing the sector. Singapore, for example, produced a report(6) in 2003 on the contribution creative industries made to the national economy, and in 2004 Hong Kong drew up the country's Creativity Index(7). In Latin America formal measurements of the impacts of the creative economy have been carried out, among others, by Chile, Mexico and Colombia; Africa adopted a Plan of Action for Cultural industries (Nairobi, 2005) and in South Africa the Gauteng Province elaborated a “Creative Industries Development Framework” to guide the implementation of sector-specific programs. The development dimension of the creative economy induced many developing countries and a number of International Agencies to put the cultural and creative industries onto their agendas. If, on the one hand, the results of the “Creative Economy” study undertaken by UNCTAD and published in 2008 confirmed the importance gained worldwide by creative industries, on the other it revealed, probably for the first time, how developing countries are gaining importance in the international trade of creative assets and services. World exports of creative goods and services in 2005 reached 445.5 billion dollars, or 3.4%

of all international trade, with an increase in 2000-2005 of 8.7%. The export share of creative goods in the developing countries and emerging economies passed from 29% in 1996 to 41% in 2005, China becoming the number one exporter worldwide of creative goods and services, with a market share of 19% (followed by Italy and Hong Kong). Of course, depending on the historical and economic conditions of the various countries, culture and creativity have combined in different ways, giving rise to different creative industry structures: the technological aspects did prevail in some, the economic aspects relating to the development of markets and business in others, while it is the cultural aspects and references to tradition that dominate in yet another group.

3. The role of crafts(8)

Among the various cultural industries, crafts deserve particular interest as in many developing countries they represent a business activity which has often been more accessible than others, as it is less demanding in terms of technological innovations, and therefore of financial capital, and closer to local resources and traditional knowledge. Thus, while arts-and-crafts goods are not always considered to be part of the creative economies of developed countries, they frequently constitute the core of these industries in developing and emerging economies. Indeed, given the variety and overall complexity of handicrafts, the measurement of their economic role in domestic and international markets is not an easy task. Data on production, in terms both of quantities produced and of the labour force involved, are unavailable for many countries, and many artisan products are not identified in the customs classification systems used for international trade statistics. Moreover a large part of the crafts' production and trade still lies in the informal economy. In an effort to bridge this knowledge gap, various projects were launched, particularly by UNESCO and the UNDP, both through greater sensitization of individual countries with regard to the coding of artisan products, and through ad hoc studies of particular aspects of the crafts sector, such as, for example, its relationship with the tourism sector (UNESCO/UNCTAD-WTO, 1997) and with the intellectual property rights management. The process has been slow and produced so far contrasting results that were sometimes disappointing but which, in the end, made it possible to delimit and define the crafts sector more precisely and to compile a list of the most commonly traded products at world level, the economic importance or the potential for future development of which are recognized by UNESCO and codified in accordance with an international classification system. Following the UNESCO taxonomy it emerges that at global level, in 2006, exports of artisan and artistic goods amounted to more than US\$ 186.5 billion. The main exporters include China, Italy and the USA, respectively, with exports of 19 and 16 billion dollars that year but about 87 billion of the 186, or 47% of the total, came from developing countries (the role of less developed countries, only 4.2% of the total, was still marginal). The export performance confirms for developing countries a very positive trend, as regards both the artisan product and the artistic goods components: since 2003, the value of the exports for these categories rose by 38.6% and 48.7% respectively. Among the artisan products, also those specifically identified as "hand-made" or "original works" – US\$ 251 million exported in 2006 – experienced a significant growth with a 27% rise since 2003. The breakdown of the exports on a merchandise basis highlights the categories in which the developing economies dominate the artisan products market: first of all straw products (70.9% of worldwide production of these products), textiles (with a share of 67.7%) and metal objects (53.4%).

4. The status of crafts

The lack of clarity and confidence with the "craft" concept – the terms craftsman, artisan and craft are even used throughout the world with different meanings – had important consequences for the survival of crafts' institutional, commercial and creative knowledge and practices. The overlapping functions and characteristics of crafts as outcomes of a local endowment of specific raw materials and of traditional

knowledge, uses, and cultural behaviors (Santagata, 2006) – together with the above described shortage of reliable sector's statistics – make the realm of craft very complex to describe. In addition all these products are being continuously transformed due to the effects of different social, cultural and economic factors: the production of traditional products is not based only on imitation and replication of standard patterns but also on innovation and creativity, especially when competing on the market. The greatest boost in the sourcing of up-to-date and reliable figures on crafts unquestionably occurred with the huge debate on cultural industries but there is at least another factor worth to mention in relation to the rediscovery of this sector: tourism. The growing attention given to sustainable and responsible tourism on the one side and the development of cultural tourism toward the so called "creative tourism" – a cultural post-tourism less interested in visiting monuments and sites and more in truly experiencing local culture – on the other brought to a reconsideration of the economic role of crafts. The new cultural tourist satisfies a double need: the genuine connection with the local culture and the need for ethical consumerism. For these tourists traditional craft production then assumes a key role as proved also by the success of a number of destinations such as for example Vietnamese craft-villages or Malaysia ODOPs (One district one product) which have been able to positively exploit this connection between tourist and crafts.

"The interaction between tourist industries and creative industries including crafts and design have so far been viewed too often in a conflicting and simplistic way" while "craft-based manufacturing that conforms to local styles and traditions, can help create an atmosphere which will educate the tourist and give an appreciation of local culture"(9). These forms of material cultural heritage are in fact attracting growing numbers of tourists each year and despite the threats determined by excessive tourist pressure on cultural assets, many international experiences have shown the advantages of an integrated system of tourism and craft production. Artisans can find many opportunities when the sector is included in the national tourism strategies as it is for example in Turkey where bodies such as The Ministries of Tourism and Culture have been trying to preserve and develop Turkish handicrafts and where artisans have been encouraged to produce new examples of crafts while maintaining traditional characteristics (Maarouf, 2003). If on the one side "tourism development requires innovative "products", developed in ways which do not compromise the cultural integrity of the host communities and which maximise social, economic and environmental benefits"(10) on the other hand tourists, with their anthropological need for souvenirs, can be a unique means not only for the development of a local market but also for traditional craft promotion at international level also allowing producers to sell their products directly to consumers without intermediaries.

5. The future of crafts

Behind these positive signals of a reappraisal of the craft economy, a number of problems still remain on both the demand and supply sides. Although artisans are quite adaptable to change and there are a number of artisan communities that seek market niches, the present status of international craft trade reveals many difficulties, even when craft exports are less subject to tariff barriers than other products (Nash, 2000). Artisans have little bargaining power and unlike exporters who can rapidly differentiate their business, they are subject to the vicissitudes of foreign market demand which is still dominated by few big importing countries such as Germany, France or the USA and by a number of first world corporations. As a consequence many countries are experiencing a shift away from traditional, handmade quality towards industrial production. This is causing a "split" between traditional high-quality production for the local market and hybrid, low-quality production channeled toward foreign markets (Friel and Santagata, 2008). What is at stake is product competitiveness on international markets with an increasing need for design innovation and quality, objectives that are not always easily reachable because of the difficult access to credit together with lack of infrastructures and institutional support, and due to persisting high training costs. These problems, which in developing market economies do not regard crafts alone but many other

branches of the creative economy too, are still undermining the expansion of this sector whose producers are constantly facing also the difficulty of reaching the critical mass necessary to access international markets. Intellectual Property Rights management has been pointed out as a major policy tool and an appropriate part of the regulatory environment for the establishment and expansion of businesses with a creative core as in the case of crafts. Many countries are working on the topic to update national legislation having recognized the value of the application and management of trademarks, denominations of origin etc. Interesting examples come, among others, from countries like India or Kenya, and also the World Intellectual Property Organization (WIPO), with its dedicated division "Traditional Knowledge", is engaged in keeping high the attention on the topic, both giving legal support to Member States and organizing international conferences and publications (particularly relevant is "Marketing Crafts and Visual Arts: The Role of Intellectual Property. A practical guide" edited in 2003). Nonetheless also this fundamental issue of IPR protection still has controversial implications on the side of indigenous knowledge as a public domain. Even in presence of such hard challenges, the interest towards this sector is evident as it is the commitment of many international and national governments which have included crafts in their development agendas. In addition, many interesting experiences of new forms of promotion and commercialization – let's think for example to projects such as Made In and other virtual platforms and marketplaces – are finding on the web additional opportunities for innovation and development and for reassembling the pulverized world of production.

Notes

- (1) <http://www.culturalpolicies.net/web/germany.php>
- (2) <http://www.culture.gov.uk/images/publications/CEPFeb2008.pdf>
- (3) http://creativwirtschaft.at/document/KWB_Kurzfassung_EN_web.pdf
- (4) http://ec.europa.eu/culture/our-policy-development/doc/it_white_paper_creativity2009.pdf
- (5) Lash, S. and Urry, J. (1994), p.123.
- (6) http://app.mica.gov.sg/Data/0/PDF/6_MTI%20Creative%20Industries.pdf
- (7) http://www.hab.gov.hk/file_manager/en/documents/policy_responsibilities/arts_culture_recreation_and_sport/HKCI-InteriReport-printed.pdf
- (8) The source of the figures reported in this paragraph is the ITC Trademap. The products included in the "crafts" aggregate are the ones comprised in UNESCO's classification of artisan and visual arts products with the exception of codes 630499; 701331; 701339; 950590.
- (9) "Crafts and Tourism: UNESCO Action", First International Congress on Tourism and Traditional Crafts, Riyadh-Kingdom of Saudi Arabia 7-14 November 2006
- (10) Ibid.

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