Cape Craft and Design Institute

Crafts raw materials study

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Draft

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1 Introduction and background

This draft report captures the findings of an investigation into availability and accessibility of raw materials for crafters in the Western Cape, and recommendations to improve access to raw materials.

Through this investigation the CCDI seeks to better understand the issues surrounding access to raw materials for crafters, and implement appropriate responses to improving access to raw materials for crafters. Access to raw materials has an impact on the wider capabilities of organisations in the crafts sector. Strengths and weaknesses identified by the Western Cape Provincial Manufacturing Technology Strategy are shown below, with the most relevant issues in bold:

Table 1.1: Strengths and weaknesses of the Western Cape crafts industry[1]

Strengths	Weaknesses
Local design resources	**Lack of utilisation of product design resources**
Strong emphasis on supporting emerging SA designers	Lack of designers with experience
Traditional craft skills (limited and on the wane in the WC)	Lack of information concerning the importance and application of design
Diverse skills base	Lack of focus on and confidence in local design
Design and innovation	Lack of relations between production and design and matching designers to crafters and markets
Growth of the domestic sector	Lack of linkages between government and private sector initiatives
Home-based production	Exploitation & suspicion
Diverse product range that appeals to and services different markets	**Supply and not demand driven**
Risk-taking intermediaries	**Inability to deliver** on quality/brief/ budget/time and perceptions of inability to deliver
Flexible production capacity	Producers located far from market place
Potential financial viability	**Lack of access to raw materials & finance**
Low barriers to entry	Lack of market information
Enabling environment (political will)	**Lack of differentiation and variety**
Established experience and knowledge	**Lack of adaptability to current trends**
Excellent production design resources	Weak downstream infrastructure
Indigenous knowledge	Lack of young people interested in craft
	Lack of SMME support services for start-up and micro-enterprises

The investigation into raw material availability was done by:
- Consolidating existing research and planning for the crafts industry
- Interviewing various role players, including crafters, suppliers and support institutions
- Research into existing initiatives that seek to improve availability of raw materials

A contact database of craft material suppliers and potential suppliers was also developed, to facilitate communication with suppliers and supplement information available to crafters on sources of raw materials.

[1] Western Cape Provincial Manufacturing Technology Strategy

2 Current use and supply of raw materials in the Western Cape

2.1 Major types of raw materials

This project focuses on the major types of raw materials used by crafters in the Western Cape – **textiles, beads, ceramics and leather**, as shown in the graph below, and additionally on **recycled materials.**

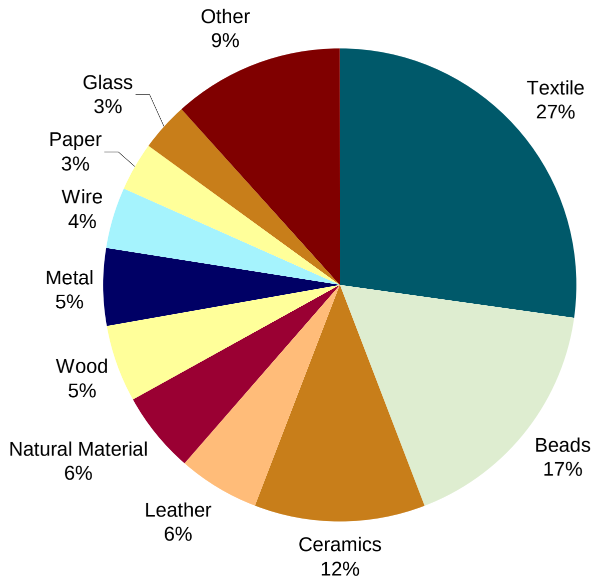

Figure 2.1: Major raw materials used by crafters in the Western Cape[2]

Some additional detail on the 3 most used raw materials - textiles, beads and ceramics – is provided below.

Textiles

The types of textiles used vary significantly across applications, from handpainted linen to soft furnishings, clothing and accessories, and therefore includes both natural and synthetic fabrics, undyed, coloured and patterned fabrics. Because of their bulk, textiles pose particular challenges in terms of transport and storage. Larger and more organised craft producers are sometimes able to take advantage of the local textile and clothing production capacity in the Western Cape by negotiating access to overruns, waste and offcuts, while smaller craft producers tend to rely on retailers. However, it is generally harder for crafters to establish relationships with both retailers and manufacturers of textiles, as crafters are not their primary market.

Beads

There is a very wide variety of beads available across a range of materials, sizes and shapes. The most popular type of beads used are 8.0s, in basic colours (such as white, black and red). These are used together with fine beading wire for jewellery, and with thicker wire for items such as bowls and ornaments. The wholesale price for beads at The Bead Merchants at time of writing was R10 for 250g. Further discounted prices are available if larger quantities are purchased.

[2] CCDI database, accessed August 2006 (where this field has been completed in the database)
Note that this is based on the number of enterprises using these materials as their primary raw material

There is a perception that the supply of beads is highly concentrated in comparison to other materials; this is true to a certain extent, as certain beads are sold through sole agents, the majority of glass beads are imported, and smaller retailers may source merchandise from larger retailers.

Ceramics

Supply of ceramics is considered to be fairly concentrated, with two suppliers dominating supply to the Western Cape. In outlying areas in the Western Cape, distribution is through smaller shops, by mail order and by delivery (especially when equipment is delivered as well). Ceramicists do source certain materials from Johannesburg when these are not available in the Western Cape. Large discounts are also available when purchasing clay in bulk – for example 25% discounts for a ton of clay. Other materials, such as pigments, tend to be used in smaller quantities.

2.2 Geographical distribution of raw material supply and use

Patterns of materials usage

The table below provides an indication of geographical patterns of raw materials usage within the province. Figures in bold indicate a percentage use of a material in that district that is higher than the provincial average. Note that in some cases the small number of crafters on the CCDI database in a district (e.g. Central Karoo, West Coast) limits the reliability of this analysis.

Table 2.1.1: Primary materials use by provincial district

	Cape Metropole	Cape Winelands	Central Karoo	Eden	Overberg	West Coast	Provincial
# crafters on CCDI database with materials use information available	*545*	*36*	*1*	*34*	*25*	*4*	*645*
Primary materials %							
Textile	**27%**	22%	0%	**32%**	**28%**	0%	27%
Beads	**18%**	**22%**	0%	3%	8%	**50%**	17%
Ceramics	11%	**19%**	0%	**18%**	8%	0%	12%
Leather	5%	3%	0%	**9%**	**8%**	0%	5%
Natural material	**6%**	3%	0%	0%	**8%**	0%	6%
Wood	4%	**11%**	0%	**12%**	**8%**	**25%**	5%
Metal	5%	0%	0%	**12%**	**8%**	0%	5%
Wire	**4%**	**8%**	**100%**	0%	0%	0%	4%
Paper	3%	0%	0%	**9%**	**4%**	0%	3%
Glass	**3%**	3%	0%	3%	0%	0%	3%
Paint	**4%**	3%	0%	0%	0%	0%	3%
Recycled	2%	0%	0%	**3%**	**8%**	0%	2%
Wax	2%	0%	0%	0%	**8%**	0%	2%
Plastic	2%	0%	0%	0%	0%	0%	2%
Tin	1%	3%	0%	0%	0%	0%	1%
Semi-precious stones	0%	0%	0%	0%	**4%**	0%	0%
Rubber	0%	**3%**	0%	0%	0%	0%	0%
Wool	**1%**	0%	0%	0%	0%	**25%**	1%

Factors shaping this geographical distribution may be varied. It could range from historical clustering of skills, perceived local demand trends through to local materials supply.

Within the City of Cape, crafters using the major raw materials identified above are dispersed across the city. However, for beads, ceramics and textiles, a large proportion of craft enterprises are located in Khayelitsha, Gugulethu, and Mitchell's Plain.

Varied supply mechanisms by geographical area

Suppliers of materials tends to be concentrated in the Cape Town Metropole, with the exception of materials such as ostrich feathers, leather and egg shells, for which supply is concentrated in Oudtshoorn.

Larger suppliers tend to offer mail order services, for example both Cape Pottery Supplies and The Bead Merchants deliver orders (The Bead Merchants have an online catalogue), or even offer free delivery for larger orders, e.g. Cape Pottery Supplies. However, delivery of smaller items may be discouraged through delivery charges.

Garden Route crafters are serviced through mail order, smaller local outlets, and by larger outlets based in Mossel Bay, George, and Port Elizabeth. Crafters in other outlying areas tend to travel to Cape Town to purchase supplies or purchase basic materials through local retailers (for which they are likely to pay a premium relative to larger city retailers and wholesalers). Crafters may use taxis to travel to Cape Town, which represents a significant cost. For example, crafters may travel to Cape Town once or twice a month, at the cost of over R100 for a return trip. Also, crafters need to hire vehicles where large amounts of bulky raw materials must be transported, at significant expense.

Furthermore, responses from crafters surveyed indicate that crafters tend not to transport craft production into Cape Town when they travel to purchase raw materials, but rather rely on local markets.

Supply from outside of the Western Cape

Most materials can be sourced by suppliers from the Western Cape. However, inputs such as glass beads, certain pigments and bentonite clay are imported. Sourcing materials from outside South Africa tends to result in:

- More concentrated supply, particularly for materials that are supplied through a sole agent (e.g. certain beads)
- Longer lead times on supplies – e.g. glass beads that are shipped from China would take around 3 months by sea, and their volume-value ratio does not warrant transport by air
- Higher costs to suppliers where products are subject to import tariffs

Direct importing by crafters does sometimes occur, for example potters may import materials as a group, and bulk users of beads may import on their own account.

The following table provides an indication of imports directly into the Western Cape in some key input categories. Note that not all these imports are necessarily destined for the crafts sector as products within these tariff categories might also be used in large-scale manufacturing, and will not capture imports via retailers or wholesalers outside of the province.

Table 2.2: Western Cape imports of key crafts inputs: imports from world and top source countries

Import Source Market	2001 (R)	2005 (R)	CAGR ('01 – '05)
Ornamental glass beads, pearls, stones, worked items HS 701810: Major source markets			
Total from world	**1,651,443**	**6,013,676**	38%
India	375,774	3,607,062	76%
China	196,881	1,827,388	75%
Hong Kong	127,596	147,650	4%
Thailand	0	113,856	-
United States	3,346	106,788	138%
Czech Republic	517	106,095	278%
Indonesia	0	34,333	-
Republic of Korea	2,804	31,782	83%
Germany	0	21,710	-
Taiwan Province of China	815,470	8,142	-68%
Vitrifiable enamels, glazes etc for ceramics & glass HS 320720: Major source markets			
Total from world	**647,383**	**33,839**	**-52%**
United States	182,762	33,384	-35%
Germany	290	455	12%
Japan	0	0	-
Italy	3,669	0	-
United Kingdom	24,690	0	-
Iran (Islamic Republic of)	427,343	0	-
Netherlands	8,629	0	-
Bentonite HS250810: Major source markets			
India	1,184,780	1,381,515	4%
China	3,389	487,423	246%
Hong Kong	177,393	433,500	25%
Thailand	65,974	257,169	41%
United States	0	111,506	-

The table below sets out tariff measures for the major imported materials.

Table 2.3: Tariff measures for imported materials[3]

Tariff measures by HS code	Tariff
H250810: Bentonite	Free
H320710: Pigment, opacifier, colours etc for ceramics or glass	Free
H320720: Vitrifiable enamels, glazes etc for ceramics and glass	Free
H701810: Glass beads …	
Preferential tariff for SADC countries	0%
Preferential tariff for European Union countries	15%
Other/general	20%

Note: Many other South African industries have secured full tariff rebates on some of their inputs through the International Trade Administration Commission – these include glass microbeads for the plastics industry, various textiles, fasteners, threads and imitation jewellery for the clothing and footwear industries. A list of these rebates is available in Schedule 3 of the SARS tariff book. It may be worthwhile to discuss with **the dti** whether there are possibilities of using available mechanisms to extend similar rebates to craft producers in any critical areas.

[3] SARS Tariff book, July 2006 http://www.sars.gov.za/tariffs/Loose_Leaf/Loose_Leaf_main.htm

2.3 Significance of raw materials to craft production

There are three major ways that inputs can be significant to a craft producer:
- As a major cost element
- As a source of differentiation
- As a way to promote market access and development

Cost structure

Assessing the proportion of costs which is made up by raw materials tends to be problematic, as crafters either do not cost their time, or are unwilling to share their cost structures. Furthermore, the wide range of craftwork and differences between individual products in terms of amount of raw materials used, time, level of detail and design further complicate costing raw materials.

However, the following is an example of costing by a Cape Town based crafter for a typical bead and wire bowl, where materials make up a third of costs:

Table 2.4: Typical bead and wire bowl production cost structure

Input	Costing
Beads and thin wire	R30
Wire	R10
Stall rental	R30
Time (2 hrs)	R50
Total	**R120**

The price for this bowl was R120, so the crafter is making 0% profit. Other crafters however have noted that they would mark up their costs by 100%.

Cost structures, and methods of buying and financing differ substantially across small to medium crafts businesses, community projects, and sole traders.

Sole traders tend to have low overheads (and the overheads that they do have are often not formally calculated) – therefore raw material costs make up a much bigger portion of sole traders' cost structures. Furthermore, sole traders buy raw materials in smaller quantities and therefore mainly purchase from retail outlets, limiting access to bulk prices. This is also related to cash flow issues – purchases are often financed from the previous sale. Limited available storage space also further constrains buying large quantities. Irregular buying patterns also mean sole traders have greater difficulty developing relationships with suppliers.

Small businesses and community projects tend to have larger overheads; however they can access raw materials at lower prices through buying in bulk amounts and directly from wholesalers or manufacturers. For example, a crafts project such as Monkeybiz that supplies hundreds of women with beads may buy a few tons of beads, while a sole trader would buy a 250g packet of beads. Community projects tend to only buy the most significant materials needed for production, such as beads, printed material, etc., while members would source more basic inputs such as paper and wire. This indicates that sourcing these types of products is not a constraint for crafters.

Also, these organisations may have staff members dedicated to sourcing raw materials, which results in more planned and efficient purchasing. These organisations can therefore develop relationships with suppliers over time, and invest time in looking for suppliers that may supply products at a discounted price, as well as sourcing materials that provide unique features; and therefore develop an advantage over competitors.

Less well resourced community projects may however encounter significant problems when sourcing raw materials. In certain cases where lump sum funding has been granted, this is used to buy raw materials in bulk, which may last over a long period – even up to a year. This constrains innovation in design, and discourages correct costing of products.

The **ability to negotiate** on prices varies not only by the size and nature of the crafter, but also by the **supplier type.** Retailers and wholesalers tend to have more standardised prices based on the size or regularity of purchases; however, in some cases they are willing to source specific products for crafters or make concessions where relationships have been built over time. Manufacturers may be more open to specially negotiated arrangements with individual crafters, in particular where over-runs, off-cuts and waste are concerned; however, they are also likely to require minimum volumes and have limited readiness to deal with numerous crafters.

Product differentiation

Profitability can differ substantially between crafters that produce differentiated products and those that produce products which are common to many crafters. In some cases this differentiation can be derived from materials usage.

For example, while in most cases the differentiation in beaded items will not come from the beads themselves but rather from the product design, differentiation could be obtained through utilising unusual colour or shape glass beads, or utilising beads made from alternative materials such as resin, metal, recycled materials, plastics, stone, plant matter, shells and bone. In the case of ceramics, differentiation may come through unusual pigments, whether natural or synthetic, while many possibilities for differentiation exist in terms of fabric in terms of the type of fibre, weave and thread count (or non-woven techniques as in the case of felts), colour or pattern.

"Master craftsmen", particularly those that are well known, can pass on the costs of more expensive inputs by increasing their prices. However, crafters producing undifferentiated products must compete with other crafters that may be able to source raw materials more cheaply.

Differentiation is less likely to be derived from the materials in the case of use of wire, glass, metal and un-pigmented clay.

Raw materials factors affecting market access

In some cases the selection of raw materials may have an impact on access to domestic and international markets. Some examples are set out below.

In the **domestic market**, sourcing of materials could affect the following:

- Ability to become a "Proudly South African" registered product:
  - Materials can contribute to the minimum 50% local value-add, which also includes other costs such as labour and marketing
  - For example, users of imported textiles and beads may struggle to meet the requirement if they do not have a very labour intensive price that is clearly included in their cost structure
- Ability to secure broad-based BEE scorecard balanced scorecard points[4]:
  - While micro-enterprises (less than R300,000 annual turnover in the current regulation) are exempt, other craft producers may be interested in securing BEE scorecards
  - Sourcing could affect points for the procurement contribution and wider enterprise support categories – together these could account for up to 30% of points

[4] Explanations and information on BEE scorecards are available at, amongst others: http://www.thedti.gov.za/bee/codes2005.htm; http://www.mwebbusiness.co.za/manager/clientfiles/sme/SmCap5.pdf ; http://www.beemotion.co.za/, http://www.cliffedekker.co.za/literature/bee/index.htm ; http://www.mpowerratings.co.za/

  - However, securing procurement points requires that the provider of raw materials has their BEE scorecard score
  - Similarly, SMEs with strong BEE scores may be able to tap into the need for other companies to secure BEE points; in the case of raw materials suppliers, companies can generate enterprise development points through the donation or discounting of raw materials; in certain sectors companies may also be able to secure points for their Corporate Social Investment into craft-related BEE projects
- Safety and standard compliance (avoiding the use of restricted materials, such as flammable materials in children's clothing)
- Fair or ethical trade certification (relating amongst others to whether purchasing has promoted opportunities for economically disadvantaged producers, whether those producers have been paid a fair price and the environmental soundness of materials used[5])
- Compliance with restrictions on the use of animal or plant materials under the local and international protection of endangered species[6].

In export markets, sourcing of materials affects:
- Compliance with market-specific standards and requirements for both the product and its packaging, in terms of use of materials that[7]:
  - Are hazardous (e.g. certain chemicals and toxins e.g. those found to have carcinogenic properties, paints containing lead or cadmium, use of metal alloys in jewellery that may result in allergic reactions with the wearer's skin),
  - Are restricted for sanitary or phytosanitary control reasons (e.g. items derived from animal or plant material that may carry infestations or diseases, such as animal hides and untreated wood)
  - Have environmental or conservation-related consequences (e.g. non-recyclable plastics)
- Requirements for percentages of local content in terms of preferential market access agreements e.g. for eligible products under the African Growth and Opportunity Act[8] (AGOA) not less than 35% of the value (including materials and processing costs) of a product upon entry into the US should be related to processing in one or more of the beneficiary countries (although 15% of this can alternatively be US originating materials).
- Fair or ethical trade certification (see above)
- Compliance with restrictions on the use of animal or plant materials under international protection of endangered species.

[5] See www.ifat.org
[6] For CITES listed species with prohibited or restricted trade, see http://www.cites.org/eng/resources/species.html
[7] For examples in the EU, see
[8] See http://www.agoa.gov/eligibility/product_eligibility.html

3 Identified constraints around accessing raw materials

Based on the research conducted, in particular the interviews with craft producers and suppliers, a range of constraints have been identified. Themes that have emerged include the following:

- **Material cost and financing vs. sales price:**
  - Lack of product differentiation, therefore crafters are forced to compete on cost
  - "Survivalist" approach to financing constrains bulk buying and planning in advance
  - "Survivalist" approach to pricing and costing of some craft products leading to crafters not costing their time, and accepting low prices for products
  - Lack of skills/knowledge in costing inputs correctly, in particular time inputs
  - Cash flow constraints where products are sold on consignment (whereas purchases of raw materials must be paid for upfront)
  - Seasonal fluctuations in sales

- **Transport and storage:**
  - Lack of storage space (especially for materials that are bulky and that have a limited shelf life such as clay) constrains bulk buying
  - Transport costs for crafters in rural areas and in township areas that purchase materials in central Cape Town or Northern suburbs

- **Lack of equipment (price and suitability):**
  - Smaller producers (in particular home-based sole traders) struggle to afford equipment for their sole use, and may need to borrow equipment or use second-hand or unsuitable equipment; in some cases maintenance and repair periods can hamper production

- **Quality and variety:**
  - Shortages of certain raw materials, especially over peak tourist season, and especially where these need to be imported (e.g. beads in certain basic colours)

- **Information and training on purchasing and usage:**
  - Selection of source of materials is not necessary carefully thought out – it may be related to limited knowledge of options, use of existing networks and relying on the established reputation of certain suppliers
  - Limited knowledge on methods and techniques of preparing and using raw materials for various applications e.g. suitability of various textiles for paint treatments
  - Lack of awareness of the range of materials in existence, resulting in limited product innovation (where crafters have been trained in a particular method)
  - Training is often limited to certain techniques and materials, therefore product innovation through utilising different materials and techniques is difficult

The constraints experienced by crafters vary depending on the following:

1. **Materials used**: This is a highly complex relationship, given the differences within materials used in terms of the proportions of materials in the final product, the level of skill and quality and the ability to secure certain prices)

2. **Location:** In general, crafters located within the Metro have less of a constraint in terms of access to suppliers than rural producers; however, crafters located in Khayelitsha, Gugulethu, and Mitchell's Plain also experience access issues as the majority of suppliers (retailers tend to be located in the City Bowl, Southern and Northern Suburbs, while manufacturers tend to be located in industrial areas such as Epping and Parow).

3. **Type of crafter**: Generally smaller producers face more constraints with respect to raw materials than larger producers, both in terms of their purchasing power and their capacity to manage materials purchasing and solve problems where they arise.

4 Initiatives to improve access to raw materials

4.1 Existing and planned South African initiatives

Any additional initiatives to address the constraints set out in the previous section will need to take into account those that are already in existence to leverage off existing capacities, as well as taking into account previous initiatives to learn from successes and failures. Some examples of these are set out below.

4.1.1 Improvement of access in rural areas

Ethaleni was proposed by the Mineworkers Development Agency, and aimed to provide raw materials at affordable prices for crafters, and workers in the construction industry and agriculture, particularly in rural areas. This was to be achieved by "central buying and localised distribution", and intended to be self sustaining within three years of startup.

The project however has since been abandoned, due to the following:
- Inappropriateness of a financially-driven programme within a not-for-profit organisation
- Inability to buy in sufficient quantities
- Lack of knowledge of local needs
- Local needs better served through local general dealers

Provenance Art is a private initiative run from the CSIR premises in Pretoria. The project aims to identify crafters throughout the country, and showcase and market sample products. Assistance in fulfilling orders will then be provided by supplying raw materials to these crafters.

4.1.2 Support for recycling activities

The Waste Exchange, run by the City of Cape Town, aims to match creators of waste with users of waste through an online portal accessible at: http://www.capetown.gov.za/iwe/. Available and wanted materials are advertised on the website. Contact details are posted on the website, and all logistics are arranged by the two interested parties.

Footprints is primarily a waste sorting centre, that sorts waste items to be recycled. The centre is based in Wynberg, and waste is dropped off by members of the surrounding community. In addition to sorting waste for recycling, the centre has started setting aside items for sale to crafters. These are sold on at a slightly higher cost, as an incentive for the sorters to put in additional effort to set aside the appropriate items, for example, cans may be sold to a recycler at 22c/kg, but they may be sold to crafters at 40c/kg.

Items that are sorted include conventional items such as plastic, paper, glass and cans, however if crafters require specific items, the centre will send out flyers to the community requesting these items.

The centre has obtained funding from the City of Cape Town, that was used as start-up funding. Recently completed facilities include a crafts workshop, a shop, and storage space for materials. Through these facilities the centre aims to provide and store materials, provide a space for crafters to work, and a place where their work can be displayed and sold.

Other initiatives that should be taken into account are the **City Improvement Districts** that have been established in the City Of Cape Town – these may include initiatives to match waste creators with waste users, particularly in manufacturing areas (such as Parow). The Central City Improvement District may be accessed at http://www.capetownpartnership.co.za/default.aspx?pageid=7b75b15d-195c-45a1-ac98-adb905ed5832

A **Raw Materials Bank** was proposed to provide physical space, coordination, and distribution for recycling and reuse of materials, by the Western Cape Manufacturing Technology Strategy for the crafts sector.

4.1.3 Utilisation of natural raw materials

Examples of projects that aim to support sustainable utilisation of natural materials for craft include Working for Water and the crafts programme in St Lucia.

Working for Water[9] aims to remove invasive alien plant species. The programme includes a "Value Added Industries" programme, which aims to maximise the value of biomass gained through clearing. Products that have been produced by utilising these raw materials include:

- Screens and blinds
- Décor items
- Bathroom accessories
- Lights and lamps
- Indoor and outdoor furniture
- Fencing, arches and other garden furnishings
- Wooden educational toys

Overall, it is unclear how successful this initiative has been, as implementation was on a local basis. However, there are indications that enterprises in the Genadendal, Riviersonderend and George areas have been producing craft items using materials from the Working for Water programme.

The **craft programme in St Lucia** was designed to build capacity of crafters to enable access to a higher value segment of the market, by providing support through:

- **Product development** – bringing in design expertise and links into South African and international markets to enhance existing skills and materials used:
  - Indigenous palm fronds, harvested sustainably used as the main material
  - Traditional weaving and sewing skills
- **Training –** particularly focusing on costing, pricing, economies of scale, negotiating with buyers, and delivering on orders. The programme includes 400 crafters organised into 24 groups, thereby enabling **economies of scale in buying materials, transport, and production volumes**.

These interventions were successful in creating sustainability, evidenced by a partnership that has been developed to supply large orders to Mr Price. This allows crafters to earn a larger, more consistent income.

4.1.4 Bead production in South Africa

A DACTS study on the feasibility of manufacturing glass beads within South Africa concluded that production through the sintering process could be feasible, although further studies would be necessary to confirm this. Since 2000 however when the study was conducted, the price of beads has dropped substantially, due to increased supply from lower cost suppliers such as China. (The study assumes as selling price of R60/kg, however current prices are around R40/kg.)

Subsequently, production of beads has been investigated by the CSIR, and there is some production of basic colours. This is however still in a pilot phase, and on a small scale.

[9] More information available at http://www.dwaf.gov.za/wfw/default.asp

Further initiatives that may result in increased glass bead production involve attracting investment by Japanese glass bead manufacturers (currently there is some interest in investment in Limpopo and the Eastern Cape).

4.2 International benchmarks

International initiatives were chosen to benchmark where these aim to address similar problems to those faced by crafters in the Western Cape.

4.2.1 Recycle North – Waste Not Products

Recycle North is a not for profit organisation which operates in Vermont, US, and aims to reduce solid waste where this is reusable/repairable, provide skills training, and alleviate poverty by making household goods and building material available at lower costs. Major programmes are the Essential Goods Programme which includes repairing household goods, and the Building Materials Reuse programme, which aims to recover building materials for reuse.

The organisation is 75% self financing, through deconstruction services and sales of goods.

Waste Not Products is a new initiative of the organisation, which aims to recycle products salvaged through deconstruction. The initiative was initially run as a pilot project, and preparation to launch the programme involved the following functions:

Industry and market analysis

Through industry and market analysis, Recycle North identified household furnishings as an attractive market, based on the following:
- Niche hand-crafted household furnishings compete on the basis of product differentiation and quality, in addition to price
- Purchasing Vermont-made goods is a high priority for tourists to Vermont

Recycle North therefore developed a marketing strategy leveraging off product differentiation and raw material cost advantage as key factors in product positioning. The marketing strategy involved first selling through existing retail outlets for other programmes, and then scaling up to larger local retailers and online sales on a national level.

Product development

14 different products were developed that could be constructed from typical recovered building material:
- Birdhouses
- Framed mirrors
- Picture frames
- Garden sheds
- “Orphan drawer” shelf – a shelf made from “orphan drawers”
- Coffee table
- Opportunistic products that take advantage of unique materials

Challenges to product development include:
- Uncertain supply of similar material, therefore difficulty in mass marketing where products vary in quality and appearance
- New materials need to be purchased to supplement recovered materials where recovered materials are of inadequate quality

- Difficulty in differentiating products from mass produced manufactured products (e.g. mass produced picture frames)
- Poor quality of recovered materials

Management and staffing

Waste Not Products is intended to become an independent unit, with the following management and staffing:

- Production manager
- Marketing coordinator (working on both Waste Not Products and other programmes)
- Support from ReCycle North's overall Business Manager and Training Director
- Deconstruction crews and trainees

Materials, equipment and production space

Materials from deconstruction are prepared based on particular specifications for the final products. Most necessary equipment was already owned, and additional equipment is to be purchased as needed to meet demand.

Existing production space is to be used, but a new facility to house all production activities is planned – this is expected to result in cost savings for the organisation. This planned space will be available to the public over weekends at a cost, to contribute to covering expenses.

4.2.2 Material Connexion

Material connexion is a private initiative that aims to provides a library of materials and processes to subscribers, to stimulate new product and process design. Currently libraries have been set up in New York, Cologne, Milan and Bangkok.

Although information was not forthcoming regarding the business and operational model of Material Connexion, it is expected that revenues flow from subscriptions to the library, and possibly from manufacturers of materials included in the library. Both online and onsite subscriptions are available.

5 Recommendations on initiatives

Drawing from the above section benchmarking other initiatives, and from interviews with roleplayers, Kaiser recommends that the CCDI should take into account the following in supporting access to raw materials:

Table 5.1: Key learnings from interviews and benchmarking

Aim of initiative	Key relevance and learnings for the CCDI
Support for recycling	▶ **Product development and marketing** is critical for products made from waste materials ▶ Companies could be open to providing materials for recycling, in particular as part of CSI programmes ▶ Opportunity for **innovative sourcing**, e.g. CSIR sourcing old sheets from hotels to utilise in crafts products ▶ Risk of being unable to source similar materials for repeat orders ▶ Any initiatives should be **in conjunction with existing initiatives** in the Western Cape, including Footprints, the City of Cape Town Waste Exchange, and City Improvement Districts
Increase rural distribution	▶ Coordination around **bulk buying required** to enable sustainability ▶ Could be combined with existing transportation services – e.g. existing minibus taxi services could be used for transport of smaller orders ▶ Need for good **knowledge of local needs**
Bulk buying/bulk buying and distribution	▶ Should be driven by **financial incentives** ▶ **Current suppliers may be best placed** to play a role in coordination and delivery for bulk buying ▶ **Logistics and distribution**, including storage, packaging into smaller quantities, and transport **would be problematic** ▶ Can however substantially reduce costs ▶ **Should not be for materials that provide differentiation** (e.g. fabric could be purchased in bulk, where value and differentiation is added through hand painting, wire)
Support through a discount card	▶ Certain suppliers are considering a discount card (The Bead Merchants) ▶ Identification and annual renewal would be required to increase control (Cape Pottery Suppliers)

Based on the above, Kaiser recommends the following **programmes of intervention**:

Table 5.2: Recommended programmes of intervention

Programme	Key actions	Potential roleplayers
1. Support for matchmaking between crafters and manufacturers/ sources of raw material (including recycled material) (In addition to, or as an alternative to the Raw Materials Bank)	1. Build on the supplier database drafted by Kaiser 2. Approach manufacturers and CIDs: – Explain the intention and potential benefits in terms of reduced wastage levels and broad-based empowerment scorecard points within the enterprise support category – Potentially approach CSR division of companies 3. Identify interested companies 4. Identify suitable craft matches based on materials used, product range, volume of supply required and geographical location 5. Facilitate introductions 6. Provide product development support through the Fab Lab and product	1. CCDI as lead roleplayer 2. City Improvement Districts 3. Footprints recycling centre 4. CSIR 5. Fab Lab

Programme	Key actions	Potential roleplayers
	development workshops To increase sustainability of the programme, the City of Cape Town Waste Exchange could be an important tool for information sharing of available and required waste: companies would be encouraged to use the website; and the CCDI could scan on behalf of crafters, where access to internet is limited.	
2. Bulk purchasing and order consolidation (in cases where materials are not central to product differentiation) e.g. most glass beads, unprinted cotton fabric and thread, wire, clay	1. Develop a system of order taking and delivery based on a weekly or fortnightly schedule 2. Combine with distribution of crafts products in metropolitan areas where possible 3. Source either a dedicated CCDI vehicle or linkages to other distribution or support facilities e.g. Red Door offices, multi-purpose community centres 4. Run a pilot programme to determine economic sustainability	1. CCDI as lead roleplayer to establish programme Recommended to outsource this programme to an independent service provider, with support from the CCDI, to ensure sustainability. Furthermore, there is potential to involve wholesalers and retailers of craft product in bulk sourcing of materials, as they will benefit from improved capacity to deliver on orders derived through sourcing in bulk.
3. Greater focus on raw materials issues within training	1. Incorporation of the following into training and learnership programmes: – Role of materials experimentation and selection in product development – Costing and pricing systems – Approaches to reduction of materials costs e.g. method of purchasing, reduction of waste levels, materials substitution – Potential links to a “materials library” e.g. through the FabLab (in addition to those materials already available locally)	2. CCDI as lead roleplayer
4. “Materials library” to promote greater awareness of range of raw materials available, and therefore innovation and design-led product development	1. Engage with Material Connexion on either providing online access to Material Connexion library, or setting up a library in Cape Town 2. Incorporate materials sourced through programme 1 above into library, as and when available	1. CCDI to facilitate 2. Fab Lab 3. Other design, arts and culture related associations

6 Recommendations for the supplier database

The primary purposes of the database would be to **provide information to crafters**, and to use as **a tool to communicate with raw material suppliers**. In particular, the database could be used to gauge suppliers' levels of willingness to engage in supplier relationships with crafters.

The CCDI could **assess current support** provided to crafters/small businesses, and **interest levels for assisting crafters** in the following ways:

- Provision of overruns and waste materials
- Discounts for crafters as part of their BEE/ CSI programmes, or as part of a loyalty card scheme
- Additional services such as transportation and storage of materials
- Facilitating group buying with a number of customers
- Information and training programmes on use of materials

Furthermore, the database should be **updated and maintained**, and could also be expanded. Additions to the database could be further information regarding suppliers, including:

- BEE information on suppliers, for crafters that calculate a BEE score
- Information regarding % of product imported, and % of inputs imported by manufacturers, to provide information to crafters regarding local content

Communication with suppliers, and maintenance of the database could be done through an email survey and follow up calls where necessary.

APPENDIX A: List of stakeholders consulted

The following crafters, suppliers, and other roleplayers were consulted during the project:

1. Barbara Jackson and Joan Krupp, Monkeybiz
2. Grace Dyantjies, Imizamo Yethu Art & Craft
3. Thobeka Vivashe, Sibanye Crafters
4. Ryan Rode, Wolanani
5. Daniel Kurgan, Kurgan Kanani Leather
6. Ralph Johnson, Ceramics SA
7. Betsy Nield, Ceramics Western Cape
8. Bishop Tarambawamve, Master Wires
9. Rosemary Girardi, African Experience
10. Nosipho Kuse, Ipho Traditional Wear
11. Bongiwe Sithonga, Nande Women's Project
12. Charmaine Cornille, Provenance Art
13. Michelle Sholto-Douglas, Footprints
14. Craig Leslie, Cape Pottery Suppliers
15. Ian Dunbar, The Art Shop
16. Catherine Le Seuer, The Bead Merchants
17. Susanne Dittke, EnviroSense
18. Reuben Kadalie, CSIR
19. Joseph Mathe, Department of Arts and Culture
20. Younis Mothetho and Suzanna Allers, Crafts Council SA
21. Takalani Rathiyaya, the dti
22. Philip van Rooyen, Mineworkers Development Agency
23. Adriana Scholtz, SEDA Western Cape

APPENDIX B: List of reports consulted

The following reports were used as inputs to this study:

1. Barton, Susan, Mineworkers Development Agency Case Study
2. DACTS, Glass Beads Feasibility Study, May 2000
3. ECI Subsector Studies
4. Elk, Erica, The South African Craft Sector
5. Recycle North, Waste Not Products Business Plan, 2005
6. the dti, Draft Customised Sector Programme: Crafts, Second Draft, December 2004
7. Western Cape Provincial Manufacturing Technology Strategy Craft Sector Report