

“The availability of smaller and cheaper digitalized tools has the potential to help crafts-people to move out of low volume hand-made crafts while preserving the originality of their cultural designs.”

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Image Source: A mural QR-Code from the '10,000 Moving Cities-Same but Different' by the Swiss media artist Marc Lee in the Lodhi Colony Creative District area in New-Delhi, an Initiative by India St+Art Foundation, 2019. Image by Nicolas J.A. Buchoud, all rights reserved ©.



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Handicrafts and the creative industry 4.0

Introduction

Creative industries include activities ranging from art to computer games. They create employment and income, promote innovation, and contribute to societies' well-being. Coining the term “Creative Industry 4.0”, UNCTAD (2022)¹ highlights how new Industry 4.0 technologies transform creative industries in terms of both production and consumption. The present chapter reviews how craftspeople could benefit from these new technologies and what policy could do to harness its potential.

Setting the scene

Within creative industries, handicrafts occupy a very special place from the UN sustainable development goals (SDGs) perspective, especially from the objective of fighting poverty. Their production often takes place in rural areas or in small towns, where craft producers usually have low or very low incomes, especially in developing countries. Handicraft producers tend to be women, and their work is often a complement to agricultural labour. Finding comprehensive data on employment in the craft sector is difficult. To give an idea of the magnitude of this “known unknown”, official estimates suggest that India is home to 7 million artisans, unofficial estimate put the figure as high as 200 million, mainly in rural and semi-urban areas.

Craftmanship, often associated with traditional or heritage activities, struggles to survive amid the competition of cheap manufactured goods. However, the rise of a global middle class is changing the nature of the demand for crafts, satisfies the quest of today's urban consumers for authentic and sustainable products. The global market for crafts was estimated at between \$650 and \$720 billion in 2020 and is expected to reach about \$1,200 billion in 2026 (UNCTAD, 2022). In many developing countries, distances between the producers in rural areas and their middle-class consumers in large urban cities have limited the marketability of traditional crafts. Selling handicrafts person-to-person to tourists was one of the few options available.

New technologies and handicraft activities

Technological progress has been traditionally associated with mass production. With Industry 4.0, traditional crafts may benefit more from innovation. New technology is not linked to large scale. Smaller and cheaper digitalised tools can change “Advanced technology” into “Appropriate technology”, helping craftspeople while preserving their originality. “Democratising” Industry 4.0 should allow traditional craft-makers to benefit from this new trend, both for the production and for the sale of their wares.

The shift to internet-enabled trade platforms, in particular, is expected to reduce the importance of geographical distance-related trade costs (UNCTAD, 2022). When looking for new market opportunities, digital platforms lower the obstacles that distances to customers raise, thereby increasing the potential market size accessible to craftspeople. Digital platforms help also micro-entrepreneurs to source the best tools and inputs required for production. This is particularly valuable for craftspeople living in rural areas.

In different parts of the world, native peoples and communities are reviving and rescuing old traditions by reproducing ancient crafts. For these populations, the production and sale of handicrafts are sometimes their only source of cash revenue. E-commerce can support the growth of such handicraft activities. To provide just one example, a handicraft company in Nicaragua, called Nicahat, sells handmade, traditional hats made with “pita” fibre. With the support of an ITC project link-

ing Central American women business enterprises with the global gifts and home decoration market and the Association of producers and exporters of Nicaragua, Nicahat became a thriving business.²

From a business model perspective, selling low volume products to occasional consumers is often called “Long Tail” marketing. It allows vendors to increase turnover with a single lump-sum investment (website, etc.) and very low investment in inventories, irrespective of the number of countries prospected. From an SDG perspective, the benefit of the Long Tail is that it helps small producers in remote areas and offers new options for consumers at the lower-end of the income range.

Harnessing the Crafts 4.0 potential

The Long Tail market’s potential for craftspeople in many developing countries will probably remain limited unless specific efforts are put in place to close the digital divide. Without Internet, many creators would have found it almost impossible to start a business selling their own products or services, especially in the rural areas where most handicraft producers reside.

Yet, adequate infrastructure and services may not be enough. These new business models may face strong resistance from craftspeople that are attached to traditional practices, even when they are not commercially sustainable. Reaching rural craftspeople and convincing them to adapt their traditional

practices requires the contribution of extension specialists, familiar with both these new techniques and the craftspeople community. It requires implementing “digital extension programs”, in much the same way as “agricultural extension” ones were introduced during the Green Revolution. This may best be done by organizing craftspeople in cooperatives, with the support of governmental agencies and NGOs.

References

1. UNCTAD (2022). ‘Creative Industry 4.0: Towards a new globalized creative economy’, Geneva.
2. See [link](#).