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An assessment of the impact of National Arts Council (NAC) funding on resilience and financial sustainability on craft enterprises: a review of nine organisations in four provinces

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AN ASSESSMENT OF THE IMPACT OF NATIONAL ARTS COUNCIL (NAC) FUNDING ON RESILIENCE AND FINANCIAL SUSTAINABILITY ON CRAFT ENTERPRISES – A REVIEW OF NINE ORGANISATIONS IN FOUR PROVINCES

By

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#34471

A research report submitted in fulfilment of the requirements for the

Degree of
Master of Arts

In the field of Cultural Policy and Management

Faculty of Humanities,

University of the Witwatersrand

September 2018

DECLARATION

I, David Thatanelo April, declare that this Research report is my own, unaided work. It is being submitted for the Degree of Cultural Policy and Management at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other University.

(Signature of candidate)

day of 20 in

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(Signature of candidate)

3rd day of Sept 2018 in Johannesburg, Wits University

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ABSTRACT

Over the past two decades funding organisations in both the private and the public sector have been instrumental in the development of the arts and culture sector through the disbursement of funds. The National Arts Council (NAC) is an example of such an organisation in the public sector to oversee sector development and there has been focus on redress and transformation through grant disbursements. This research aims to assess the impact of NAC funding on organisations from 2010-2015 particularly in the craft sector, and to explore the extent to which such funding has had an effect on their becoming resilient and sustainable. Recommendations will be made for putting measures into place for the NAC to review their funding policy in the disbursement of funds so that the funds allocated have a measured impact on beneficiary organisations.

Key words: crafters, grants, resilience, sustainability

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ACRONYMS AND ABBREVIATIONS

ACTAG	Arts and Culture Task Group
ASGISA	Accelerated and Shared Growth Initiative of South Africa
CCDI	Cape Craft & Design Institute
CDI	Cape Design Institute
CIGS	Cultural Industries Growth Strategy
CSP	Customised Sector Programme
DAC	Department of Arts and Culture
DTI	Department of Trade and Industry
EDD	Economic Development Department
GDP	Gross Domestic Product
IDC	Industrial Development Corporation
IPAP	Industrial Policy Action Plan
MDA	Mineworkers Development Agency
MGE	Mzansi Golden Economy
NAC	National Arts Council
NAF	National Arts Festival
NDP	National Development Plan
NGO	Non-Governmental Organisation
NGP	New Growth Path
NIPF	National Industrial Policy Framework
PSA	Public Servants Association
SACR	Sports, Arts, Culture and Recreation
SADC	Southern African Development Community
SETA	Sector Education and Training Authorities
SMME	Small, medium and micro enterprise
TEP	Tourism Enterprise Partnership
TISA	Trade and Investment South Africa
WSSD	World Summit on Sustainable Development

CHAPTER 1: INTRODUCTION

This research arose out of the request from the NAC to assess the impact of their funding specifically of the craft sector. The selection of these organisations was based on a number of factors: the number of times the NAC has funded them; their geographic location; whether it is in an urban area where most of the organisations were located or a rural setting; the amount of funds allocated each year they were funded; the frequency with which they received funds from the NAC; the size of the operations in terms of staffing; and, whether they fell into the 2010 – 2015 funding period.

The organisations were chosen on the basis of the amount of funds the NAC allocated to them which ranged from R15 000.00 to R150 000.00. The selection also took into consideration the fact that some organisations were individually run whilst others are large organisations in terms of their staffing and overall operations. The final 14 selected organisations were based in 4 provinces; namely, the Northern Cape, Kwa-Zulu Natal, Gauteng and the Western Cape.

1.1 RESEARCH AIM

The purpose of this research report is to assess the impact of NAC funds on a selection of organisations in the craft sector. In particular, I will explore the extent to which such funding has had an effect on their becoming resilient and sustainable within the five-year period that they have been funded.

1.2 RATIONALE

For the past 20 years in the performing arts industry as a performer, project manager, director, fundraiser, mentor and dance activist, I have observed the continuous struggle of arts and culture organisations in the development sphere trying to thrive and survive without consistent financial support, resulting in a dependence on funding bodies for their operations.

I am particularly drawn to what it means for arts organisations to be resilient and the definition offered by Walker et al. (2004, p. 5) of 'the capacity of a system to absorb disturbance and still retain its basic function' resonates with me. The disturbances, in this instance, include erratic funding patterns, and it is for this reason that that I am interested to look into how arts organisations, particularly NAC-funded craft organisations, can achieve resilience in the face of inconsistencies and disruptions in funding, and what measures they should put into place to be able to think beyond conventional donor support concepts.

The White Paper for Arts, Culture and Heritage (Republic of South Africa, 1996) was South Africa's first significant policy development pertaining to the arts since 1994. In the document, craft is considered integral to arts, culture and heritage. The White Paper (1996:17) emphasises the potential of the sector for providing employment 'for large numbers of people in rural and urban communities and in a wide range of formal and informal industries'. The NAC was established by an Act of Parliament in1997 as an agency, and part of its mandate is the allocation of public funds to promote opportunities for the practice, appreciation and enjoyment of the arts (Department of Arts and Culture [DAC], 1997).

Just over a decade later, NAC Chairperson Adv. Brenda Madumise made the announcement at the National Arts Festival (NAF) in Grahamstown, "April 2009 saw the NAC taking a new strategic direction which aims to intensify the impact of funding allocations in the arts. We'll do this[1] by devising innovative funding models which create long-term sustainability for the arts as a business and arts practitioners as creative entrepreneurs". The NAC had commissioned a review of the health and viability of dance companies in 2008 that received three-year funding support, and one of the findings was that the South Africa has a vibrant dance community which makes for challenging, innovative and award-winning work. These works, it was noted, were much in demand in South Africa, Europe, Africa and America. The recommendation was that focused interventions be implemented that engage with issues of sector development and growth.

[1] http://www.nac.org.za/media/news/national-arts-council-appoints-ceo-to-drive-new-strategic-vision

My interest will therefore be to investigate whether NAC's intention of funding arts organisations with particular reference to craft organisations has yielded the impact desired as part of their strategic mandate, and if the direction which is going to be taken will lead to independently-functioning organisations which are self-reliant and are able to run their own operations.

My research tests whether the fact of funding promotes a deeper dependence as is the case with most arts and culture organisations, or if it has given them the space to think about some form of stability through which they can explore other business models.

1.3 RESEARCH QUESTIONS

The research questions focus on the extent to which NAC funding has enabled organisations and individuals in the craft sector to become resilient; how they are responding to shifts in funding; and how these shifts in funding have forced them to think about and respond to sustainability and resilience. Furthermore, what is it that informs resilience in craft organisations and the leadership and strategies which serve as a conduit for resilience in the craft sector? In addition the research will focus on what measures need to be put into place for the NAC to review their funding policy in the distribution of funds to beneficiary organisations.

1.4 RESEARCH METHODOLOGY

Creswell (2014:4) refers to the qualitative methodology as an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. This methodology enabled me to be in contact with organisations in question and understand the challenges they face in their own environment.

Glasow (2005:1) references Isaac & Michael (1997:136) that survey research is used "to answer questions that have been raised, to solve problems that have been posed or observed, to assess needs and set goals, to determine whether or not specific objectives have been met, to establish baselines against which future comparisons can be made, to analyse trends across time, and generally, to describe what exists, in what amount, and in what context".

The baseline study fell outside of the scope of my research in that there was a lack of documentary evidence, figures, statistics or records of the beneficiary organisations' status quo prior to them receiving funding.

1.4.1 Sample Selection

Qualitative methods were used to assess the data contained in the NAC database on the 9 craft organisations identified in table below.

Table 1.1: Sample selection

Province	Town	Name of Individual/ Organizations	Director
Northern Cape	Kimberley	MSG Designs	Ms Marry M Moiloa
Gauteng	Johannesburg/Newtown	Imbali Visual Literacy Project	Ms Justine Watterson
	Johannesburg/Newtown	Noko Designs	Mr Bethuel Mapheto
	Cape Town/Johannesburg	Ms Farieda Nazier	Ms Farieda Nazier HOD (acting) Department of Jewellery Design and Manufacturing at UJ
Western Cape	Cape Town	Ms Faigain Abrahams	Ms Faigain Abrahams
KwaZulu Natal	Hillcrest	Ms Lungi Manyathi, at Woza Moya	Ms Lungi Manyathi Marketing Director Paula Thomson
	Durban	Ms Hlengiwe Dube	Ms Hlengiwe Dube
	Durban	African Art Centre	Ms Magdalene Reddy
	Pietermaritzburg	Mr Jabulani Mahlabini	Mr Jabulani Mahlabini

The NAC requested that I interview the organisations below to get an indication of how funds disbursed were utilised. Some of the information gathered from them served to give insight on how the NAC should be thinking about allocating funds and in instances where compliance issues are not adhered to such as in the case of Wall of Trading and Zebra Arts & Crafts what measures should be put into place to deal with the situation. Flock, Ladies of the Karoo is no longer operational since the Director moved from Petrusville to Bloemfontein. The Little Marionette was funded several times and the organisation did not have issues dealing with resilience and

sustainability. The interview with The Cape Design Institute was useful in getting expert advice about the craft sector.

Province	City/Town	Name Individual/Craft Organisation	Director
Northern Cape	Kuruman	Zebra Arts and Craft	Rev. Rodgers Neo Ditlholelo
	Kimberley	Wall of Arts Trading	Ms Mercia Wechoemang
	Petrusville	Flock, Ladies of the Karoo	Ms Zahn Spies
Western Cape			
	Cape Town	The Little Marionette	Johannes J F Visagie
	Cape Town	The Cape Design Institute (CDI)	Ms Erica Elk

Purposive sampling (also known as judgment, selective or subjective sampling), ""is a sampling technique in which researcher relies on judgment when choosing members of a particular population to participate in the study (Dudovskiy, 2017: 1)." This was my preferred method to select a list of beneficiary craft organisations from the NAC's database. The craft organisations as suggested and prescribed by the Craft Council were to serve as an indicator of whether the funds allocated had any impact on the overall operations.

I found that the purposive sampling method proved to be effective when only a limited numbers of organisations served as the primary data source due to the nature of the research design and aims and objectives. The advantage of purposive sampling is that it is one of the most cost-effective and time-effective sampling methods available according to Patton (1990). In addition, he adds that purposive sampling may be the only appropriate method available if there are only limited numbers of primary data sources who can contribute to the study, which was the case in my study.

1.4.2 Data collection

Data gathering methods were qualitative in nature particularly in the form of interviews (both open-ended and semi-structured) and observation of the actual projects funded by the NAC.

The data collected was from the selected nine NAC-funded craft organisations which were the basis of this study. Armed with this information which included the number of times they have received funding from the NAC and how they have used it as part of the overall programmes and activities, I was able to look at the impact of the amount of money being given to the craft enterprises as part of the overall research through interviews. This methodology of collecting data through interviews is supported by Alshenqeeti (2014:132) citing Dörnyei, (2007), that qualitative data are 'most often' collected by researchers through interviews and questionnaires.

Alshenqeeti (2014:39) further emphasises and supports Kvale (1996; 2003) that interviews, compared to questionnaires, are more powerful in eliciting narrative data that allow researchers to investigate people's views in greater depth. Alshenqeeti (2014:39) extends this by stating that, according to Cohen et al. (2007), interviewing is "a valuable method for exploring the construction and negotiation of meanings in a natural setting". This is further reinforced by Atieno (2009) who asserts that human behaviour is significantly influenced by the setting in which it occurs; thus, one must study that behaviour in context.

The natural settings in this instance were where the interviews were conducted. The respondents were in Gauteng; Imbali Visual Literacy Project and Noko Designs, Kwa-Zulu Natal; African Art Centre, Woza Moya, Ifundiso Project and Ababumbi Arts and Ceramics Co-operative. The Northern Cape respondents namely, Zebra Arts and Craft, MSG Designs, Wall of Arts Trading and the Flock, and Ladies of the Karoo were far from their area of operations when the interviews were conducted.

Primary data was therefore collected in interview format where I was able to get a perspective and insight from the respondents about their views on what the impact of funding from the NAC had been and whether it had had any effect on the ability of the craft organisations to adapt/change their business models to ensure greater financial resilience.

The four types of interviews normally used in social sciences as highlighted by Alshenqeeti (2014) are structured interviews, whose key feature is that it is mostly organised around a set of predetermined direct questions that require immediate,

mostly 'yes' or 'no' type, responses. This I felt would be very limiting in my research to gather information from the respondents and as Berg (2007) states, in such interviews, the interviewer and interviewees would have very little freedom. This I found particularly true in one instance in the Northern Cape – where one respondent opted to answer the questions in this manner even though the format of the interview lent itself to her answering in a free and open manner. She was not totally open in answering some of the interview questions as there was a delay from the NAC in allocating funds to her organisation due to her non-compliance in furnishing the required documents. She had not kept records nor did she have proof of how previous funding was spent.

The second type of interview common in social science is that of open-ended (unstructured) interviews with all of the respondents. Gubrium and Holstein (2002) cited in Alshenqeeti (2014:35) point out that, unlike the structured interview, this kind of interviewing is an open situation through which a greater flexibility and freedom is offered to both sides (i.e. interviewers and interviewees), in terms of planning, implementing and organising the interview content and questions. This was the one I found most useful for my research, and following Dörnyei (2007:136), this allowed me to "follow up interesting developments and to let the interviewee elaborate on various issues". This aspect of the research was utilised after the various field visits where further data was collated, reviewed and analysed. This was particularly useful where the respondents were sent the list of interview questions before the scheduled dates to give them time to review and most importantly furnish any additional information which would add value during the interaction with them.

The semi-structured interviews supported by Rubin and Rubin (2005:88) allowed "depth to be achieved by providing the opportunity on the part of the interviewer to probe and expand the interviewee's responses". I compiled a checklist, through a list of research questions "allowing for in-depth probing while permitting the interviewer to keep the interview within the parameters traced out by the aim of the study" (Berg, 2007:39)

The last type of interviews which I did not make use of is focus group interviewing.

Focus group interviewing, according to Barbour and Schostak (2005:46), is "...an interviewing technique in which participants are selected because they are a purposive, although not necessarily representative, sampling of a specific population, this group being 'focused' on a given topic". This type of interviewing, states Alshenqeeti (2014:40) requires "skilful chairing and attention to the physical layout of the room and group size". One of the advantages identified by Berg (2007:45) is that a particular strength of this type of interviewing is that participants may "...develop ideas collectively, bringing forward their own priorities and perspectives, to create theory grounded in the actual experience". Most of the crafters in the various organisations work on part-time basis and tend only to be employed if large orders are placed. They have very little input insofar as operations of the organisations are concerned and I did not see value in having focus groups which would have contributed to my research.

Qualitative research attempts to study the whole situation in order to evaluate its complexity and ensure that their conclusions take account of both unique and general factors. Qualitative research is interpretative and ethnographic in nature and the underlying approach, as Atieno (2009) explains and which was central to my research, requires detailed observation, explanation and assumes that it is impossible to define exactly what elements are important and crucial and should be considered to the exclusion of others. Validity, as Atieno (2009) further argues, is more important than attempting rigorously to define what is being observed. In this instance, the validity was applicable to the data collection from all the organisations and individuals interviewed from the selected NAC-funded beneficiaries.

In sum, there is no fixed method of analysing interview data in the literature, yet researchers should cautiously deal with it as it affects not only the quality of an interview, but the validity and reliability of the whole research.

Linked to this, was having an overview of the craft sector in the selected provinces to gain a thorough understanding of how the craft enterprises function in their respective environments and to consider what was unique in each province with regard to funding opportunities complementary to the NAC funding, and how this had

an impact on the craft enterprises in beginning to think about sustainable business operations.

Qualitative research is good at simplifying and managing data without destroying complexity and context (Atieno, 2009). Qualitative methods are highly appropriate for situations where pre-emptive reduction of the data will prevent discovery. If the purpose is to learn from the participants in a setting or a process the way they experience it, the meanings they put on it, and how they interpret what they experience, the researcher needs methods that will allow for discovery and do justice to their perceptions and the complexity of their interpretations. Qualitative methods have in common the goal of generating new ways of seeing existing data. I particularly found that the information gathered from files of the beneficiary organisations from the NAC were a bit limiting in that it did not allow me the opportunity to engage with the respondents in their natural settings. .

The advantages of the qualitative methodology, according to Choy (2014), is that it is a homogeneous exploration in that all people interviewed were crafters, and it allowed for more issues to be raised through broad and open-ended inquiry. The fact that I used homogenous sampling is a purposive sampling technique, in which the sample consists of people who share for example a similar occupation. In this research, individual crafters and organisations assisted me with the goal of understanding and describing them in depth.

1.4.3 Data analysis

The method of reporting open-ended interviews resulted in the production of transcriptions for analysis (Bell, 1987). The data collected were analysed through coding. Alshenqeeti (2014) identifies two steps in the coding process, namely, generating meaningful data units and classifying and ordering these units, believing that such a process reduces data analysis considerably. The various data units in my instance included putting all the information into various themes. According to Creswell (2014), the analysis process should also be reflexive, i.e. including the researcher's interactional experience with interviews.

Reporting an interview is a major step that eventually has to be done; however, the nature of the reporting is somewhat decided by the nature of the interviewing (Bell, 1987). For instance, a structured interview, which may yield numerical data, can be reported succinctly in tables and graphs, whilst an open-ended interview which would yield word-based accounts, may take up considerably more space (ibid.). Throughout the field work, I focused on exploring issues such as what would enable organisations to thrive in the absence of funding and the positive and negative effects of NAC funding on the craft sector.

My approach also had elements of narrative research, a design of inquiry from the humanities as Riessman (2008) explains, in which the researcher studies the lives of individuals and asks one or more individuals to provide stories about their lives in relation to the craft sector. This was evident from all the crafters and craft organisations with particular reference to the ones from Kwa-Zulu Natal. This information is then often retold or restored by the researcher into a narrative chronology (Riessman, 2008). This approach assisted me in collating the information dated from 2010 until the current period for the selected craft organisations.

1.5 LIMITATIONS

Since I was not a member of the various organisations and was not able to spend any length of time with the respondents to give me an indication of how they worked in practice in their various organisations, in my role as an observer, I had to take the information given at face value.

I had expected that all the information related to the beneficiary craft organisations would be readily and easily accessible at the NAC office. This was not the case. This caused a delay in my gathering the necessary information about the selected organisations prior to setting up the interviews with the respondents. I was able to overcome some of these obstacles by getting in touch with the respondents via email and follow-up telephone calls to gather preliminary data to give me some understanding of them and most importantly how they had benefited from NAC funding.

1.6 CHAPTER SUMMARY

I believe that the qualitative data gathering, where I was able to interact with the respondents, proved useful for me in that I gained a deeper understanding of the challenges they face in an environment where funding is erratic, in some instances, non-existent and mostly unpredictable.

Furthermore, through my interactions with the respondents, I was able to gain more insight into how they used the funds allocated from the NAC and to what extent that had given them the necessary strategies to think about and respond to sustainability for their respective organisations.

I also found that purposive sampling proved effective in my methodology in that the individuals and organisations selected were able to furnish me with the required information as per the interview questions set out.

CHAPTER 2: CONCEPTUAL FRAMEWORK & LITERATURE REVIEW

2.1 INTRODUCTION

The literature selected reflects on the issue of resilience and sustainability in craft enterprises within a South African context with particular reference to the chosen NAC funded craft organisations. The definitions of resilience and sustainability were explored at length and authors such as Holling (1973), Robinson (2010) and Miller (2016) were used in my research to look at how craft enterprises should start thinking of developing strategies which will lead to some form of resilience and sustainability and in what context they will be able to do that.

2.2 THE NOTION OF RESILIENCE, LEADERSHIP AND SUSTAINABILITY IN THE CRAFT SECTOR

2.2.1 Resilience

The term "resilience" originated in the 1970s in the field of ecology from the research of Holling (1973:14), who defined resilience as "a measure of the persistence of systems and of their ability to absorb change and disturbance and still maintain the same relationships between populations or state variables".

Absorbing disturbance implies that there is a certain amount of change in an organisation's status quo and, armed with the necessary knowledge and strategy, it will be able to handle that change. The type of disturbances could be a global economic crisis, a change in leadership, cultural policy amendments or reduced funding opportunities. I was interested to explore the disturbance in terms of funding for craft organisations and what kind of knowledge should be in place for them to look at a financially resilient future.

Holling (1973:14) defines resilience as "the ability of a system to absorb disturbances and still retain its basic function and structure" and Walker and Salt (2006:1) as "the capacity to change in order to maintain the same identity" Another perspective in which Miller (2016) puts into the difference between resilience and sustainability

resonates with me. Miller (2016:10) notes that the terms are different but interrelated and describes sustainability as how society manages resources for the long-term. He goes further to say that it is being able to use something without it being completely destroyed or depleted and adds that it is the "ability to return to any original shape or function and it is anticipating and planning for change".

Robinson (2010) suggests that organisations and sectors need both resources and adaptive skills to be resilient over time. He emphasises that resilience issues are more about the softer, less tangible aspects of an organisation that relate to its culture, leadership and vision. He argues that leadership skills alone will not deliver resilience as they could be undermined by a lack of financial flexibility or a predominance of silo working and a lack of networks

This notion is further emphasised by Van Breda (2001:5) who defines resilience as "the skills, abilities, knowledge, and insight that accumulate over time as people struggle to surmount adversity and meet challenges." Both Robinson (2010) and Van Breda (2001) draw on similar themes where leadership is concerned such as having the vision, in addition to insight to overcome adverse situations. I particularly looked at factors such as leadership and vision to explore whether and under what conditions craft organisations can become more resilient.

According to Seville (2010), resilience is about ensuring that organisations are still able to achieve their core objectives in the face of adversity. This means not only reducing the size and the frequency of crises but also improving the ability and agility of the organisation to manage the crises effectively. To be truly resilient, an organisation also has to be constantly aware of the factors Van Breda (2001) refers to such as overcoming challenges and evolving in response to its changing environment and seeking out opportunities even in times of crisis.

Resilience is, as Zolli and Healey (2014) maintain, is the capacity of a system, enterprise or person to maintain its core purpose and integrity in the face of dramatically changed circumstances. It is having the human resources – from staff to board members to other volunteers – who are flexible and innovative, calculated risk-takers and level-headed thinkers, who can strategise for the good times while

including buffer plans for the bad times, all the while not compromising the mission (Otten, 2009).

Part of my research investigated how the craft organisations overcame crises of intermittent funding cycles from the NAC and also strategies they put in place such as having the staff and proper governance structures to withstand these financial disturbances.

Additional readings from Seville (2016:1) on resilience in organisations gave a deeper meaning. She notes:

> "An organization's resilience is drawn from its planned and adaptive capabilities. Organizations that invest in their planned resilience capabilities are able to sense change as it emerges, take action to minimize the downside risk, and to extract maximum upside. They are able to prevent many crises from ever occurring, and when crises do occur, they manage them responsively and effectively. However, planned resilience capabilities will only get an organization so far. No crisis ever fits the plan, and organizations inevitably need to find ways to adapt and evolve. Being both planned and adaptive is the key to resilience".

The research programme on *Resilient Organizations* which she championed and that involved more than 35 active researchers of diverse expertise and perspectives resulted in their identifying 13 indicators to assess the resilience of an organisation.

These are graphically illustrated in the diagram below which the researchers developed:



Figure 2.1: Resilience Indicators

Source: (Seville, 2016)

According to Seville (2016) and her team of researchers, the 13 indicators of resilient organisations are:

- Leadership where there is evidence of provision of good management and decision-making during times of crisis, as well as continuous evaluation of strategies and work programmes against organisational goals.
- Staff engagement and involvement. The staff needs to be empowered and use their skills to solve problems in addition to having an understanding of the link between their own work and the long-term success of the organisation.
- Situation awareness is where the staff is encouraged to be vigilant about the organization, its performance and potential problems.

- Decision-making ability of the staff on issues related to their work and that authority is clearly delegated to enable a crisis response.
- Innovation and creativity are other elements where staff are encouraged and rewarded for using their knowledge in novel ways to solve new and existing problems, and for utilising innovative and creative approaches to developing solutions.
- Effective partnerships means that there is an understanding of the relationships and resources an organisation might need to access from other organisations during a crisis including planning and management to ensure this access.
- Leveraging knowledge is where critical information is stored in a number of formats and locations. The staff, in this instance, would have access to expert opinions when needed.
- Breaking silos means that there is minimisation of divisive social, cultural and behavioural barriers, which are most often manifested as communication barriers creating disjointed, disconnected and detrimental ways of working.
- The use of the organisation's internal resources is how the management mobilises them to ensure its ability to operate during business as usual, as well as being able to provide the extra capacity required during a crisis.
- Unity of purpose is an organisation-wide awareness of what its priorities would be following a crisis and clearly defined at the organization level.
- Proactive posture is a strategic and behavioural readiness to respond to early warning signals of change in the organisation's internal and external environment before they escalate into crisis.
- Planning strategies need to be developed and evaluated to manage vulnerabilities in relation to the business environment and its stakeholders.
- Stress testing plans the staff would be required to participate in simulations or scenarios designed to practice response arrangements and validate plans.

Among these 13 indicators, there are some indicators are more potent than others.

There will be a further discussion of these indicators in my findings which highlight how some of the organisations interviewed displayed evidence of resilience. Some of

the indicators such leadership and staff engagement served as a useful tool for me to thematically classify my findings.

2.2.2 Leadership

In his seminal work, Young (2014) explores the concept of visionary leadership. According to Bass and Wren (1995, cited in Young, 2014:37), leadership is a highly complicated and modern concept, which appeared in literature in the first part of the 19th century. Young (2014:38) further describes leadership "as a focal point of group purposes, as a question of personality, as an actor that induces compliance, a discharge of influence, and a personification of certain key behaviors and skills". In addition, he explains that leadership is also "a form of persuasion, an interactive relationship(s), and a propensity to achieve goals or bring about results".

Young (2014:16) citing Albrecht (1996), note that, generally speaking, "leadership is the capability to focus human energy to achieve defined outcomes". Furthermore, an effective leader, in working with others, must possess vision and values, direction, persuasion, support, development, and appreciation. To be a visionary, the leader must be able to see the "big picture." This means comprehending the current overall situation and circumstances, and then deciding where to go in the future. It also means articulating the purpose and values of the organisation and developing a strategy for bringing it forward. As Albrecht (1996, cited in Young, 2014: 23-24) states, "the leader must make these values real and compelling for others".

Nanus (1992:4) was instrumental in forwarding the definition and meaning of leadership and its relation to visionary thinking. He states that "effective leaders have agendas and that they are totally results-oriented. They take on demanding new visions of what is possible and desirable, communicate these visions, and persuade others to become committed to them".

2.2.3 Sustainability

The current application of the word "sustainability" in the cultural domain is closer to the language of economics where resilience means building sustainability, achieving sustainability and creating a sustainable future. Miller (2016) states the resilience relates to how society manages resources for the long-term and that it means being able to use something without it being completely destroyed or depleted, and with forward planning by organisations, they should be able to thrive.

Ballinger (2008) states that implicit in the granting of the funding is that after it has been expended, the artist or organisation is expected to move towards a state of sustainability.

However, other authors such as Moss (2009) question what sustainability means in the context of the arts and says it is not clear-cut because it carries two meanings, one coming from a donor perspective where a "sustainable" business model essentially means one that generates money from people "other than them" on a consistent and reliable basis, preferably in direct exchange for goods and services. He believes that there are many problems with this way of thinking about the concept, and challenges the notion that reliance on altruism is necessarily a risky strategy. According to him, sustainability in non-profit organisations exists on a continuum; which he states is best understood as the likelihood that financial health (or growth) can be maintained in the near future under current conditions.

Drawing from the etymology of sustainability coming from the Latin *sustinere* (tenere, to hold; sus, up – "to hold up"), Ragsdale (2012) believes that it is a romantic and, therefore, inaccurate, view of sustainability in the arts sector. Her preferred definition is using resources at the rate at which they can be easily replenished, and, similar to Moss (2009), she is of the opinion that in the arts sector, talented people motivated to do the artistic, production, and administrative work; critics and audiences to show up and give the work attention; and, most critically, cash from donors or governments or sponsors to help cover the costs not covered by the box office, are key to the sustainability of the arts organisations' ecosystem.

She highlights an important point in that arts organisations and those that support them often have different, perhaps even contradictory, ideas about what is meant by sustainability and notes that, when arts organisations use the term "sustainable", what they often mean is, "How do we cultivate stable, reliable sources of support? How can we get our donors, our funders, our governments, and our corporate sponsors to commit to long term support? How long before we are no longer clawing our way to break even at the end of the fiscal year?" while funders, in contrast, use the term sustainable to mean, "How long before you are no longer reliant upon me to help you pay for this?" I explored these differences of emphasis in my research from both sides of the funding relationship.

The paradoxes of sustainability are explored by Voinov (2001:1) who comes to the conclusion that all definitions of sustainability have one thing in common: an assumption about "keeping something at a certain level" – that is, a resource, system, condition, or relationship – and points out that the sustaining of something at a certain level or state seems to belie the fact that living systems tend to go through life cycles: growth, followed by conservation (or inertia), followed by release (obscurity or death), followed by renewal and new growth. He argues that, in the case of the arts, we need to think about where we may be seeking the "unnatural perpetuation of what might otherwise die"?

Revisiting the origins of the word sustainability, Ragsdale (2012) emphasises the paradox of sustainability embedded in the very roots of the word and the different meanings of the phrase "to hold up" meaning to uphold in the sense of to perpetuate, support, defend, carry forward and alert people to the fact that to 'hold up' can also mean to stop, to block, to keep in a specified state or relation. Questions around the need for sustainability were explored and this assisted me to draw conclusions about what craft organisations need to be thinking about in overcoming this need for perpetual grant funding and most importantly to achieve financial resilience.

2.2.4 Funding of arts and culture organisations

The arts and culture sector in major nations such as the United States, the United Kingdom and in several European countries face major challenges, as a consequence of ongoing austerity measures and changes in the ways in which the arts are experienced and also funded. This is noted by Daniel (2017) who also adds that many Asian countries have invested heavily in building their arts and culture as part of the new twenty-first century economy.

A strong case needs to be made by arts organisations as to why they should be funded to assist them to reach sustainability. Knell (2013:7) notes that such a case will require the arts organisations to improve existing rationales, but also embrace new ways of telling a richer story about how they create value. In addition he notes that all publicly funded art has a responsibility to give a clear account of its value to the society that funds it. He suggests that there is a need for a different possibility and that is; developing innovative ways of making a robust instrumental case for arts funding but in terms that recognise what is different and special about artistic participation and appreciation.

Knell believes that funders also need to be clearer about their rationales, and more committed to building an evidence base that can decisively display the spectrum of instrumental value created. He further argues that arts leaders will have to become more comfortable with playing expanded roles in civic and public life, the most important part of the arts mixed economy. A mixed economy[2] refers to the economic system where the economic activities are directed by both the private sector and the government. In other words, it is the market economy which is regulated by the government or the state. A mixed economy reflects characteristics of both market and planned economy. At present, most real world economies are mixed economy.

Cobb (2002), although speaking about philanthropy, suggests that in times of austerity in particular, arts organisations should be looking at alternative, imaginative and practical ways of fundraising which will lead to some form of sustainability and

[2] https://www.chegg.com/homework-help/definitions/mixed-economy-12

resilience . She argues that arts and culture organisations need to be aware of these priorities and approaches to funding when formulating their own fund-raising strategies and by extension securing financial sustainability in the long term.

In a commissioned report, McMaster (2008) argues that funding bodies must move to a new assessment method based on self-assessment and peer review that focuses on objective judgements about excellence, innovation and risk-taking. He notes that it should be made up of people with the confidence and authority to take tough decisions. He adds that funding bodies must also have, as the quid pro quo for removing 'top-down' targets, the ability to intervene strategically when an organisation is failing

Added to these concepts of excellence, innovation and risk-taking, he says that there must a commitment to diversity. He believes that artists, practitioners, organisations and funders must have diversity at the core of their work and that they need to put it at the heart of everything cultural.

He notes that innovation is understood to be the introduction of something new, where old methods and systems are insufficient. Innovation is therefore an integral part of the search for excellence, and should be encouraged if we are to encourage excellence. Risk-taking is about experimentation and pushing boundaries in ways which artists and practitioners themselves may not be sure will work. He believes that innovation and risk-taking and above all excellence are better rewarded; and that they need to be at the centre of the funding and assessment framework for every organisation, large or small.

2.3 CONCLUSION

What resonated with me when I engaged with these various theorists was the work of Robinson (2010) who believes that resilience is more about the less tangible aspects such as passion, commitment and dedication. Leadership skills alone, he argues will not deliver resilience. However, on the issue of leadership, Robinson (2010) does stress the importance of having the vision and insight to combat adverse situations. Van Breda (2001) believes that organisations have to be

constantly aware of an ever changing and evolving environment and seek out opportunities in times of crises.

I was able to gain a deeper understanding of leadership whilst on the field through the work of Nanus (1985) on effective leaders in that they need to have clear agendas which are results-oriented. Following Miller (2016) the research explored the extent to which forward planning was pursued by the grant beneficiaries since, as he explains, this is necessary if organisations are intent on building a resilient and sustainable future. .

The work of McMaster (2008) also assisted me in my research where he notes that when funders, in this instance the NAC , review their funding policies for arts organisations and the impact of such funding, they need to take into consideration excellence in the organisations which they fund. He also reiterates what Seville (2016) and her team of researchers said when it comes to leadership that there must evidence of provision of good management and decision-making during times of crisis, as well as continuous evaluation of strategies and work programmes against organisational goals. He concluded by saying that there needs to be a more confident articulation of the concept of excellence – from government and funders to artists and cultural organisations.

Resilience is, as Zolli and Healey (2014) maintained, is the capacity of a system, enterprise or person to maintain its core purpose and integrity in the face of dramatically changed circumstances. The two theorists assisted me in my research in coming to the conclusion that this is important on how arts organisations should be looking at innovative ways of overcoming the crises of intermittent funding cycles from the NAC and also strategies they have to put in place. Furthermore, Otten (2009) articulated that human resources – from staff to board members to other volunteers, who are flexible and innovative, calculated risk-takers and level-headed thinkers, can strategise for the good times while including buffer plans for the bad times, all the while not compromising the mission.

CHAPTER 3: DISCOVERIES IN THE FIELD

3.1 CONTEXTUALISING THE SOUTH AFRICAN CRAFT SECTOR – A HISTORICAL REFLECTION[3]

The purpose of this section is to give a brief contextual overview of the South African craft sector from the beginning of the era of democracy. It will touch on a selection of the important developments and highlight some of the challenges experienced by sector policies, frameworks and initiatives that have been embarked on to develop the craft sector by national and provincial government as well as by other stakeholders. It will be followed by information on the NAC craft funding policy and outline how beneficiary organisations are allocated grants for their operations.

This section is in two parts, firstly a working definition of craft in relation to the creative industries and secondly a historical overview including a timeline of policy developments and initiatives that have influenced the current status of the craft sector.

3.1.1 Definition of Craft in Relation to the Cultural and Creative Industries

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

> "Craft refers specifically to the production of a broad range of utilitarian and decorative items manufactured on a small scale with hand processes being part of the value-added content. The production of goods utilises a range of synthetic and natural materials." (AGTAG, 2004)

[3] The sections on "Contextualising the South African craft sector – a historical reflection" and "Definition of craft in relation to the cultural and creative industries "were written in collaboration with Palesa Mopeli, a fellow MA researcher who conducted a complementary research report on the impact of NAC funding on the craft sector focusing on ""Public Investment in the Craft Industry in South Africa: An exploration of the values of craft projects funded by the National Arts Council in Limpopo and Mpumalanga (2013-2014)".

Cultural Industries Growth Strategy (CIGS) noted that the creative industries are characterised by being both knowledge-intensive, involving highly skilled workers, and labour-intensive by creating more than the average number of jobs. The craft sector falls within the labour-intensive category in that crafters, depending on the product being produced would spend numerous hours in coming with the final product.

It further noted the craft sector is characterised by a high level of small and micro-enterprises of producers of creative products and content. Furthermore, the sector is afforded flexibility by its close relationship with related and flexible networks of production and service systems (Joffe & Newton, 2009). The make-up of the craft sector is that it consists of a combination of individual practitioners and both formal and informal organisations.

According to CIGS (1998), the future outlook of the South African craft sector has the potential to contribute to some of the key government priorities such as black economic empowerment, rural and urban development, small business and poverty alleviation. CIGS asserts that the nature of businesses in micro-enterprises particularly requires that the proprietor fulfils a number of organisational roles that may range from being a producer, agent, marketer and retailer. What is common in the craft sector is that crafters play the role of producer and manufacturer of goods and products. The marketing aspect is often left out as part of this. The multi-tasking nature of work in the industry sub-sectors carries over into the nature of businesses across the entire creative industries value chain.

> "Creative South Africa" was the first major study to use a value chain analysis for creative industries in South Africa. This was partly in reaction to the arts-for-arts sake approach that had dominated much of the work in South Africa and the SADC region on culture. It represented an attempt to promote and understand these cultural industries as an economic sector that generates wealth and employment. Joffe, (2005:4).

CIGS also highlights that the cultural sector (especially performing arts, dance, parts of the craft sector, and heritage) as a whole is heavily dependent on government

funding and as such is relatively unstable given the inconsistency of the arts funding landscape. There tends be some dependence on funding from organisations within the craft sector for support on items such as purchasing of equipment and of materials for the manufacture of their products. This is not necessarily the case for the creative industries (music, elements of the craft sector, fashion, film and video production) which are able to operate on business principles and generate income. Some of the elements of the craft sector referred to are when organisations and individuals within the craft sector are able to utilise additional income and reinvest into the business.

In South Africa, recognition of "creative industries" began with the important series of reports produced on "cultural industries" for the (former) Department of Arts, Culture, Science and Technology by the Cultural Strategy Group (1998). The category of "cultural industries" was defined widely to incorporate music, visual arts, the publishing sector based on creative writing of literature, audio-visual and media sector, performing arts, as well as the craft sector which included traditional African art, designer goods and souvenirs. These industries also included cultural tourism and the cultural heritage sector. The Cultural Strategy Group (1998) added to this the sectors of design and fashion which were seen as "sectors where creative input is a secondary but critical means of enhancing the value of other products whose marketability and effectiveness would otherwise be lessened" (Rogerson, 2010:1).

The Western Cape Provincial Micro-Economic Development Strategy provides additional insight into the core purpose and meaning of the creative industries by using a more "inclusive working definition" of the creative industries as, "those areas of social and economic activity that are premised on – or closely allied with – individual or collective intellectual or artistic creativity, innovation and originality and/or the preservation, teaching and celebration of cultural heritage including language and which have the capacity to provide work and generate income for the original creators as well as for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences." (Van Graan, 2005:6).

3.1.2 Development timeline

The timeline below is a brief outline of some of the initiatives and policies which have informed the development of the South African craft sector.

Table 3.1: Timeline

Date of Report and Publication
1996 – The Constitution of the Republic of South Africa (Act No. 108 of 1996) states that all citizens have the right to freedom of expression. It goes onto to highlight the fact that local government is to be tasked with the promotion of social and economic development of communities and that municipalities should play a pivotal role in ensuring this. This for example can be considered through the provision of basic infrastructure such as roads in rural and township areas. Having this infrastructure will aid these marginalised areas in becoming more socially and economically accessible by both locals and tourists (provided that they have the infrastructure and resources necessary to showcase and attract a market for example for their craft products).
1996 – The White Paper on Arts, Culture and Heritage aimed to focus on the promotion of the Arts, Culture and Heritage as significant and valuable areas of social human endeavour in themselves. The White Paper committed government to making an impact on economic growth, development and tourism through targeting the development of the cultural industries. The White Paper of 1996 was premised on transformation and the redress of past imbalance (The Archival Platform, 2013). In addition, it was clear that in the distribution of public funds to artists, cultural institutions, NGOs and CBOs, the craft sector needed to be considered.
1997 - National Arts Council Act saw the establishment of the NAC as recommended by the 1996 White Paper; with this, government sought to improve and promote the fair distribution of funds in the sector. Between 1999 and 2003 the NAC drove an initiative which was designed to use what was to be referred to as the "provincial arts fairs" as platforms for training and marketing of emerging craft enterprises and crafters.
1998 – CIGS, as noted above, a strategy initiative recommended by the 1996 White Paper, concentrated on developing strategies for the growth and development of the cultural industries; it has been instrumental in deepening the understanding of the

craft sector as it highlights the craft sector as a source of income generation for the most economically disadvantaged, namely, black rural women. Drawing attention to the fact that craft is dominated by black rural women, CIGS identified craft as an entry point into the economy for those considered economically disadvantaged, through the development of skills base, the labour pool and small, medium and micro enterprise (SMME) development. The strategy also provides a comprehensive definition of craft as it distinguishes between the various types of craft such as traditional craft, craft art and functional wares to name a few (Department of Arts, Culture, Science and Technology, 1997).
1998 – The establishment of the Sector Education and Training Authorities (SETA) and officially launched in 2000 was aimed at skills development, along with training and education. The Media, Advertising, Publishing, Printing and Packaging MAPPP SETA, in particular, was set up to support and facilitate education and training in the fields of various media, namely advertising, visual arts, craft, film and electronic media, cultural heritage, and publishing in general. The cultural industries were serviced by the MAPPP SETA programmes through Create South Africa.
1998 – The Due-South Initiative which was a mapping of craft and places where one could explore craft associated places of interest. This database highlighted who was who in the craft sector, particularly the crafters and craft projects/enterprises. The final document was targeted mainly for tourists visiting South Africa and to give them an overview of the diversity of the craft sector.
1999 – 2003 - NAC spearheaded an initiative which was designed to use provincial craft fairs as platforms for training and marketing of emerging craft enterprises and crafters. According to the Department of Arts and Culture (DAC), discussions on this strategy during that period were mostly limited to the NAC, the Department of Trade and Industry (DTI), the DAC, and what was known as the Mineworkers Development Agency (MDA) and the Arts and Culture provincial departments. In addition, the DAC mentions that when the DTI established the Cultural Industries Directorate within the then Trade and Investment South Africa (TISA), this was to herald a turning point in the right direction in addressing commercial and market access issues of the craft industry. The DAC noted that since the establishment of this unit, the DTI has been at the forefront of developing the sector's ability to interface with various platforms which

are aimed at enabling greater market access.
2001 - The DAC conceptualised and staged the National Craft Imbizo in 2001
2002 - The Tourism Enterprise Programme (now Tourism Enterprise Partnership, [TEP]) was responsible for the work on the development needs of small enterprises in the tourism sector. TEP collaborated with DAC in the staging of the 2nd National Craft Imbizo at the World Summit on Sustainable Development (WSSD) by subsidising the PSA accreditation fees that crafters had to pay. The TEP was also instrumental in the early stages of the domestic market access initiative by the DTI called "One of a Kind Exhibition" which later evolved into the South African Handmade Collection. In recognition of the critical need for crafters to access information the DAC published what was known as the Craft Information Handbook and Directory which was disseminated to crafters and craft practitioners in 2001. **Note:** The DAC subsequently commissioned the then Cape Craft & Design Institute (CCDI) in 2014 to have an updated version: "Growing your creative business: A guide for craft producers, designers and other creatives".
2002 - The National Craft Imbizo II coincided with the WSSD. The now defunct *Beautiful Things Exhibition*, which was managed by the Craft Council, a craft development NGO moved to the Bus Factory, a crafts exhibition centre in Newtown, Johannesburg. The Bus Factory is a partnership initiative between the DAC, the Gauteng provincial government, the City of Johannesburg and the Johannesburg Development Agency. It was envisioned that this initiative would result in the Bus Factory becoming a hub for the country's craft industry – showcasing crafts from all nine provinces and operating as a centre for training and development workshops. The now defunct Craft Council, formerly known as the Craft Action Body embarked on a number of craft activities such as organising and mounting FNB VITA Craft Competition, distributing a quarterly newsletter, maintaining a national database of crafters, running a range of workshops and training programmes for crafters. Even though the national Craft Council of South Africa no longer exists there have been regional organisations have been more successful in establishing themselves and actively participating in the sector. The CCDI, now the CDI, supports craft producers with business training, market access, product development and helps to network all players in the product-to-market chain. They provide training and facilitate product support groups for networking. Another Johannesburg-based NGO

is The Africa Craft Trust and their mission according to their website, "to implement programmes which enable the growth of commercially viable craft enterprises and invests in the holistic support of crafters and the sector".
2003 - Following the road paved by the CIGS, *A Practical Market Access Guide for the Western Cape Crafters: Home Textiles & Soft Furnishings in the USA & UK Markets* was published. This guide (by Kaiser Associates Economic Development Practice for the CDI) focuses on encouraging a market-led planning process to assist craft producers in the Western Cape understand the opportunities in the furnishings and home textiles export market. This report emphasises the need of understanding the type of consumer the producer is targeting in order to develop a suitable product. It emphasises the need to have the targeted trends lead the product development phase as this is crucial to ensure that adaptability of products as well as the sustainability of the enterprise. This thinking, similarly to CIGS, is just one of the strategies that enterprises can use to ensure their growth and development and in turn the growth and development of the sector and economy.
2004 - *The South African Craft Sector Report* (Elk, 2004), is an overview of the craft sector – a timeline in itself – and is like the Western Cape Crafters guide above, but makes an addition by stating that the use of design input, together with the application of traditional skills and material to contemporary products, births new possibilities and new markets or may open existing markets. This overview makes an interesting statement (to which we will return in our reports) regarding intermediary companies; it asserts that these companies are crucial in that they assist with pricing, distribution and marketing of products on behalf of the producers (Elk, 2004:17-18). In this document, it was put to national government that it should, by the end of 2004, have ensured and put in place the necessary funding and support mechanisms that will establish and assist key stakeholders and institutions with the implementation of key programmes.
2005 – The DTI embarked on an initiative called the Customised Sector Programme (CSP) on craft and film in 2005. The CSP is an important addition to the knowledge base about these specific creative industries. This programme represents critical milestones in the development of the creative industries and these sectors in particular, because the alignment to current industrial and trade policy and the commitment to a series of structured, measured and coherent interventions is

documented and approved by the highest level of government.

Notably, it draws attention to strategies aimed at providing support for the growth and development of craft manufacturing enterprises. This DTI strategy is highly instrumental to provincial government and their strategies. The CSP brings to light the lack of "coordination, information dissemination and a common vision with provinces, it further identifies the lack of a reliable national sector profile data and up-to-date market intelligence and weak skills base on the manufacturing enterprise side" (DTI, 2005:7) in the hope that provincial governments will address these constraints and challenges at provincial level. The success of this would mean that national government is aided with regard to these matters; it would, in the same breath, allow each province the opportunity to strengthen the economic development in the provinces respectfully.

The CSP was the result of two-year long consultative meetings with both national and provincial level departments of Arts & Culture and Economic Development & Tourism, provincial trade and investment agencies with involvement from representatives of the DTI, DAC, DEAT and TEP, DoL, DST, CSIR, MAPPP-SETA/CreateSA, PSA, Umsobomvu, Industrial Development Corporation (IDC), provincial, craft sector development organisations, sector experts and industry (DTI, 2005:8).

The conclusions of the Craft CSP state that the creative industries and their sub-sectors exist on different levels and that each has potential for "significant growth", stating that this will lead the industry having greater impact on the economy and social life of South Africa (DTI, 2005:68). In order to achieve this potential, the report highlights improved coordination, implementation and management of the relevant strategies as being crucial. The Craft CSP concluded that craft is viewed as a "luxury item", stating that craft speaks directly to the economic health of a country. China's craft industry is the primary competitor to South Africa's due to its vast industrial sector and large labour force (DTI, 2005:13).

2005 – Accelerated and Shared Growth Initiative of South Africa (ASGISA) identified the creative industries, and particularly the craft and film sectors, as one of the drivers of sustainable economic opportunities and livelihoods for local communities whilst expanding business opportunities for SMMEs. The recognition of the creative industries in the ASGISA programme was a direct result of the ongoing

efforts of the DAC to remedy the neglect of this important sector from mainstream trade and industry policy. The ASGISA process represented one of the first indications that the sector was recognised as having value in its own right.
The recognition given to the creative industries by the President of South Africa and its inclusion into the ASGISA framework as a key sector did much to raise the status of the creative industries and ensure that national government departments as well as other spheres of government begin to develop practical interventions to support the growth of these industries.

2007 – Launch of the **National Industrial Policy Framework** (NIPF) and the Industrial Policy Action Plan (IPAP). The IDC, established in 1940, is a national development finance institution set up to promote economic growth and industrial development. The IDC was instrumental in the formulation of the NIPF, specifically through its constructive relationship with policy makers, research assistance and economic modelling expertise, and by playing an advisory role on industrial and socio-economic development matters. The NIPF and the IPAP were designed to provide clarity and transparency to the private sector and other partners, both domestic and foreign, on the direction of critical elements of economic policy. The documents constitute the framework for Government's industrial policy.

2008 - Craft Strategic Framework, formulated by the Gauteng Department of Sports, Arts, Culture and Recreation was informed by research conducted on the craft industry in Gauteng. This framework seeks to address issues including access to resources, market access, skills development, initiatives with the design sector, enterprise development and coordination of value chain (Gauteng Department of Sports, Arts, Culture and Recreation, 2008).

2009 - Review of the Special Company Funding Programme: A Report for the NAC of South Africa. This review of the NAC's Special Company Funding programme speaks to the four issues that NAC funding highlights, provides a programme overview and briefly speaks to funding traditional art forms.
The review states that this funding is made possible by the use of the surplus finance from company funding allocations. These funds are then re-allocated to projects and organisations located in the targeted priority provinces being Mpumalanga, Limpopo, Northern Cape, North West, Free State and Eastern Cape. These projects are identified by the provincial representatives on the Board of the NAC. The criteria for

these projects are that they must be of "national and artistic significance and impact on project beneficiaries" (Gaylard, 2009:5). The implications of this report place, for one, the organisational development at the centre of the discussion, stating that without careful consideration the NAC could be contributing and amplifying the issue of dependence of marginalised organisations. This applies to craft organisations, too. Added to this, the report proposes the development of a regional arts programme that aims to grow organisational resources and prioritising provinces. To date this has not occurred.
2010 - The New Growth Path (NGP) was adopted by the South African government as the framework for economic policy and the driver of the country's jobs strategy. These are set out in the NGP, which combines programmes across a wide front into a coherent package for development, decent work and inclusive growth. They bring together the priorities in manufacturing; mining and beneficiation; agriculture, rural development and agro-processing; infrastructure development; tourism; the creative industries and certain high-level business services. The NGP implications for the craft sector are that entities such as EDD, the DTI and DAC are to support employment growth in cultural industries, including crafts, film, music and drama.
2011 - The National Development Plan (NDP) 2030 "recognises arts and culture as open powerful spaces for debate about where a society finds itself and where it is going." The NDP notes the importance of promoting the creative and cultural industries as they can contribute substantially to small business development, job creation, and urban development and renewal. With reference to the craft sector, the NDP states that it contributed R3.3 billion to Gross Domestic Product (GDP) in 2010 and employs more than 273 000 people."
2010/11 – 2012/13 - Industrial Policy Action Plan (IPAP2) builds on the NIPF and the 2007/8 IPAP. It represents a significant step forward in scaling up their efforts to promote long term industrialisation and industrial diversification beyond our current reliance on traditional commodities and non-tradable services. The 2010/11 - 2012/13 IPAP rests on four cornerstones where firstly government intends to develop proposals to enhance access to concessional industrial financing for investment in IPAP priorities; secondly, to revise procurement legislation, regulations and practices to enable the designation of large, strategic and repeat or 'fleet' procurements in a range of sectors; thirdly, to deploy its trade policies more

strategically; and, fourthly, to target anti-competitive practices, particularly where these involve intermediate inputs to downstream labour absorbing production as well as consumer goods to low-income households. Some of IPAP's economic objectives include rural development through e.g. agro-processing, bio-fuels, forestry, aquaculture and strengthened linkages between tourism and the cultural industries with particular reference to the craft sector.
2011 - The National Department of Arts and Culture adopted the **Mzansi Golden Economy** (MGE) to fast track the arts, culture and heritage sector role in addressing and meeting government's strategic goals. The MGE and other national programmes were aimed at addressing the issue of market access for crafters. With the MGE, there were lots of expectations from the arts fraternity for long-term funding and strategic funding mechanisms that would ensure growth in the industry and accelerate transformation. The status quo is that MGE has been focused on productions rather than supporting strategies which bring about more equitable and representative arts industry.
2012-2016 – NAC Strategic Plan outlines the goals of the NAC to contribute to redress and transformation in the arts, establishing an effective funding model to distribute funds to all creative practitioners and institutions, operating at optimal level in achieving the NAC mandate and improving youth and audience participation and appreciation (NAC, 2012:20). Furthermore, the mandate of the NAC (2012:5) is to "provide and encourage the provision of opportunities for persons to practice the arts, promote appreciation, understanding and enjoyment of the arts". Added to this, the NAC has tasked itself with being in the forefront of promoting the benefits of the arts and venturing into partnerships that create possibilities of exposing new resources for the arts that will make minimal numbers of craft funded projects a thing of the past. This implies that craft organisations will get the necessary financial support to thrive.
2014 - The DAC commissioned the then CCDI in 2014 to have an updated version of the publication: "Growing your creative business: A guide for craft producers, designers and other creatives"
2014/15 - NAC Annual Report (NAC, 2015) is a reflective report detailing activities of the NAC throughout the year, strategic objectives and legislative mandate details information of the art disciplines and projects funded by the NAC. The report states

that a total of 91 craft projects were funded that year, two of these projects are highlighted as being projects that have achieved success in their product innovation and job opportunity creation and tourism-focused projects. The NAC highlights the lack of compliance and limited funding as some of the challenges that the council faced in the 2014-2015 financial year.

3.1.3 Conclusion

The above-mentioned initiatives from various national, provincial and local government entities have had some impact on the craft sector. Some of the major funding entities such as the DTI and the NAC have enabled most of the craft organisations the opportunity to showcase their products both nationally and internationally at various exhibitions.

Cape Town-based CDI with the mission of developing and promoting the craft and design sector is now the implementing agency for the sector in the province and are now seen as a model craft and design hub by the DTI. According to the CDI, they have more than 4 000 creative enterprises on its database. [4]

The craft sector continues to grow although, to date, there has been inadequate coordination and diverse objectives (including heritage management, poverty alleviation and commercial enterprise development). A review of the initiatives reveals that they are aimed at job creation, rural and urban development, export promotion, the empowerment of women and poverty alleviation. With the right focus, the craft sector has the potential to contribute to various government priorities.

3.2 NAC CRAFT FUNDING POLICY – A BRIEF OVERVIEW[5]

The information which follows gives a brief overview of the NAC craft policy and how this has informed the funding of craft organisations. The craft panel serves a term of

[4] http://www.thecdi.org.za/

[5] The following information was extracted from the second Craft Panel Meeting dated **2 and 3 October 2007** which was held in the boardroom of the NAC at 09h00 - 66 Margaret Mcingana and Gwigwi Mrwebi Street, Newtown, Johannesburg. There was a subsequent meeting held **14 and 15 July 2011** with a new craft panel to review the craft funding policy.

four years and it is their responsibility to ensure that resolutions taken in previous years are implemented as per the NAC mandate for the equitable distribution of funds to deserving arts organisations. Included in this section are the criteria used to determine how the funds will be utilised by the organisations.

3.2.1 Summary of the minutes of the craft panel meeting dated 2 and 3 October 2007

The NAC Craft Panel in 2007 were Prof P Zungu (Chairperson), Ms Julie Diphofa (Acting Chief Operating Officer), Ms Funiwe Kubalo (Acting Arts Development Officer Manager), Ms Simangele Chauke (Craft Arts Development Officer) and panel members; Ms J Letoaba, Ms Y Yokwana,Ms Tessa Graff and Mr W Mthembu.

The panel adopted the definition of the DTI that craft refers to the creation and production of a broad range of utilitarian and decorative items produced on a small scale (includes SMMEs, sole proprietors and rural craftspeople), with hand processes (includes crochet and knitting, wire-work, basket-weaving, pottery and beadwork) being a significant part of the value-added content which refers to eco-tourism and buyers who will pay more for hand-made products than mass-produced products.

They agreed on an internal policy on which type of craft projects were to be funded and there was also a clear distinction made between product types:

- collectibles: one-of-a-kind, high-value individually-made objects and
- indigenous artefacts: culturally derived objects, jewellery, fashion and fashion accessories and novelties and gifts including corporate gifts

In the production of goods, there is use of a range of natural (wool, wood and clay) and synthetic (acrylic, nylon and plastic) materials.

One of the items discussed at the meeting was the issue of partnerships where it was noted that the NAC needs to create networks, linkages, alliances, partners and

suppliers to serve the NAC mandate craft in the various provinces. In addition, it was noted that there was a need for a database to create effective supply chain management systems for service providers and referral systems of crafters for stakeholders. On the issue of capacity building in terms of the budget, it was recognised that craft is a discipline flooded by poor communities and individuals from various provinces. The panel stressed that craft as a discipline is dynamic and there is a need for innovation, creativity, knowledge-building, learning and archiving through research and development, capacity-building and mentorship.

Some of the panel recommendations included that there should be an increase/equal/fair distribution recognising the needy provinces such as the Northern Cape, North West and Mpumalanga. It was also resolved that the NAC should create a relationship with the funding organisations that shared the same vision and mission for the craft sector. Another important resolution was that roadshows were needed in rural areas and all that would be facilitated through tribal leaders.

3.2.2 Summary of the minutes of the craft panel meeting 14 and 15 July 2011

The NAC Craft Panel in 2011 Erica Elk (Chairperson), Annabell Lebethe (CEO), Goodwin Mnisi (COO), Julie Diphofa (Grant Manager), Simangele Chauke (Craft Officer), and Panel members: Magdalena Harley, Windy Mthembu, Andile Magengelele and Susan Sellschop.

The craft policy was reviewed in 2011 to determine what kind of projects the NAC needed to fund in building the craft sector. The criterion applied in funding craft organisations was innovation/new design for both traditional and contemporary traditional craft work. Emphasis was placed on projects which were more creative and not necessarily business-like. In addition, projects had to demonstrate growth in creativity which was seen as a priority, and business acumen.

Other important considerations were excellence of production, craftsmanship and quality of new products. In order to be considered, craft organisations needed to collaborate and were encouraged to attend both national and international exhibitions. When attending the said exhibitions, the crafters had to have marketing collateral such as catalogues, business cards, flyers and websites. The panel

expressed concern that traditional culture and cultural products should be resuscitated and sustained.

The frequency in terms of the number of times of funding for craft organisations was considered, and this was particularly for the allocation of funds for materials. The decision was that support should only be given twice. The main reason cited was that materials fall under consumable items and not assets.

Remuneration in the form of giving stipends to crafters was seen as an incentive in order for them to survive and sustain their organisations. The money received was to cover costs such as the purchasing of materials and sometimes equipment. The panel believed that failure to support crafters with proper stipends compelled them to have a forceful market that was driven by accepting low prices in order to sustain their daily living. Other costs covered by stipends were training interventions and transport allowances in attending these. The Craft Panel suggested that the stipend should be R800.00 per month per crafter.

The Craft Panel resolved that funding of equipment was necessary for certain types of craftwork like ceramics and that it should be once-off amount, subject to the availability of the budget. The maximum amount to be allocated was R50 000.00 towards buying equipment.

The training of crafters by accredited and registered service providers was also an important criterion to allocate funds to relevant parties. The content of the training would be in both technical skills and business skills. The plan was for the NAC to have a data base of trainers (service providers) and those who were on it would be given preference to implement the training.

The panel came to a consensus that within craft sector, there is a fashion design component and depending on the kind of materials crafters used such as rural designs or traditional materials, they would need to be considered for funding.

Bursary allocations for the crafters were only to be considered if an individual wanted to go into academia. The nature of the bursary allocation was that it should

be once-off for individuals on condition that they ploughed it back to the NAC. It was also agreed that preference should be given to craft organisations based in rural rather than urban settings.

3.2.3 Conclusion

Some of the resolutions that were taken and which informed the policy by the NAC craft panel will be referred to in my findings and there will be a discussion to what extent they were effective when funding was allocated to beneficiary organisations which were part of my research. In summary and in line with the NAC mandate for the distribution of funds, individuals, groups, organisations and institutions are eligible for funding. The type of projects that are to be funded are exhibitions, research and documentation, residencies, making of craft products, e.g. ceramics, pottery, wood carving, embroidery, appliqué, tapestry, weaving and textile design, exchange programmes in South Africa and abroad and attendance at conferences.

The budgetary items which may be considered are materials, exhibition costs, publicity costs, transport costs, artists' fees when conducting unique workshops: crafters allowance, coordinators fees may be paid, other project related costs, accounting and auditing fees

The maximum period for which funding may be requested is twelve months.

3.3 PROFILES OF THE CRAFT ORGANISATIONS[6]

What follows is a list of the NAC beneficiary organisations and the type of funding they received as per the funding policy. The funding allocation ranged from training other crafters, attendance of exhibitions, grants for purchasing of material and to cover operational costs. The section which follows will be giving insight on the discoveries made whilst doing the field work such as the impact of NAC funding on organisations' resilience and sustainability coupled with the challenges experienced by the crafters in their related provinces.

[6] All the profiles of the organisations and individuals were compiled and adapted from information obtained from websites, catalogues, flyers and the comprehensive biographies of the respondents. Relevant information was also extracted from the applications the beneficiaries submitted to the NAC.

3.3.1 Gauteng Province

3.3.1.1 Imbali Visual Literacy Project

Imbali Visual Literacy Project (Imbali) has been in existence since 1988 and is based in Newtown, Johannesburg. The organisation is led by Ms Justine Watterson and operates all over Gauteng and in a number of other provinces in South Africa. It is a non-profit organisation involved in crafts training and skills development for underprivileged youth and also in teacher training for arts and culture teachers.

Imbali's vision is to "change people's lives through art and is committed to achieving and maintaining a leadership role in the arts, crafts and design education and training sector through upholding high standards of training and professional teacher development, emphasising creativity and innovation in everything it does". Imbali runs full-time and part-time programmes, short courses, and special projects in a range of arts and culture areas. There is also a training programme which focuses on textile and ceramic design for unemployed youth and women from disadvantaged backgrounds of widespread poverty covering many geographical areas including urban, township and informal settlements.

The funds received from the NAC has ranged from R15 000.00 – R57 124.00 between 2013 and 2016 and this was specifically focused on imparting business skills to crafters. The money received (R15 000.00) in 2015 was in line with the NAC funding policy where emphasis is placed for training crafters. The Imbali Craft Business Skills Training has been running successfully for three years and consists of two modules: "Cost price craft products for a sustainable craft enterprise" and "Function in a craft business environment". A total of 15 participants received training and they were equipped with the necessary skills to start their own small enterprises and become self-sustaining. The amount of R57 124.00 was never claimed in 2016 as the time frame elapsed due to the delay in the submission of the tax clearance certificate to the NAC.

3.3.1.2 Noko Designs

Bethuel Mapheto acquired an NQF 2 qualification in Craft Production from Imbali Visual Literacy Project in 2005. He registered Noko Designs in the same year, 2005, and has his own studio and showroom at the Bus Factory in Newtown. The organisation was established with the purpose of creating and supplying original curios for the general public and businesses. His work consists largely of unique wall art using plastic bottle caps which have been exhibited at numerous overseas trade shows including the Afl'Artigiano in Fiera (Italy), Feria del Hogar in Bogota (Colombia) and the California Gift Show in Los Angeles (United States of America). This international exposure has helped to establish Mapheto as one of the leading young designers in South Africa today, and to date, he has won several awards in recognition of his work. The year 2006 saw him scoop two awards: he was the First Prize Winner of the Joburg City Merchandise Competition and the Overall Award Winner of the City Art Student Award. He is also a supplier to various galleries and shops across the country, including Kim Sacks and the Spaza Gallery.

Noko Designs is now the beneficiary of the NAC 3-year company funding and the amount be allocated for the next three years (2016-2019) is R150 000.00. Prior to this, the organisation received amounts R25 000.00 (2008), R29 839.38 (2011) and R29 000 (2015). The 2015 amount was allocated towards the attendance of the Design Indaba in Cape Town. The Design Indaba serves as a platform for both upcoming and established crafters to showcase and network with others both nationally and internationally.

3.3.1.3 Farieda Nazier

Farieda Nazier is a Johannesburg-based educator, artist and researcher. For the past five years, Nazier has been employed as a lecturer at the University of Johannesburg, where her duties include course and module coordination, teaching, researching and community engagement. As an artist-designer with 15 years' experience in art-making, she has developed and coordinated various craft and design-based courses for a number of leading South African and international firms. She obtained a Master's degree (with merit) at the Glasgow School of Arts in 2010, where her creative outputs included an Artist Residency at Brazen studios.

Furthermore, she has successfully co-curated and participated in a number of contemporary art and design exhibitions, most recently the After Math exhibition at the Apartheid Museum and the MTN New Contemporaries Award 2012.

Her creative practice explores the psychological intricacies embedded within a range of pertinent socio-political themes. She employs provocative installations and performance to engage in opportunities for further exploration into the discursive tensions between artist, practice, public and education. The once-off R50 000.00 allocated in 2012 was for an exhibition, *After Math project: A sculptural and video work social intervention.* Nazier defined the After Math project as a long term socio-political art intervention intended to initiate dialogue around key issues of racial discrimination.

The project comprised of two main streams: the first stream was the creation of an art experience (a sculpture, video work and performance exhibition) which was hosted by the Apartheid Museum Round Room. The works were on display from 16 August 2012 to 16 September 2012; the second stream captured the viewers' interaction, response and reception of a work in an article to establish whether an intervention of this nature could elicit a cathartic response.

The project resulted in a number of successful Walk-and-Talk-abouts[7] as well as a public seminar around the topic of the exhibition titled "*Black Neurosis, White Neurosis: South Africa Today*" facilitated by Nazier and Dr Karen Haire. More than 60 participants attended the dialogue and 30 joined the walkabouts. The Apartheid Museum attracts more than 500 patrons every day and, according to Nazier, a large number of local and international patrons have accessed and engaged with the works.

The impact of the NAC funding for the exhibition at the Apartheid Museum resulted in her attending several other national and international exhibitions and the initial grant served as an impetus for other opportunities to showcase over 8 presentations of her work.

[7] Tours which do not necessarily involve a lecture by the artists of the exhibition and the intention is to have an open discussion about the works on display

3.3.3 Western Cape

3.3.3.1 Johannes Hansie Visagie

Johannes Hansie Visagie, originally from Zambia, Lusaka, matriculated at Pro Arte High School for Art, Music and Ballet in Pretoria in 1975 and in 1981 obtained his BA (Hons) degree in Fine Arts, majoring in Information Design, at the University of Pretoria. His interest in the performing arts, theatre and puppetry dates back to his primary school years, and by 1974, whilst still in high school, he was already involved in the Marionette Company of the Johannesburg Civic Theatre Association. After matriculating, his professional career in puppetry developed rapidly whilst freelancing for the Civic Theatre, Performing Arts Council of the Transvaal (PACT) and South African Broadcasting Corporation (SABC).

During the past 38 years, the company has designed and produced numerous puppet theatre productions in various genres. Performances have been staged at a variety of venues in South Africa, including the State Theatre (Pretoria) as well as abroad in France, Austria, The United States of America and Denmark. January 2003 saw Visagie joining City Varsity in Cape Town as Head of the Art Department and he is currently still in this position.

Visagie received a once-off amount of R70 000.00 from the NAC in 2012 and the funds were used for his "Egg Box Craft" project. The objects for this particular project were made from recycled egg boxes and the main objective of the project was to develop and create a range of items and train people to start a production line. The intention was then to exhibit at the 2014 Design Indaba in Cape Town (which did not materialise because the cost of a stand at the exhibition was unaffordable) and sell the products at craft markets and gift shops. Visagie's approach to craft has been doing it as a hobby and not necessarily to sustain his livelihood.

3.3.3.2 Faiqah Abrahams

Abrahams is founder and director of her textile company based in Pinelands, Cape Town. A professional freelance textile artist, she has several solo exhibitions and was involved in graphic design, drawing, painting and textile design from 1983 –

1987 with the Ruth Prowse School of Art in Cape Town. The funds amounting to R28 500.00 which she received from the NAC in 2014 were used for the skills training and transfer of The Mogalakwena Craft Art Developing Foundation situated in the Northern part of the Limpopo province. Established in 1994 by Dr Elbe Coetzee, the focus of the Foundation is on skills training, job creation and empowerment of the local Northern Sotho women who are semi-literate and are breadwinners for their families.

The crafters had produced similar products with no variation for many years and, through the intervention and expertise of Abrahams, they were given the opportunity to explore and develop new products with the focus on traditional design concepts, style and quality.

The textile skills project workshop was aimed at imparting skills to 12 female crafters on how to produce new products using traditional natural dyeing methods. The training took place as scheduled and the craft products produced by the crafters include cushion covers, scarves and purses are now permanently displayed and are for sale at the Mogalakwena Administration Office and gallery in Cape Town. Similar to Imbali, the funding which Abrahams received was per the NAC policy for training.

3.3.4 Kwa-Zulu Natal

3.3.4.1 Hlengiwe Dube – Ifundiso Project

Hlengiwe Priscilla Dube is the founder of the Ifundiso project which specialises in training crafters with advanced crafting skills. She is a prominent Zulu crafter who has mastered traditional bead- and wire-work. A former manager at the African Art Centre, she played an important developmental role with crafters in KwaZulu Natal. In the past, she has completed a number of commissions for beaded public art in South Africa. Dube who learned the art of beading and wirework from her grandmother, is not only responsible for creating works of art worthy of museum galleries, but is also intent on passing on her skills to others, and regularly leads skills development workshops, showing crafters how they can update their crafts while still preserving tradition. Dube has also authored a book on beads: entitled *"Zulu Beadwork: Talk with Beads"*, the book explains the hidden messages in Zulu

beadwork, and how each colour and each combination of colours, tells a different story.

The NAC awarded the funding of R120 000.00 in 2014 for the Madikwe Art and Craft Training with the intention of social upliftment of the communities in the rural part of the Moses Kotane Municipality. The amount covered training costs, purchasing of material and the daily stipends of the learners.

The15 beneficiaries of this project were a mixture of men, women and youth who, in turn, imparted learned skills and knowledge to their immediate communities. The outcome of the training intervention was for the beneficiaries to produce beaded telephone-wire earrings, belts and pen holders. The end result was a catalogue of the products which was distributed to the nearby game lodges where orders were placed by tourists.

3.3.4.2 African Art Centre (AAC)

The Durban African Art Centre Association under the helm of Magdalene Reddy operates from premises in Florida Road and provides thousands of unemployed artists and craftspeople with opportunities of self-employment and economic upliftment and the ability to earn a sustainable living. The organisation is a non-governmental, not-for-profit organisation that contributes to the development, promotion and appreciation of the works of crafters. During the past 50 years, the African Art Centre has provided thousands of artists and craftspeople with opportunities for self-employment and the realisation of their talents. Originally a project of the South African Institute of Race Relations, the Durban African Art Centre has, since 1984, operated as an autonomous, non-profit organisation.

For the first three decades of its existence, it was guided by the late Jo Thorpe, who virtually single-handed, put Durban on the map as an important centre of black artistic development.[8]

[8] https://afriart.org.za/about-us/

Funds received from the NAC by the AAC: R12 000.00 in 2000 for a print collection collaboration, and a proportion of R1.2million in 2009 was contributed by the NAC for various projects facilitated by the AAC. These included the Heritage Art Festival, Art on the Boulevard and the Retail Art Development Project. The other funders for these projects were the National Lotteries Board, Office of the Premier KZN and eThekwini Municipality. An amount of R140 000.00 in 2012 was for *Exhibitions 2012.*

The organisation received R60 000.00 in 2015 for a series of exhibitions throughout the year: *Urban Zebra Jewellery Exhibition* – handmade beaded jewellery was produced by self-employed women crafters of KwaZulu Natal; *Velobala Exhibition* – drawings, monoprints and paintings on paper produced by participants of the Saturday Art Class outreach project; *Dreams about our Land Exhibition* – a showcase of paintings, drawings and woodcuts produced by young, upcoming and established visual artists; *Fashion Show* - handmade beaded jewellery made by women crafters; and the *Christmas Exhibition* – crafters working in beadwork, telephone wire, woodcarvings and embroidery mediums were given the opportunity to manufacture and showcase small, handcrafted Christmas decorations.

The AAC coordinated and facilitated skills development projects which ensured that final exhibits were of high quality produced by self-employed artists who were in search of a platform whereby their arts and craft practices could be harnessed so as to generate significant economic benefits.

The exhibitions which were mounted during the year were geared towards enhancing artists' and producers' market access. The AAC now receives the 3-year NAC company funding grant (2016 – 2019) for its general operational and administrative costs.

3.3.3.3 Woza Moya

Woza Moya, managed by Paula Thompson, is a community-based NGO located in the Ufafa Valley of rural KwaZulu-Natal, South Africa. Woza Moya is the Hillcrest AIDS Centre Trust's income-generation project which showcases the works of artists, who are all from communities in the Valley of 1000 Hills region.

The Hillcrest AIDS Centre Trust (HACT) has a number of initiatives on the go for the support and care of those suffering from or affected by HIV/AIDS. Woza Moya aims to uplift men and women impacted by HIV/AIDS by helping them regain hope and dignity by using their creativity to earn an income. At present, Woza Moya acts as an agent for over 350 crafters and supports over 1500 crafters from across KZN assisting them with market access through the 'Woza Moya & Friends' shop situated at the Hillcrest AIDS Centre Trust.

Woza Moya received R28 000.00 in 2015 from the NAC for the Thank You Democracy project and the process involved a photograph of 100 crafters/staff and volunteers of the Hillcrest AIDS Centre Trust being taken in silhouette, and short interviews were conducted about what democracy meant to them.

3.3.3.4 Ababumbi Arts and Ceramics Co-operative

Jabulani Mahlabini and Thandiwe Ntuli are the two Directors of Ababumbi Arts and Ceramics Co-operative with a staff complement of six part-time crafters. The organisation makes clay pots, sculptures and ceramic platters and trains local women in ceramic work. The organisation operates from a back room at the Winston Churchill Theatre provided by Msunduzi Municipality.

Jabulani Mahlabini and Thandiwe Ntuli were winners in the South African, handmade collection competition which was held at the Gallagher Estate in 2012. Their ceramic pots are all about converting the ancient traditional pots to fit in with modern times and the prize was for the "Best new product in 2012" and the other for creating an "Iconic product for 2012".

The organisation received R100 000.00 from the NAC in 2014 for the Abomane project which was for the unemployed youth in their community who were encouraged to participate in arts and culture activities with a specific focus of skills transfer in ceramics, and with the ultimate aim for them to be empowered and start their own businesses. In addition, women were included in the project and the aim was skills transfer and making ceramic products which they could produce and sell

to local galleries. Previous funding from the NAC were grants of R25 000.00 and R30 000.00 in 2011 and 2012 respectively.

3.3.4 Northern Cape

3.3.4.1 MSG Designs

MSG Designs was founded in 2014 by Ms Masego Moiloa with the main aim of creating jobs, transferring skills and working towards financial sustainability in the craft sector in the Northern Cape. The organisation had a staff complement of 14 individuals. The organisation is a craft and manufacturing business specialising in hand-made felt and is based in Galeshewe, Kimberley. The felt is made from high quality South African merino, karakul and mohair wool. The product range includes slippers made from merino wool and leather.

Moiloa has exhibited at numerous exhibitions nationally and internationally and was a nominee of the Art Directors Club in New York The organisation received R20 000.00 from the NAC for the manufacture of felt slippers between September 2014 – April 2015.

3.3.4.2 Zebra Arts and Craft

Zebra Arts and Craft, established in 2005 by Rev. Rodgers Neo Ditlholelo, has been creating jobs in Kuruman, Kimberley and Upington for unemployed youth, people living with disabilities and those fighting drug addiction.

Zebra Arts and Craft received an amount of R135 000.00 in 2013 for the Carpets & Leather Bags Project and uses the expertise of 13 staff members. The funds were used for the purchase of material, equipment and paying stipends. The project was a major boost for the locals in that it created jobs and some of crafters opened their own stalls and sell their own products.

One of the stakeholders, the Gasegonyane Local Municipality from Local Economic Development, took the leather carpets for exhibition in Durban, and there has been a consistent and mutually-beneficial relationship with the municipality since 2005.

The organisation was the recipient of the company funding from 2010 to 2016 and the funds ranged between R100 000.00 and R135 000.00 over the six-year period. Funding was stopped due to failure to report on some of the projects funded over that period.

3.4.3.3 Wall of Arts Trading

The Wall of Arts Trading is under the directorship of Mercia Wechoemang. The NAC funded the organisation in 2013 and 2015 and they were allocated the amount of R80 000.00 and R100 000.00 respectively. The funds in 2015 were for an annual festival for crafters and were aimed at job creation for local crafters in the Kimberley region where the organisation was operating. There was no subsequent funding allocated as the organisation could not provide statistics on income generated, types of products showcased at an exhibition they organised and a detailed database of the crafters they are meant to serve in the Northern Cape.

3.4.3.4 Flock, Ladies of the Karoo

Zahn Spies[9] was the founder of Flock, Ladies of the Karoo project, which was based in a very remote and historically-deprived area in the Upper Karoo. It was a community-based project which was operating from the Spies's farm in Petrusville. The organisation specialised in making felt and hand-knitted products. It had been running for 7 years and was a sustainable project in that all profit made was re-invested into the organisation. Fifteen women were employed on a regular basis and this meant regular income for the ladies who could provide financially for their families.

The organisation received R25 000.00 from the NAC in 2011 and that was mainly for a professional training intervention by a felt-maker from Stellenbosch. The content of the training was on modern felt-making techniques and ways of producing better quality products and faster production methods.

[9] Flock, Ladies of the Karoo closed down when Zahn Spies and her husband relocated to Bloemfontein in 2016.

3.4 CHAPTER SUMMARY

All the organisations selected comply with NAC funding criteria and met the requirements of being allocated funding. It was challenging to get a clear view of the actual status quo in the related provinces in that there was an absence of representative craft sector bodies which looked after the interests of the crafters. However, through interaction with the organisations this formed a clear picture of how the NAC is meeting its mandate of disbursement of funds in both urban and rural areas and, most importantly, the research has revealed that there is a need for continuous funding to meet the needs of the sector.

CHAPTER 4: INSIGHTS GAINED FROM THE BENEFICIARY ORGANISATIONS

4.1 INTRODUCTION

The following section deals with conversations with the crafters and key insights gained from the interviews.

- a discussion on challenges on the craft sector in the selected provinces;
- the impact of NAC funding on the beneficiary organisations in relation to NAC policy and the application form coupled with how they have utilised the funds in relation to
    - operations,
    - purchasing material,
    - product development,
    - training other craft practitioners,
    - establishing new markets,
    - job creation and
    - networking and/or partnership;
- leadership and
- the issues of resilience and sustainability in the craft sector.

4.2 CHALLENGES OF THE CRAFT SECTOR IN THE NORTHERN CAPE/ GAUTENG/ WESTERN CAPE/ KWAZULU NATAL

The common theme mentioned by all the organisations and individuals is the lack of funding from all spheres of government with hardly any financial support or investment coming from the private sector.

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The other key theme emanating from my field work and as articulated by the craft organisations is a lack of consistent financial support for the craft sector for both individually-run enterprises and organisations. In addition to this, the allocated funds are inadequate or are not provided for raw material and equipment for the production of large orders.

There is a barrier of entry in terms of organisations applying and receiving funds from their respective provinces. The various Local Economic Development Agencies in some of the provinces encourage crafters to form co-operatives which mean that organisations often have to lose their business identity and they would need to conform to the funding requirements.

This was particularly evident in the Ifundiso Project where the director mentioned that the Local Economic Development Agency in KZN required that she be part of a co-operative with other crafters so that she could access funds. The policy of these agencies is that they do not fund close corporations which her company Ifundiso Project is registered as. This, in turn, has led her not being able to get funds to run her operations. The Director at the AAC also emphasised that, in instances where organisations had expressed the need for business skills in marketing their products locally and internationally, the training interventions provided by the Local Economic Development Agencies, "would be short-term and not have any follow-up or monitoring and evaluation systems in place".

In addition, the main issue raised was access to markets both locally and internationally and the inability of some of the crafters to go to various exhibitions and trade fairs to showcase and sell their products. It was clear from the interviews that business skills were needed in the various organisations in order for them to market their products locally and internationally.

The craft organisations noted the absence of a craft hub in provinces visited namely the Northern Cape, Gauteng and Kwa Zulu Natal which would assist in guiding and supporting them with product prototypes, new ideas and research. Faiqah Abrahams mentioned the presence of the CDI in the Western Cape. The Craft and Design Institute (CDI) formerly known as the Cape Craft and Design Institute (CCDI) was established in 2001 and, in the first 10 years of its existence, the organisation was involved in the development and promotion of the Western Cape craft and design sector, and focused on elevating the value and appreciation of the handmade products. The craft agenda was driven by national and provincial policies, which had

identified craft as a priority creative industry because of its potential to build the small business sector and create jobs.[10]

Drawing from what Knell (2013:7) noted that a strong case needs to be made by arts organisations as to why they should be funded to assist them to reach sustainability. This is in addition to arts organisations embracing new ways of telling a richer story about how they create value.The CDI is a case in point and also an example of what is needed in other provinces as it serves as a model of what a craft hub should be doing to assist, guide and support organisations with product prototypes, new ideas and research for the craft sector in general. The absence of such a hub particularly affects crafters in the rural parts of the Northern Cape and Kwa Zulu Natal as most of them tend to produce the same or similar craft products with no variation. The director of the African Art Centre pointed out that this has an adverse effect on the craft industry in Durban in particular related to the tourists coming to the city to buy unique designs. The lack of a hub means that the crafters are unable to explore new ideas or to get inspiration from other crafters which could lead to prototypes being discovered and developed.

There is an absence of product development and design for rural craft organisations who are most affected and in most instances they produce the same or similar craft products with no variation. Crafters who are living in rural areas are not necessarily exposed what is trending in terms of innovation and creativity and tend to produce the same type of products which are not marketable. This was particularly noted by the Director at the African Art Centre and Ifundiso Project, as follows:

> "Crafters are developing the same type of products and this affects sales as there is not variety on what on is offer. Potential buyers do not see the value if there is an abundance of similar products on the market. Furthermore, crafters who are hired on a temporary basis tend to steal designs from master and sell them as their own".

Product development and design, as also reiterated by the director of Gauteng-based Noko Designs, is a pivotal part of the value chain in the craft sector. He

[10] http://www.thecdi.org.za/

stressed the need for a skills development programme where crafters are given the opportunity of diversifying their products and developing a competitive edge both locally and internationally.

4.2.1 Lack of Strategic Planning

My research explored the extent to which forward planning was pursued by the grant beneficiaries and according to Miller (2016) this is necessary if organisations are intent on building a resilient and sustainable future.

Some of the organisations, especially the ones based in the Northern Cape, lack a clear strategic plan and most admitted to it being a downfall in their overall operations. The director of MSG Designs argued that there is often very little time to concentrate on operational matters and that the emphasis is often on production and delivering on orders.

Some of the organisations were unable to elaborate what processes they use to monitor the financial health and well-being of their organisations. This was evident in individually-run organisations in Kwa-Zulu Natal, namely, Ifundiso Projects and Ababumbi Arts and Ceramics Co-operative. These processes included an annual budget for their activities and having the necessary resources to conduct these activities. In addition, as one-person operations, most did not have a Board of Directors to engage in the organisation's strategic vision and to help the organisation meets its programmatic and fund-raising goals.

4.2.2 Other Management Challenges

Additional issues identified by the funded organisations included a lack of marketing strategies and financial management. When asked to furnish a marketing plan for his relatively successful organisation based in Pietermaritzburg, the owner could not produce one, or a detailed operational budget.

4.3 THE IMPACT OF FUNDING

The funds which the beneficiary craft organisations received were in line with the NAC policy. The criteria the NAC uses in funding craft organisations include attendance at exhibitions, research and documentation, residencies, making of craft products, e.g. ceramics, potter and embroidery, exchange programmes in South Africa and abroad and attendance of conferences.

The budgetary items which may be considered as per the resolution taken by the Craft Panel in 2011 are materials, exhibition costs, publicity costs, transport costs, artists' fees when conducting unique workshops; crafters' allowance, coordinators' fees may be paid, other project related costs, accounting and auditing fees

The amounts allocated for each recipient in the craft sector since 1995 to date has ranged from R6 645.00 – R150 000.00. All the respondents in the various provinces report that the funds received had a positive impact in areas such as skills development and transfer training programmes, purchasing material for new products and new equipment, attendance of exhibitions such as the Design Indaba, Decorex and International expositions.

4.3.1 Operational Costs

There was a positive impact of NAC funding in operational costs for example salaries, wages and administration of some of the organisations. This was particularly evident in the case of Noko Designs where the organisation has been granted the three year Company funding for the period 2016 – 2019.NAC. In addition to contributing a proportion to his operational costs the funds have enabled him to market and sell his products both nationally and internationally.

The once-off funding however had a negative impact in as afar as the growth of craft organisations is concerned. All respondents in the four provinces expressed the urgency of receiving support for at least three years to assist their organisations to establish themselves firmly in local and international markets and to run sustainable and resilient craft enterprises. This is supported by Moss (2009) who questions how can arts organisations get our donors, our funders, our governments, and our corporate sponsors to commit to long term support?

The majority of the organisations interviewed stressed that even though the funds allocated by the NAC was too little and did not cover their operational costs, they were able, for example, to purchase material for the production of craft product and attend exhibitions both nationally and internationally which aided in increased profits which was re-invested into the overall operations of the organisations.

4.3.2 Attendance at and Organising Exhibitions

Regular attendance of exhibitions such as Decorex and Design Indaba through funds obtained from the NAC has meant that his organisation has been able to acquire customers and receive regular orders. This has had a direct impact in the increase in sales as a result of attending trade fairs and expos in addition to exposure to new markets both nationally and internationally. Ms Faigain Abrahams and the Director at Woza Moya indicated that attendance at exhibitions internationally was an important step towards their achieving and running sustainable enterprises as this increased their client base.

This support by the NAC, albeit limited, was seen as an important intervention by the crafters in working towards a sustainable craft sector. The current situation is that the DTI and DAC have not been consistent in sending out calls for proposals for crafters from all over South Africa to get support from them and have the opportunity to attend trade fairs. However, the DTI (2018) states:

> The DTI makes it possible for crafters to attend overseas exhibitions. DTI covers accommodation, traveling expenses and payment for stands. They do not pay for materials. They also assist with the marketing materials, information on issues of currency. In addition to this DTI advises crafters to

aspire for international markets in order to receive maximum exposure. DTI also funds Decorex exhibitions wherein 10 crafters are chosen from each province. DTI gets involved in the whole preparatory process from bookings of stands, tables, table cloths, to the end. The Department of Arts and Culture's role in supporting crafts is through the Craft Imbizo exhibitions.

4.3.3 Skills Development and Training

Funding from the NAC has been utilised for training, developing and transferring business and entrepreneurial skills to the marginalised craft communities in some of the provinces. A case in point is the Imbali Visual Literacy Project where funds from the NAC are utilised for their training programme with a specific focus on imparting business skills for unemployed youth and women from disadvantaged backgrounds characterised by widespread poverty covering many geographical areas including urban, township and informal settlements.

According to Imbali Visual Literacy Project, those who have gone through the programme end up opening up their own craft organisations and to some degree this has meant that it is envisaged that there will be an opportunity of them running sustainable craft organisation albeit with very limited funding. Bethuel Mapheto who runs Noko Designs is the beneficiary of such training by Imbali.

4.3.4 Job Creation

Permanent employment and regular job opportunities are some of the issues besetting the craft sector in the provinces visited. Two organisations in Kwa-Zulu Natal, the Africa Art Centre in Durban and Woza Moya based in Hillcrest, have found ways of being resilient in the absence of and in the face of often very limited funding from funding bodies such as the NAC, by creating jobs for crafters. Both organisations, with very limited operational and administrative costs have addressed the issue by meeting the demands of large orders especially to international markets and employing staff for extended periods of time thereby creating work opportunities.

Africa Art Centre and Woza Moya were examples of resilient organisations and they displayed two of the 13 indicators of resilient organisations which Seville (2016) and her team of researchers identified. Both organisations used their internal resources

by providing extra capacity during the time of crises and empowered their staff to use their skills to solve problems.

4.4 LEADERSHIP

Nanus (1992:4) was instrumental in forwarding the definition and meaning of leadership and its relation to visionary thinking. He states that "effective leaders have agendas and that they are totally results-oriented. They take on demanding new visions of what is possible and desirable, communicate these visions, and persuade others to become committed to them".

Both Robinson (2010) and Van Breda (2001) share the same sentiments where leadership is concerned such as having the vision, in addition to insight to overcome adverse situations. Leadership, for instance, has played an important role in ensuring that Imbali Visual Arts Literacy, Woza Moya and the AAC are able to stay true to their mission and vision statements. Central of the operations of Imbali Visual Arts Literacy has been to adapt to the funding situation where in instances has not been forthcoming and adjust their operations and programmes to run the organisation They go to fashion houses for off-cuts and focus on projects with patch work, screen printing, to help curb operational costs in terms of production.Woza Moya constantly invest in the people they work with and the Director has regular training sessions with crafters in Hillcrest where there is an exchange of skills and knowledge. She constantly encourages the crafters to upskills the knowledge and one of the crafters is now managing the finances of the organisation.

The disturbances which they had to overcome, as referred to by Archer (2010), are erratic funding patterns which forced these organisations to develop strategies and think about some form of stability through which they explored other business models to put certain measures in place by being innovative.

4.5 RESILIENCE AND SUSTAINABILITY

My expectation was the funding that NAC gives to craft organisations would alleviate the financial stress that they find themselves in especially when there is a disruption in or absence of funding. However, this spurred some of the organisations, such as Imbali and Woza Moya, to seek other means to overcome this disruption by involving some of the staff members in income-generation activities which in turn contributed a proportion to their operational costs.

In addition, there were indications of accepting change in the funding landscape and being flexible; constantly reviewing their relationships to the market that they are serving; investing in people insofar as skills transfer is concerned; and leading with purpose. The Director of Woza Moya leads with purpose and with reference to Seville (2016) with regards to her leadership there was evidence of provision of good management and decision-making during times of crisis, as well as continuous evaluation of strategies and work programmes against organisational goals.

4.5.1 Resilience

The Africa Art Centre in Durban and Woza Moya based in Hillcrest found ways of being resilient in the absence of and in the face of occasional and limited funding from funding bodies such as the NAC, by creating jobs for crafters. Both organisations, with limited operational and administrative costs, have addressed the issue by meeting the demands of large orders especially from international markets and employing staff for extended periods of time thereby creating work opportunities.

To be truly resilient an organisation also has to be constantly aware of the factors. Van Breda (2001) refers to such as overcoming challenges and evolving in response to its changing environment and to seek out opportunities even in times of crisis. To this extent and similar to Woza Moya, Imbali Visual Arts Literacy sought a partnership with another organisation whose strategic vision is to develop a woodblock production studio. This notion of partnerships is supported by Seville (2016) who believes that effective partnerships mean that there is an understanding of the relationships and resources an organisation might need to access from other

organisations during a crisis including planning and management to ensure this access.

The challenge to date for Imbali Visual Arts Literacy has been to raise start-up funds and interested funders have been approached to realise this vision. The profits from the production would then feed into skills training and development.

The softer and less tangible aspects with regards to resilience which Robinson (2010) refers to in Imbali Visual Arts Literacy are the passion and commitment displayed by the Director and the members. As the Director commented:

> "Organisations members are passionate and committed and believe in the work. It's not just a job, more than a job. A calling, we really believe that we are making a difference, participants who come to Imbali leave as better individuals. This is central to the ethos of the staff, management and the board of directors".

Seville (2016:1) provides a deeper meaning on resilience and notes that: "An organisation's resilience is drawn from its planned and adaptive capabilities".

The key indicators of resilience identified by Seville (2016) were evident in organisations such as Woza Moya, Noko Designs and Imbali Visual Arts Literacy. They include leadership where there was evidence of provision of good management and decision-making during times of crisis; staff engagement and involvement in income-generating activities. In addition, the staff members were empowered and use their skills to solve problems. Innovation and creativity are other aspects where the staff was given the incentive of producing their own products.

4.5.2 Sustainability

All the organisations were asked to elaborate on the extent to which NAC funding assisted them to become sustainable. Matters related to sustainability and resilience included leadership and management in some of the organisations which meant that most of them had to review how they make use of their limited resources in their organisation.

Most of the organisations are one-person operations but tend to involve other crafters when there is a demand for products both locally and internationally. Ifundiso Projects and Ababumbi Arts and Ceramics Co-operative use this approach to address sustainability. The Director of Ifundiso Project works with other crafters and gave an example of the constant need for the production of earrings which she supplies to retail stores such as Edgars.

The African Art Centre, similar to Imbali Visual Literacy Project, as part of their sustainability plan, has a shop which sells some high-end products such as jewellery. Most of the products sold there are produced by the staff and ad hoc crafters whose services are used on a regular basis.

Furthermore incubator orders, which come from the corporate sector, have also contributed to some form of sustainability for Imbali Visual Arts Literacy. Corporates commission Imbali to produce gifts for their staff and, for large orders of these, Imbali then employs past graduates who earn a percentage from sales. This becomes a win-win situation for Imbali in that there is job-creation and some of the money earned is re-invested into Imbali. Some 80% of the earnings come back to Imbali in the quest to raise funds as part of their income- generation strategy. Says the Director of Imbali Visual Arts Literacy: "We hustle to get by and negotiate with fabric suppliers for cheaper prices. Three words have been resonating with us over the years – Adapt, Adjust and Resourcefulness".

The funds from the NAC have contributed directly towards the business training of students. The Director emphasised the point that Imbali will always be reliant on funding even if there is a production facility. However, part of the sustainability plan

would then be to reduce the funding dependency from 95% to 60%. What is useful, the Director said, "is that the NAC have frequent funding cycles and the turnaround time enables Imbali to run sustainable programmes. There is always some form of guarantee that funding will be forthcoming form the NAC".

Some of the organisations are one-person operations, as in the case of the director of Ifundiso Project, and as part of her sustainability plan, she involves other crafters when there is a great demand for products from local and international markets.

The constant mention of sustainability was a source of concern for most of the crafters in that there is normally an expectation from funders that once funds have been allocated, organisations are expected to run sustainable programmes. The Director at Imbali Visual Arts Project explained:

> "The word sustainable is problematic when it comes to the work that Imbali does such as skills development and training. Youngsters are taken from disadvantaged backgrounds that would not have access to further education and training. They are equipped from scratch to help them become independents crafters and business owners. The training aspect of the operations would never be sustainable. There was a plan however to develop a business wing of Imbali, specifically one focused on production with the sole focus of product development and production. The organisation relies 95% on funding. The Imbali shop situated at Museum Africa, in Newtown contributes to some degree to the organisations sustainability plan. The profits acquired from sale of products manufactured by both students and Imbali graduates enable the organisation to purchase new material".

The Director at AAC further added that "The arts and culture organisations are not at the place where they are sustainable. They need government support. We all need funding and the arts are not sustainable at the moment, no matter what anyone might say".

The issue of sustainability is emphasised by Ballinger (2011) who argues that implicit in the granting of the funding is that after it has been expended, the artist or

organisation is expected to move towards a state of sustainability. My conclusion based on Ballinger's assertion and the findings discussed above is that the craft sector is currently not able to move towards this state of sustainability because of its current dependence on funds.

4.6 CHAPTER SUMMARY

It is clear that constant government support is needed for arts and culture organisations. According to the National Assembly of State Arts Agencies (NASAA) the arts are an important policy asset and prosperity generator for states. NASAA believes that in addition to their inherent value to society, the arts offer a distinctive blend of benefits which are *economic drivers* in which the arts create jobs and produce tax revenue; *educational assets* where the arts foster young imaginations and facilitate children's success in school; *civic catalysts* in which the arts create a welcoming sense of place and a desirable quality of life and *cultural legacies* where the arts preserve unique culture and heritage, passing a state's precious cultural character and traditions along to future generations.

However it is important to note that arts and culture organisations need to constantly look at ways of adapting their operating systems and most importantly, strategies that they are putting into place to become resilient and financially sustainable. This was noticeably present in the case of Woza Moya, Imbali Visual Arts Literacy and AAF where all three organisations have retail shops and these are an important aspect of their income streams. Drawing from and reiterating Robinson (2005) he believes that organisations and sectors need both resources and adaptive skills to be resilient over time, although they may not necessarily all need all at all times.

He suggests that resilient arts organisations can be characterised by a combination of resources and adaptive skills. The resources that he refers to are *a culture of shared purpose and values* rooted in organisational memory where there is a clearly defined vision and purpose understood by everyone in the organisation and that can be related to the history of the organisation and shapes decision-making; *predictable financial resources* derived from a robust business model where the organisation has a range of reliable income streams, which it can predict with some confidence.

These are derived from a range of activities, and may include public sector revenue based on delivery of activity or services, private sector sponsorship or donations and earned and traded income and organisations having strong where organisations work in collaboration with others in its locality.

The adaptive skills he refers to include *leadership, management and governance* where organisation display leadership which provides clarity internally and externally, with decision making process aligned to business model; adaptive capacity with the aim of constantly seeking to innovate and experiment, with a clear focus on building on or integrating successful innovations into business; *situation awareness of environment and performance* where there is a comprehensive formal and informal ways of collecting and considering information about the operating environment, and sharing that information throughout the organisation and the organisation's ability to *manage key vulnerabilities*: planning and preparation for disruption. Some financial and resource flexibility is retained in all plans to respond to disruption, be it positive or negative.

On the issue of sustainability as emphasised by Ballinger (2011) who argues that implicit in the granting of the funding is that after it has been expended, the artist or organisation is expected to move towards a state of sustainability. My conclusion drawn from Ballinger's assertion is that the craft sector will not be able to move towards this state of sustainability because of its current dependence on funds.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter provides a brief summary and overview of the report as well as the conclusions and recommendations.

5.2 KEY THEMES

A recurring theme in this research was the view expressed by all the crafters on financial sustainability of craft enterprises. They believe that the craft sector needs continuous and consistent financial support in order for them to have long-term sustainable income. The initial funds granted would serve as an impetus to look at strategies of less dependence on government support. This will enable the craft organisations to cover not only operational costs but the opportunity to look at product development and contemporary designs which are relevant and give them the competitive edge. They are of the opinion that sustainability is only possible with careful planning, access to a regular source of funds and having a clear strategic plan.

This research suggests that resilience in organisations requires that organisations review their product development aimed at creating marketable products that can be retailed locally and abroad. A strong focus on business training is essential.

Furthermore, marketing strategies need to be in place to create long-term relations between crafter business and buyers locally and internationally. In spite of the fact that some of the funded beneficiaries have had the opportunity to have market access support through participation in local and international trade shows, marketing missions, buyer trips and other support; as well as product development; and training, there is still substantial reliance on the part of these organisations on getting funding from the NAC.

5.3 RECOMMENDATIONS

The following recommendations are made:

- Monitoring and evaluation systems of funded organisations. If the NAC is to measure impact in terms of their funding, clear monitoring and evaluation systems need to be in place. All of the organisations expressed the need to have the NAC visit them on a regular basis to measure success of their operations and most importantly to evaluate the impact of the grant. All of the organisations expressed the need to have NAC site-visitations on a regular basis to measure the success of their operations. They expressed the need for a hands-on approach by NAC staff members when they needed additional assistance during project roll-outs.
- Once-off funding by the NAC tends to be a debilitating factor as far as the growth of craft organisations is concerned. All the craft organisations interviewed expressed the urgency of receiving support for at least three years to assist them to establish themselves firmly in local and international markets.
- Mentoring of emerging craft organisation by established craft enterprises.
- Where possible the NAC should use organisations which have a track record to be the central agent to disburse funds in provinces, such as Kwa Zulu Natal where many individual crafters from the same area apply for funds. Some of the organisations such as AAC and Imbali have the capacity to be a conduit where funds are disbursed to them and in turn this would mean that smaller organisations, who often apply to the NAC, would receive money for their needs such as the purchasing of material. This would require that the NAC enters into an agreement and works on a policy for the intermediary organisations to ease the burden on administrative matters such as reporting and financial management by the smaller organisations that are often incapable of delivering on that.
- The NAC needs to review the funding model where there is more funding for established organisations. However, this should not mean that the smaller organisations would be left out as they could then be mentored by the established organisations.

- Skills transfer and training needs to be on top of the agenda of the NAC funding policy, not only in the crafts themselves, but also in business management, strategic planning, financial management and staffing matters. This will address issues such as crafters moving from their comfort zone in producing and manufacturing innovative designs and products for both the national and international markets. This will ensure that some of the skills imparted such as business training enable the craft organisations to run their own businesses and most importantly work towards financial sustainability.
- The NAC should be considering investing in organisations that are struggling with change and disruption. However, when funding them, they must look for evidence of resilience factors such as a dedicated leadership team, crafters' commitment to their organisation's mission and vision and financial sustainability such as in the case of Imbali and Woza Moya.

In conclusion, it is clear, as suggested by the Center for Resilience, based at the Ohio University, that a resilient enterprise has the capacity to overcome disruptions and continually transform itself to meet the changing needs and expectations of its customers, shareholders and other stakeholders. Furthermore, resilience is the capacity of a system to survive, adapt, and grow in the face of unforeseen changes, such as a sudden withdrawal of funding, which has been one of the major problems identified in this report. Finally the purpose of the research report was to assess the impact of NAC funds on a selection of organisations in the craft sector. It is worth noting that some of the beneficiary craft organisations have managed to find some form of financial sustainability because of a combination of factors such as ensuring that there are additional income-streams (for example, in the form of craft shops that they are running). Four such organisations are Woza Moya and AAC based in Kwa Zulu Natal and Gauteng-based Imbali Visual Literacy and Noko Designs.

5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

Based on my findings on assessing the impact the impact of NAC funding on resilience and financial sustainability on craft enterprises of nine organisations in four provinces,

Future research could:

- Formulate training strategies for the craft sector especially crafters in rural areas;
- Review the extent to which crafters are making use of market access programmes targeted towards craft enterprises;
- Determine how established craft organisations can share skills set to impart knowledge and information to fellow crafters
- Define the market opportunities and product development strategies in the sector so that crafters apply these in their businesses to become financially sustainable.
- Explore how philanthropy can be an alternative, imaginative and practical way of fundraising which could lead sustainability and resilience of craft enterprises

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APPENDIX 1: INTERVIEW QUESTIONS

A. Craft Sector

1. **What are some of the challenges that have been facing the craft sector in the Northern Cape/Gauteng/Western Cape/Kwa Zulu Natal in terms of:**

- Financial support for the craft sector

- Product development

- Market access, that is the ability to sell and promote your product

2. **How have these challenges affected your organisation?**

B. Funding

3. **In which year were you first informed about funding for the craft sector from the NAC?**

4. **Provide a list of your other sources of funding other than the NAC?**

- Government departments - including local municipality , province , national

- Private sector - both financial support or in-kind contributions

Foundations support

- Donors - including volunteers and/or financial contributions

5. **When was the first time you received funding from the NAC?**

6. **What did you apply for when there was a call for applications?**

7. **What is the overall amount of funds received for your project?**

8. **How did you get to know about NAC funding for the craft sector?**

9. **How were the funds you received from the spent in your organisation?**

- Skills development and transfer
- Advertising, marketing and promotions
- Product development
- Material
- Exhibitions
- International expos
- Purchasing of new equipment

10. **What is the proportion of the NAC for operational costs and product development?**

11. **How has the funds had the most impact in terms of?**

- Operations
- Sales
- Product development
- Training other craft practitioners

- New markets established

- Job creation

- Networking and/or partnership

12. How has your organisation responded to shifts in funding from the NAC when in some instances there was reduction in the funds received?

C. Sustainability and Resilience

	Rating				
	5 = Excellent	4 = Very good	3 = Good	2 = Fair	1 = Poor
Leadership and management - how are you positively adapting to a changing environment in the funding?			3		
Organizational Identity - do you have clearly defined vision, mission and value statements?					
Strategic Plan – does it speak to your mission vision of you organization?					
Annual Operational Plan –are the projects/programmes/activities in line with allocated funds from the NAC?					
Annual Financial Plan - How are your of processes to monitor the financial health and well-being of your organization? The processes include an annual budget for					

your activities and having the necessary resources to conduct these activities					
Fund-Raising Plan – does your plan ensure that the organisation has the funding necessary funding to conduct its annual operational plan and to fulfil its long-term strategic plan?					
Annual Board Development Plan – the Board of Directors engagement in the organization's strategic vision and their willingness to help the organization meet its programmatic and fund-raising goals					
Staff Development and Organizational Culture – competence, skills and knowledge of your staff					

13. **In your view, do you think that craft organisations can be financially sustainable, that is, they will be able to generate enough income for their overall operations?**

14. **What must craft organisations do to achieve sustainability in the present situation?**

15. **What role should the NAC play if craft organisations are to be sustainable?**