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An analysis of the art and craft sector and its potential for sustainable tourism development in the Caribbean

Willard Phillips
Delena Indar
Elizabeth Thorme



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**An analysis of the art and craft
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in the Caribbean**

Willard Phillips
Delena Indar
Elizabeth Thorne



UNITED NATIONS



This document has been prepared by Willard Phillips, Economic Affairs Officer, Elizabeth Thorne, Research Assistant, and Delena Indar, Consultant, of the Sustainable Development and Disaster Unit of the Economic Commission for Latin America and the Caribbean (ECLAC).

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Abstract

Art and craft is considered to be an integral part of the tourism business, since it plays an important role as souvenirs and mementos, thereby spatially and temporarily expanding the visitor experience. It is also increasingly looked upon as an opportunity to diversify the tourism sector offerings, as well as the broader economic base. As part of the overall global creative economy, the art and craft sector has seen consistent trade growth over the past two decades, and has shown the capacity to forge even stronger linkages with the tourism sector. This paper examines the nature of this relationship in the particular context of the Caribbean, by undertaking a survey of the sub-regional art and craft sector, as well as a case study value chain analysis of two Caribbean countries-Saint Lucia and Trinidad and Tobago. The findings confirm that art and craft holds significant potential for bolstering the regional tourism economy. Moreover, the dynamics of the tourism sector appear, in turn, to provide a good driver for the future development of the sub-sector.

Introduction

The creative economy has been identified as currently one of the fastest growing sectors in the global economy (UNCTAD, 2008; Inter-American Development Bank; Oxford Economics; British Council; and Organization of American States (2014). Although the notion of a creative economy remains a challenge in terms of definition, contemporary research over the past decade appears to lead to a convergence of views. These include elements such as creating innovation, creative industry, creative hubs, and cultural industries. Howkins (2001) was the first to articulate the concept of a creative economy to be the set of “transactions of creative products that have an economic good or service that results from creativity and has economic value”. The Department for Culture, Media and Sport of the United Kingdom also provides a succinct definition of the creative sector as one which includes all industries that are established based on individual creativity, skills and talent, and which possess the potential to create jobs and wealth through the generation or exploitation of intellectual property (UK DCMS, 2001). Based on this definition, Restrepo, Felipe, and Duque Márquez, (2013) sum up the activities of the creative economy to include all economic sectors in which production is based on the use of intellectual property. These sectors are identified to include: advertising, architecture, crafts, design, fashion, film, games and toys, music, publishing, research and development, software, TV and radio, videogames, and visual and performing arts.

The Inter-American Development Bank et al (op. cit.) also identify a similar set of activities, while being more specific in naming arts and crafts, and cultural heritage as important economic elements. Similarly, UNCTAD (2008) defines the creative economy as a holistic concept which accommodates a complex global interaction among culture, economics and technology, in which symbols, texts, sounds and images dominate. It is seen to involve at least the set of social, cultural and economic activities which use ‘cycles of creation, production, and distribution of goods and services that use creativity and intellectual capital as primary inputs’. From these inputs, a set of tangible goods and intangible intellectual and artistic outputs are produced. Specifically, such outputs include traditional arts and craft, as well as services related to publishing, music, television and film, performing arts, broadcasting, new media, and design. Possibly a tangible manifestation of the evolution and organization of the creative economy is the development of creative hubs which are regarded as ecosystems for organizing the diverse creativity, linkages, enterprises and institutions in a single creative space (Dovey and Pratt, 2016).

Because of the wide scope of products and services generated by the creative economy, there has always been a significant relationship between the creative industry and the tourism sector, with the latter serving either as a market for creative goods and services, or utilizing creative outputs to enhance or diversify the tourism product offering. This is the case since the tourism sector, by definition includes all those “activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (UNWTO, 2017). Recent evidence suggests that a strong synergistic relationship exists between this sector and the creative economy. For example, the ACS (2017) observes that art and craft as one element of the creative economy provides a direct avenue for cultural expressions which are often unique to a country, region or community, with such products evoking aspects of local history and tradition. In this way, cultural expressions through art and craft provide a direct link to the tourism product and experience which may be generated from different tourism localities, and has the potential to motivate repeat visits by tourists.¹

Tourism services are also typically supported by a wide range of small and medium sized enterprises at the destination. These entrepreneurs usually offer products in the form of furnishings, soaps, and local culinary delights, and services as cultural performers, craft producers and vendors, to diverse tourism segments, thereby enhancing the earnings and distribution of revenues from the tourism sector (ACS, 2017).

The OECD (2005) also notes that the link between tourism and the creative economy offers further opportunities to diversify tourism products, or revitalize destinations, while at the same time providing space to apply creative technologies in enhancing the tourism product. Fostering this link could lead to increased valorisation of cultural and creative assets, expanded audiences for creative products, and an overall improvement of the image of destinations.

That this relationship exists is not unexpected given that tourism seeks to provide visitors with a range of natural and sociocultural experiences of a destination. At the same time the workings of the creative economy through innovations, packaging of new creative content, and the expansion and diversification of creative partnerships, have served to broaden such experiences through the development of new products and markets thereby ultimately resulting in increased tourism demand.

As a subsector of the creative economy, art and craft possess the capacity to generate economic and social benefits by contributing to the diversification of the tourism experience, especially in the small tourism dependent economies of the Caribbean. This is amply demonstrated by Prins (2006) in a focussed study of the linkage between the tourism and handicraft sector in the Dominican Republic. In this analysis, Prins (2006) notes that while the local handicraft sector faces several constraints, it holds the potential to provide a large share of domestically supplied crafts, especially with respect to indigenous jewellery. This experience is replicated throughout the wider Caribbean, through the fostering of a large number of small and medium sized enterprises (SME’s), often supported by women and youth, who utilize a wide range of indigenous skills, materials, and cuisine in providing art and craft, and cultural experiences to visitors (ACS, 2015).

With the evidence of increasing marginal contribution of the creative sector to growth, employment and the forging of more resilient and sustainable economies globally (OECD, 2005) there is the need to improve the metrics related to sector performance in order to better map key intra and inter-sector creative activities, as well as to inform economic policy for the future development of the sector. While previous studies (UNCTAD, 2008; IDB, 2009) point to the potential of art and craft to contribute to the national economy globally, at the level of the hemisphere, no specific study has assessed the potential of art and craft to contribute to the national economy.

This study, therefore, seeks to contribute to the understanding of the art and craft sector by undertaking a survey of the sector in two case countries Saint Lucia and Trinidad and Tobago, and using these findings to elaborate a value chain for the sector in both countries. For the purpose of this study,

¹ Note that in terms of National Accounts, Art and Craft is considered to be a part of the manufacturing sector, in which goods are produced. Such goods are used in the enhancement of the tourism service to visitors. Additionally, given that art and craft are typically produced by small enterprises, they are more important to the national economy in terms of employment rather than output.

the art and craft subsector is understood to be that sector involved in the production of visual and functional works of art including paintings, sculptures, woodwork, weavings, basketry, leather products, traditional jewellery and clothing. It is expected that these findings would provide policy guidance for planning for the future development of the sector.

The rest of this paper is organized into six (6) sections. Section 2 discusses how the art and craft sector links to the tourism sector as the basis for defining the art and craft value chain. It also explores how art and craft contribute to sustainable tourism. In Section 3, development efforts as well as the current status of art and craft production and distribution in the Caribbean is reviewed,² based on the results of the sector survey and country case studies. Section 4 presents the assessment methodology for the value chain analysis, and identifies the key metrics and variables to be used. It also utilizes data from the survey along with secondary sources, to elaborate a value chain for the art and craft sector in the two case countries. Policy implications for sustainable tourism and concluding remarks are discussed in Section 5.

² A profile of the art and craft sector in the global economy is summarized in the annex.

I. Tourism and the art and craft sector

The collection of souvenirs and mementos is a popular activity for most visitors to a destination. According to Wilkins (2011), the motivation for this activity lies in the visitor's need to preserve his or her experience as a 'sacred, extra-ordinary time and space', for which souvenirs aid in the recollection of the experience. Souvenirs also serve to render the experience tangible not only to the visitor, but also to others who may not have actually visited the location. Kim (1997) notes that souvenirs may be categorized into five broad groups, these being: 1) pictorial images; 2) piece of the rock; 3) symbolic shorthand; 4) marker; and 5) local product. Pictorial images include photographs, guide books and maps, and digital media such as videos or audio files which may be shared through social media. Piece of the rock souvenirs have traditionally been small remnants extracted from the natural environment of a location, and may include rocks from mountains, shells and driftwood from beaches, and pine cones from forests. Pieces may also be collected from built developments of high historical and cultural significance.³ As further explained by Kim (1997), symbolic shorthand are typically manufactured products designed to evoke a shorthand message about the destination. A classic example in our subregion is the miniaturised steel pan from Trinidad and Tobago. Possibly the most widely consumed souvenir is the marker which makes no specific reference to any place, but instead bears inscriptions which locate them in space and time. Markers include T-shirts, caps, shawls and bangles or bracelets. Finally, local products include a wide diversity of locally made items including food and clothing. It is through this category that the local art and craft sector links to the tourism sector. As pointed out by Kim (1997), local handcrafts and clothing are the main products purchased by international tourists. Moreover, the dramatic expansion of global tourism travel over the past two decades, has resulted in a proliferation of souvenirs from the 'markers' category, which has in turn served to enhance the intrinsic value of local art and craft to international visitors. This is because local art and craft maintain the quality of uniqueness, and represent an innate connection to the heritage and culture of the destination, as well as the indigenous knowledge and craftsmanship of local artisans.

³ Possibly the best example in modern history is the Berlin Wall, which was torn down upon the reunification of East and West Germany between 1990 and 1992.

Local art and craft also link directly to the tourism sector as a source of supply of functional items used in the hospitality sector. Among such items are decorative wall hangings, lamp-shades, serving trays and receptacles, place mats and other functional or decorative elements.

Given the role of souvenirs in enhancing the visitor experience, as well as the increasing value of local art and craft as souvenirs and functional art in the tourism sector, the link between art and craft and the tourism sector should be readily apparent. For example, the International Trade Centre (2010) estimates that sales of handicraft to the tourism sector in Ethiopia were as high as USD12.7 million, with as much as 55% of the value of such sales going directly to poor craftsmen, traders, and raw material suppliers. The average spend by tourists on handicraft was assessed to be approximately US\$50 in 2007.

Similarly, Nyawo and Mubangizi (2014), in assessing the role of art and craft in the tourism sector in South Africa also observed the close linkage between the sectors with tourism being a principal driver of development in this, and other related sectors. A specific analysis of the art and craft sector in the Mtubatuba Municipality of north-eastern KwaZulu-Natal reveals that this sector is the main source of livelihood for the tourism based area,⁴ with the main target market for crafters being visitors.

The linkage of the art and craft and tourism sectors can also be a key driver of regional development growth as shown by Lehman and Reiser (2014) in the small island Australian state of Tasmania. Here, the opening of the privately owned Museum of Old and New Art (MONA), spawned the growth in visits by cultural tourists keen to experience the cultural milieu of the state.

Finally, Murray (2011) in elaborating a perspective on the role of arts and culture in stimulating economic growth notes that art and cultural activities have the potential to draw visitors from within and around communities. This in turn increases local economic and social activities thereby helping to build economic and social capital. These dynamics were shown to be at work in several US art and creativity clusters such as the Crane Building in North Philadelphia; the Sanctuary Lofts in Tampa, Florida; the Art Windows Project in Boston, Massachusetts; and the Art Prize Event in Grand Rapids, Michigan.

The role of art and craft in strengthening the tourism experience has also gained recognition in the Caribbean. Nisbett (2010) for example affirms that the promotion of art as an integral part of the regional tourism experience can serve as a vehicle for unleashing the creative potential of Caribbean peoples in order to further develop the tourism sector. Several Caribbean tourism enterprises already recognize this possibility. Box 1 below profiles one such enterprise-Zaka Art Café, located in the southern touristic town of Soufriere in the island of Saint Lucia.

⁴ This municipality is home to two major tourist attractions these being 1) the iSimangaliso Wetland Park, and 2) the Hluhluwe-Imfolozi Park.

II. Development efforts and current status of art and craft production and distribution in the Caribbean

It has long been recognized that the cultural industries contribute to holistic development in the Caribbean. Among the earliest evidence of this recognition was the presentation of a Regional Cultural Policy by the Caribbean Community (CARICOM) in 1997. This policy identified broad objectives for the development of cultural industries in the subregion and emphasized the need for relevant national strategies as a precondition for growth of the subsector.

Subsequently, Nurse and others (2007) also examined the trade and development challenges of the cultural industries in CARICOM and concluded that the cultural arena had thus far not been seen as a priority area for development. They further observed that there was need for relevant data particularly for measuring the economic contributions of the sector to regional economies. At the same time however, it was noted that the Caribbean had significant competitive advantage in the production stage of the value chain in some cultural subsectors.

Overtime, the subregion has seen the elaboration of several planning papers on the sector. For example, the Organisation of Eastern Caribbean States (OECS) prepared a diagnostic review and strategic plan for OECS-EDU clients in the arts and craft sector (Noel L. & A. Charles, 2011) which outlined success factors and critical actors required for development. Further, a Draft Regional Strategy and Action Plan was developed by the Regional Task Force on Cultural Industries with a core mandate of developing relief from charges on inputs into the cultural industries (CARICOM, 2016). By way of specific strategic actions, CARICOM also continues to stage the annual Caribbean Festival of Creative Arts (CARIFESTA) as a vehicle for the development of the creative outputs. And, 2016, this body called for the elaboration of a Strategic Business Plan for a Caribbean Creative Industries Management Unit (CCIMU) in order to foster creativity, improve trade, create opportunities for artisans, and support the development of creative business.

International actors have also given focus to the evolution of the cultural sector in the Caribbean. For example, in 2006 the United States Agency for International Development (USAID) conducted a Handicraft Value Chain Analysis for Haiti which identified the main actors to be craft factories, craft workshops, production contractors, metal artisans, agents and producers. Additionally, in 2015, the Visual and Performing Arts Jamaica and KEA European Affairs facilitated a study on the Development of a Strategy for the Creative Industries Sector for the Caribbean Export Development Agency. Specific to art and craft, this study found that the subsector was not well represented in international networks, and outlined current challenges and corresponding recommendations for boosting its development.

The Association of Caribbean States, Organisation of American States and the International Labour Organisation have also collaborated to support the establishment of the Regional Network of Artisans in Tourism in the Greater Caribbean. This entity seeks to leverage opportunities for trade and entrepreneurship (ACS, 2017). Another key objective of the Network is the compilation of the first comprehensive directory of artisans in the region.

Contemporary monitoring of the performance of export values for cultural products from the subregion continues to be undertaken by the United Nations Conference on Trade and Development (UNCTAD). While this represents only a segment of the activity within the sector, these data have been the main proxy of the subregion's industry trade performance over time.

Box 1 ZAKA's art café

ZAKA's Art Café is located in the town of Soufrière on the coast of Saint Lucia. The studio is aptly named, given that ZAKA is the God of the forest, trees, earth and agriculture- elements that are not only depicted in the art but are key in producing the handcrafted works. The Art Café is easily recognizable by the vast array of brilliantly-coloured art on the outside of the building. Visitors are welcome to visually partake of the decorative art pieces lined along the walls as well as physically partake in coffee that is made right at the studio. One can view the making and finishing of ornamental fishes and turtles, paintings, furniture and the signatory ZAKA masks.

Having been established in 1997, the owner has successfully tapped into both local, regional and international markets, thriving in a market of unique art based on local culture and heritage. The owner continues to train those with a keen interest in carving, wood preparation, and painting. ZAKA's work has been showcased in several exhibitions such as the Caribbean Arts and Craft Festival and both aesthetic and functional pieces can be found in hotels and other retail shops.



The Government of Grenada has also pursued ongoing reporting on developments in the local arts and craft subsectors, with specific focus on crafts such as decorative home furnishings. From these reviews, specific strengths of the sector such as availability of materials and human resources have been identified. Nevertheless key sector weaknesses such as limited financial and physical infrastructure, and lack of sector linkages and new product lines remain.

In spite of these efforts, implementation of subsector development plans has varied across the Caribbean sub region and the economic contributions of the sector, for the most part, have not yet been measured. In seeking to address this deficiency, this study undertook a regional survey of the art and craft sector. The findings of this survey inform the current status of production and distribution of art and craft in the Caribbean and are presented in the section which follows.

At the country level, some Caribbean countries have undertaken initiatives aimed at mapping artisans and collecting data to measure performance in the sector. The Ministry of Community Development, Culture and the Arts in Trinidad and Tobago, launched an Artists' Registry⁵ in 2011 and mapped the arts and cultural sector in order to gather characteristic data. In Dominica, Stedman (2013) conducted a descriptive baseline assessment of the cultural industries and recommended the improvement in the quality and variety of craft produced the fostering of stronger relationships in targeted markets, and the development of projects.

A. Survey of art and craft sector in the Caribbean

Owing to its nature and scope, the study was cross-sectional and the data presented in this section are based on current information and trends as gleaned from the survey. For the purposes of this study, an artisan was considered to be one who utilized his/her skill and materials in generating products which reflected creative value through symbolism, culture, or craftsmanship. These products are generally unique in some way as they are not mass-produced. Products of artisans for this study included a wide range of items such as works of metal, leather, wood, natural products such as seeds, fruit, paper, wire, and threads. It should be noted that individuals involved in the culinary arts, service products, film and music were not included as they did not form part of the scope of the research. Additionally, only participants who were currently active in their craft were selected for the survey. The survey was conducted between March and June 2017. The full survey instrument is presented in the annex.

Web-based instrumentation was the main mode of survey dissemination using an online generated survey link produced by Verint Systems Incorporated. The questionnaires were completely anonymous and therefore no identifier was utilized. In the case study countries, a hardcopy of the questionnaire was also distributed to individuals, and where necessary, assistance in completing the survey was offered to those who required it. This approach was utilized in order to reduce potential bias of those who had access to computers and for those who had literacy or language barriers.

With respect to sampling, there existed no fully documented or well-defined target population which could be used as an appropriate sample frame for the Caribbean art and craft sector at the time of the survey. A probability sample was therefore not feasible for the study. The data collection strategy thus employed was to obtain data through the questionnaire from as many artisans as possible, subject to time and budget constraints. Towards this end, purposive and chain sampling techniques were employed.

As regards the sample size for interviews and observations, Emmel (2013) provided guidance by noting that “the validity, meaningfulness, and insights generated from qualitative inquiry have more to do with the information richness of the cases selected and the observational/analytical capabilities of the researcher than with the sample size.” Further, Jones, Torres and Arminio (2013) emphasized that “in purposeful sampling, the size of your sample is determined by informational considerations. If the purpose is to maximize information, the sampling is terminated when no new information is forthcoming from new sampled units, thus redundancy is the primary criterion.” For the case country surveys, this

⁵ More information about the Artists' Registry can be found at <http://artistregistrytt.com/general/artistregistry.aspx>

redundancy was achieved after speaking with about 6 to 7 stakeholders from each case country. Ultimately, an overall target sample size of 100 was set for the survey, with a target sample of 30 artisans from each case country.

In terms of the selection of respondents, the main challenge in locating artisans for the study was that many were undocumented and routinely transitioned between active, non-active, full time or part time involvement in art and craft. As a consequence, there is the possibility that the chosen sample may not necessarily represent the views of the entire population since participants were chosen based on accessibility rather than on the basis of random selection. This notwithstanding, stakeholder interviews were conducted in the case countries to reinforce content validity and thereby mitigate this potential bias. The artisans' contacts were gleaned through various online platforms, artisan associations and networks, trade shows, art and craft galleries and distributors.

Data were successfully collected from a total of 118 participants within the scope of the study. Among the main challenges in data collection were the hesitancy of respondents to respond to unsolicited emails which presented the survey link; the absence of any form of incentive offered to respondents in return for their willingness to complete the questionnaire; and the evidence of survey fatigue among respondents who expressed concern that they were often asked to complete surveys and questionnaires but did not witness the translation of their inputs into any meaningful results.

Finally, many of the artisans in the region did not possess an email address nor did they check their email accounts regularly. The data gathered from the survey were analysed using IBM SPSS version 22.

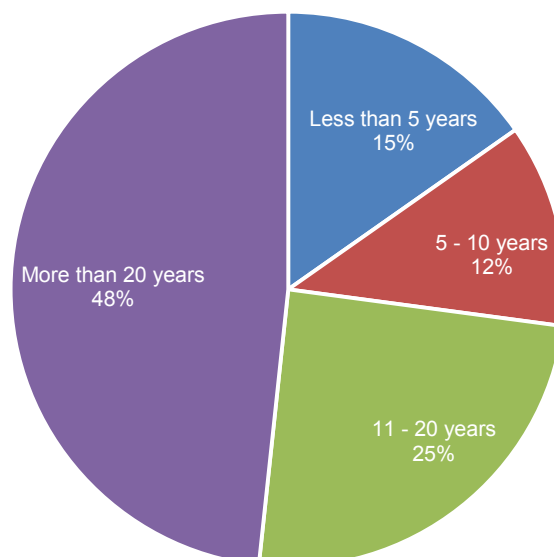
B. Survey results

The survey results are presented firstly for the overall sample, and subsequently for the two case study countries. The two largest groups of respondents were from Saint Lucia and Trinidad and Tobago with 28 and 35 artisans respectively. This is because the on-field presence in the two case study countries encouraged persons to complete the survey as they were able to interact with the researchers and better understand the study. It also allowed for persons who did not have computer access to complete the survey. There were 49 respondents from 14 other countries while six respondents did not indicate their country of residence.

For the overall sample, 75% of the respondents were female, reflecting a sample field that was female dominated. In respect of age group, 58% of the respondents were under 50 years of age. Furthermore, as seen in Figure 1 below, almost 48 % of the respondents stated that they had been artisans for more than 20 years.

The larger proportion of respondents (53.3%) operated as *both* producers and distributors of their art and craft products, while 57.6% indicated that they operated on a part-time basis. 57.6 % of respondents also stated that they were currently not a member of a local art and craft association.

Figure 1
Distribution of years' experience as an artisan in the sample
(Percentages)



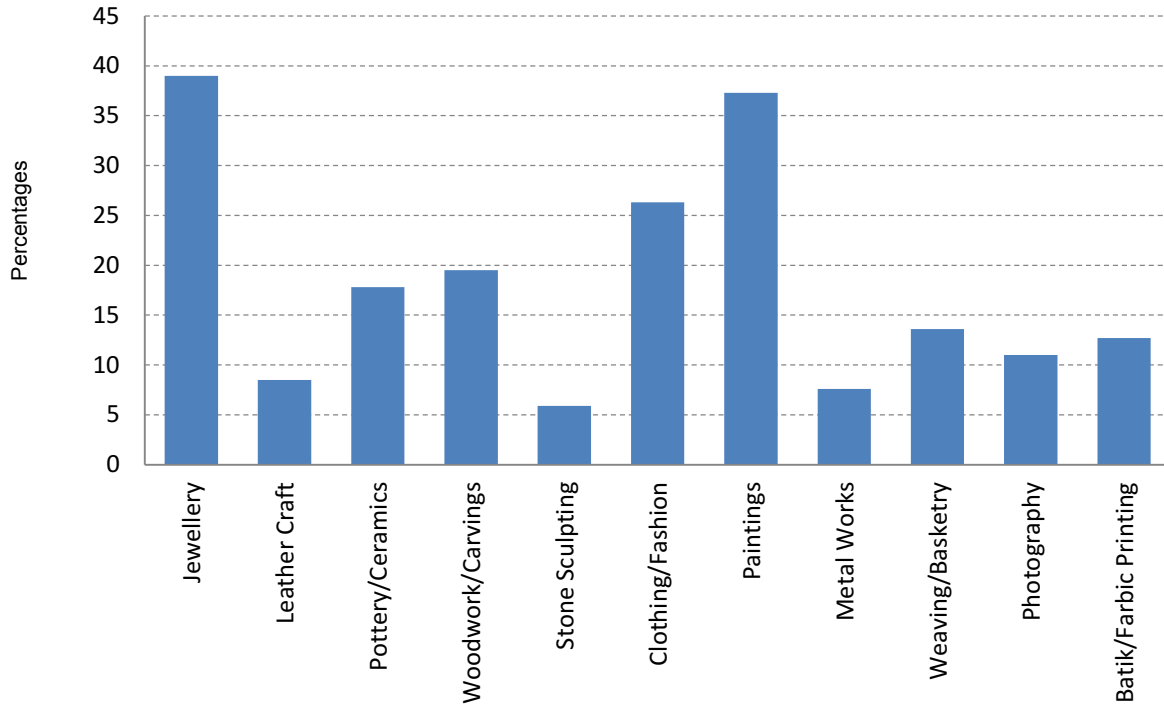
Source: Authors' compilation.

It should be noted that not all the countries had art and craft associations. Certain countries had national and geographical associations whereas others reported that the local art and craft associations were no longer functional.

With respect to the main types of crafts produced, jewellery was by far the main product as reported by 39.0% of respondents, while paintings and clothing/fashion were major crafts for 37.3% and 26.3% of the sample respectively. Figure 2 shows the distribution of the main types of art and craft produced by the sample.

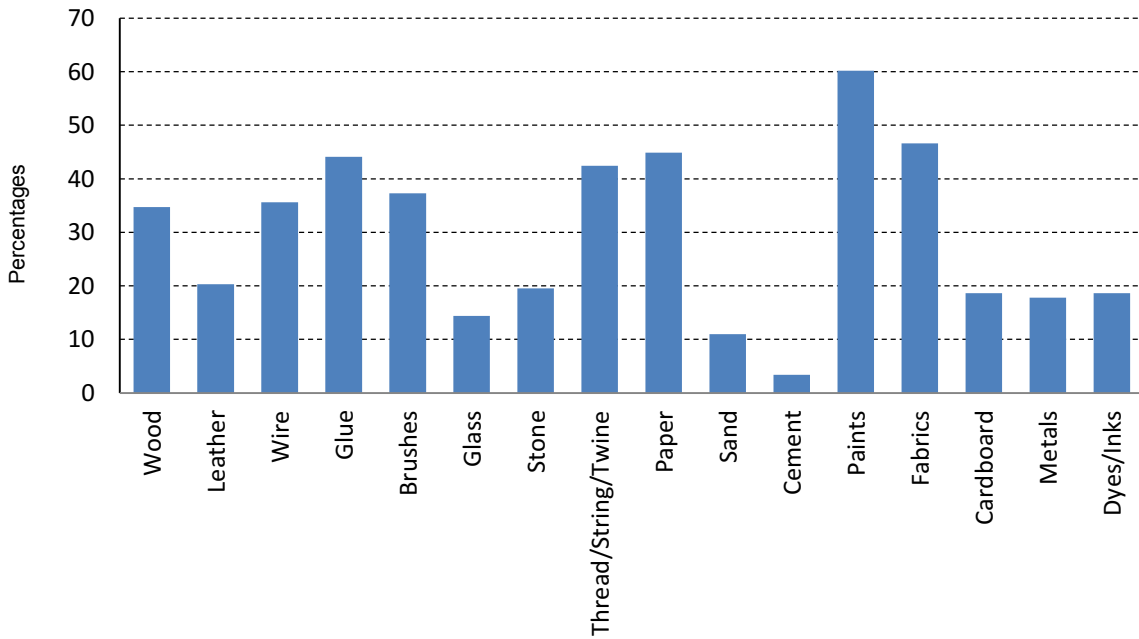
Although Caribbean crafters used a wide range of inputs in the production of their art and craft, locally available indigenous materials were the most widely used as reported by 55.1% of respondents. Materials imported directly by crafters, and materials imported by local suppliers were utilized by 53.4% and 48.3% of the sample respectively. Among the inputs, paints (60.2%), fabrics (46.6%), paper (44.9%), and thread/string/twine (42.4%) were the most widely used by artisans in their trade. Still, other inputs such as wire (35.6%), brushes (37.3%), wood (34.7%) and leather (20.3%) were also used by significant numbers of Caribbean crafters (Figure 3).

Figure 2
Main types of art and craft produced



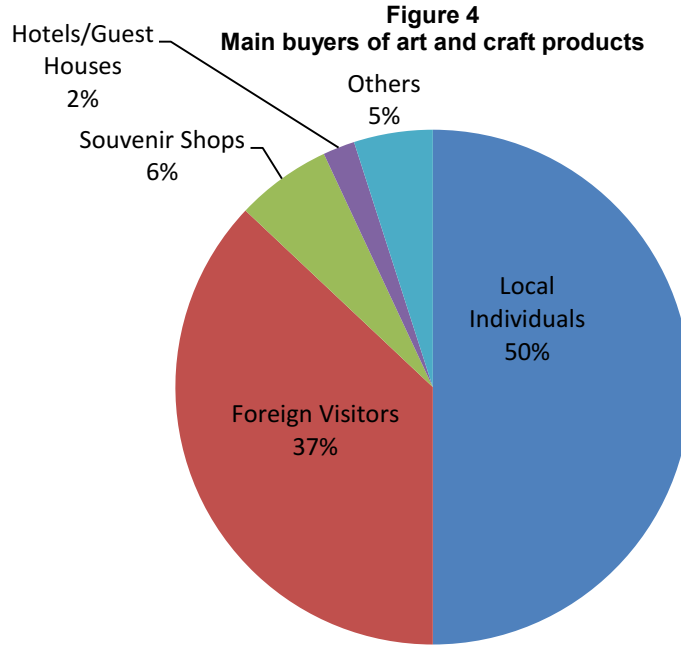
Source: Authors' compilation.

Figure 3
Main inputs used in art and craft production



Source: Authors' compilation.

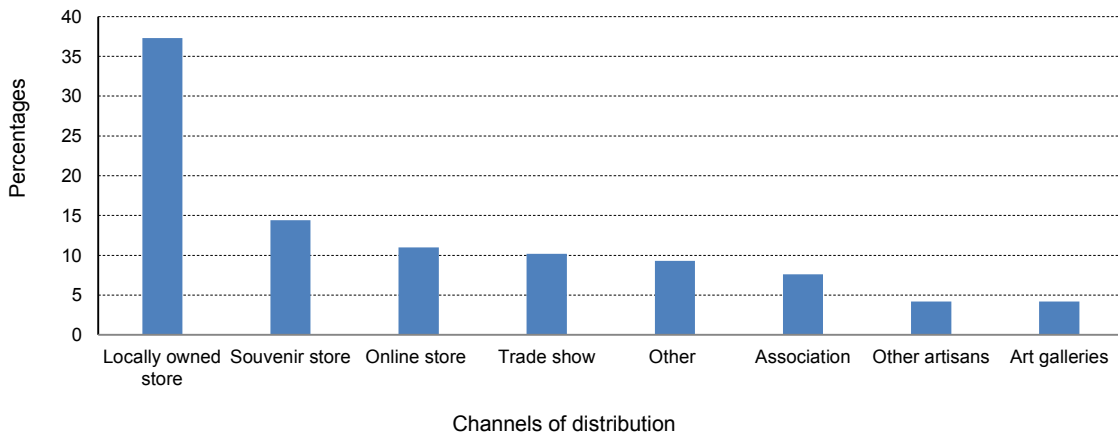
In terms of marketing of products, Caribbean artisans sold mainly to local individuals (50.0%), and foreign visitors (37.0%). Significantly, souvenir shops and hotels and guest houses were main purchasers for only a very small share of respondents, amounting to 6.0% and 2.0% respectively. Only 5.0% of artisans reported ‘others’ as their main buyers. This category included local galleries and itinerant purchasers (Figure 4).



Source: Authors' compilation.

Related to the main buyers, was the distribution channel employed for the sale of craft. The most popular selection among respondents was that of a locally owned shop (37.3%), followed by local souvenir stores (14.4%). Online store/social media (11.0%) as well as trade shows (10.2%) were also popular selections (Figure 5).

Figure 5
Distribution of main channels for art and craft products
(Percentages)



Source: Authors' compilation.

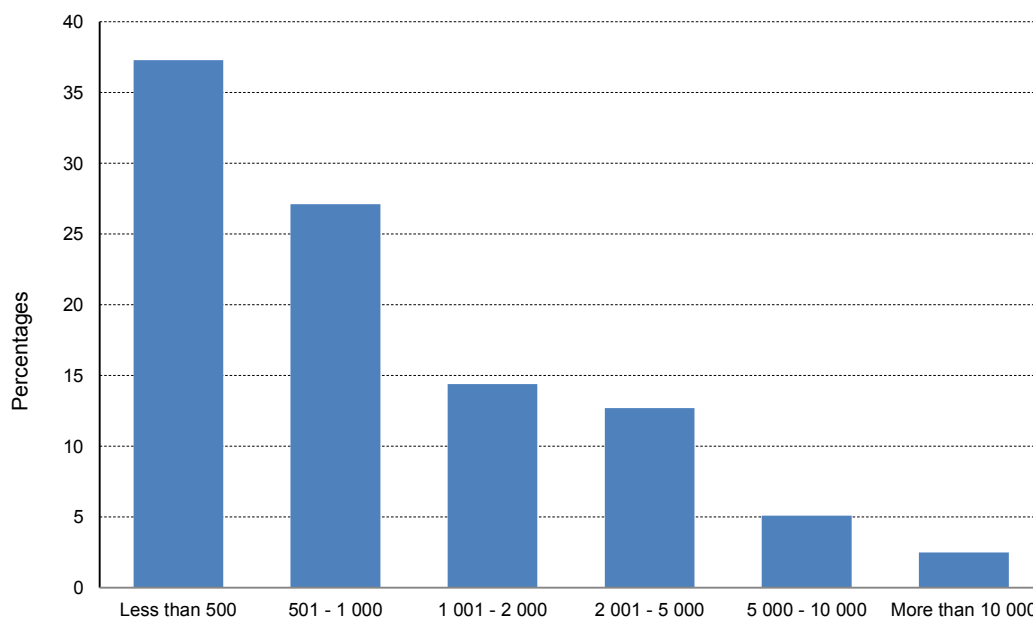
On the basis of the survey, the current engagement of the Caribbean art and craft sector with the tourism/hotel sector can be deemed to be limited. This is because as much as 43.2% of respondents indicated that they sold less than 10% of their product directly to this sector. There appears to be potential for serving this sector however, since 20 percent of respondents confirmed selling more than 70% of their products to the tourism sector. Overall responses to this question are summarized in Table 1.

Table 1
Products sold to the tourism/hotel sector
(Percentages)

Category	Percent
Less than 10	43.2
11 - 30	11.0
31 - 50	11.9
51 - 70	11.0
More than 70	20.3

Considering costs, the majority (37.3%) of Caribbean crafters spent less than \$500 of local currency per month in the production of art and craft. Another 27.1% spent between \$500-\$1,000, and 14.4% spent between \$1,000-\$2,000 per month. Only 5.1% spent on average between \$5,000-\$10,000 per month in producing for their trade (Figure 6).

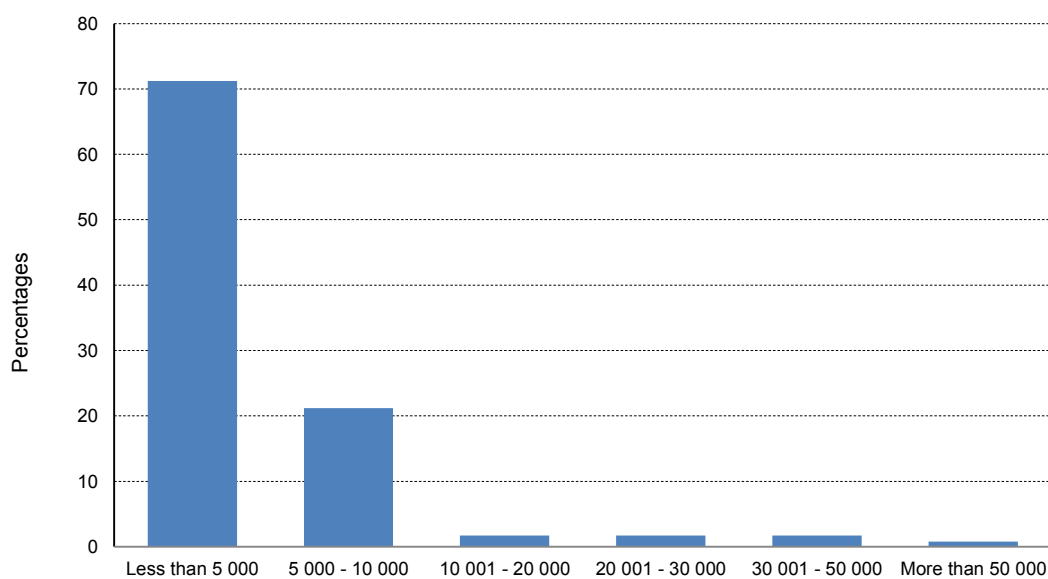
Figure 6
Average spent per month in production of art and craft



Source: Authors' compilation.

From these expenditures, 71.2% of surveyed artisans generated less than \$5,000 of revenues (in local currency) monthly. Another 21.2% earned between \$5,000-\$10,000, while only very few generated higher revenue earnings per month (Figure 7).

Figure 7
Monthly revenue earnings for art and craft



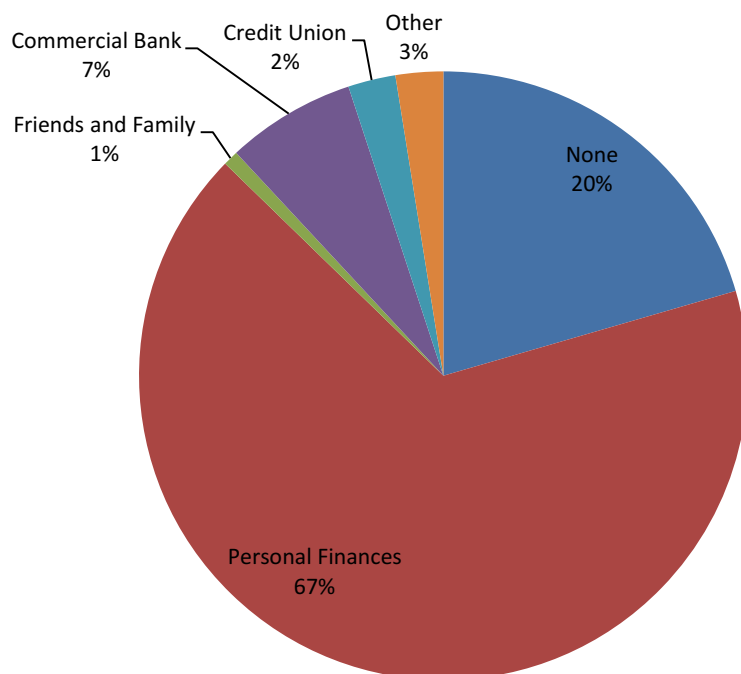
Source: Authors' compilation.

While the number of items sold per month varied, it was generally less than 5 pieces for 39.8% of the sample. A cumulative percentage of 56.6% of artisans sold less than 10 pieces per month, while up to 68.6% of respondents sold no more than 20 pieces per month. This variability reflects both the range and diversity of art and craft products on offer by Caribbean crafters, since the number of pieces sold varied by the type of product. Further the peak season for the sale of art and craft products was the first and last quarters of the year as reported by 44.1% and 33.1% of the sample respectively. This coincides with the tourism high season in the Caribbean.

On the issue of financing their art and craft business most crafters (66.1%) used personal financing, while 20.3% did not identify any specific source. Only 6.8% and 2.5% utilized the financing services of banks and credit unions respectively (Figure 8).

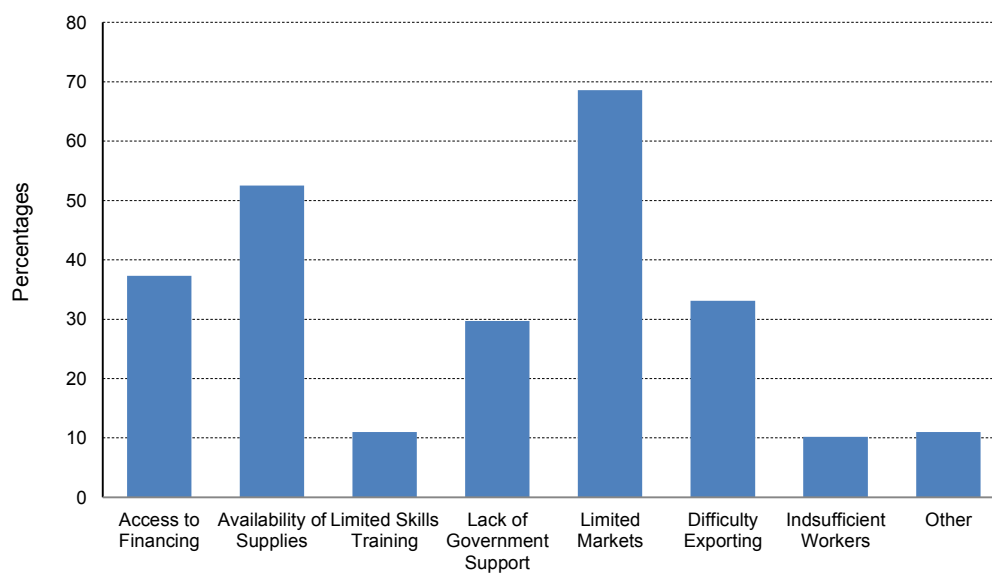
Finally, in assessing the main challenges to the successful operation of their art and craft businesses, respondents noted limited markets (68.6%), availability of supplies (52.5%) and access to financing (37.3%) as the main constraints. Difficulty exporting (33.1%) and lack of government support were the other notable challenges identified (Figure 9).

Figure 8
Main source of credit for financing art and craft business



Source: Authors' compilation.

Figure 9
Main challenges to operating art and craft business



Source: Authors' compilation.

1. Case Country Analysis

The survey revealed several differences in the characteristics of the surveyed artisans in the two case study countries. Firstly, it is apparent that the sector in Saint Lucia is more female dominated (71.4 %), compared with that of Trinidad and Tobago (57.1 %). Moreover, in the case of Saint Lucia, a higher proportion of the sample was over 50 years (64.3 %) whereas in Trinidad and Tobago only 28.6 % of the sample was over 50 years. Regarding work status, in both countries, there was a roughly equal distribution of part-time and full time artisans. Considering business experience, the highest proportion of artisans was practicing their craft for over 20 years both in Saint Lucia and in Trinidad and Tobago.

Substantial case country differences were also observed with respect to the significance of tourism in the art and craft sector. Accordingly, the largest proportion of Saint Lucian respondents (39.3%) reported that over 70 % of their products were sold to the tourism sector. This was in stark contrast to Trinidad and Tobago where only 15.4% of artisans indicated that the majority of their art and craft products were sold to the tourism sector. A Cramer's V test⁶ comparing both countries revealed a strong association between the country variable and percentage of products sold to the tourism sector with a coefficient of 0.542.

This result is not surprising considering the difference in the role of tourism in the countries. According to the World Travel and Tourism Council (2017), the total contribution of travel and tourism to GDP in 2016 was 39.6% and 7.9% for Saint Lucia and Trinidad and Tobago respectively. Additionally, as shown in Table 2, Trinidad and Tobago's main market is that of local individuals (68.6%) whereas Saint Lucia relied more heavily upon foreign visitors (42.9%).

Table 2
Comparative distribution of markets for sale of art and craft products
(Percentages)

Markets	Saint Lucia	Trinidad and Tobago	Sample excluding case studies	Entire sample
Local individuals	28.6	68.6	38.2	42.4
Foreign visitors	42.9	14.3	30.9	31.4
Souvenir and retail shops	7.2	8.6	7.3	8.5
Hotels/guesthouses	3.6	0.0	1.8	1.7
Combination of markets	10.7	5.7	16.4	11.9
Other	7.0	2.8	5.4	4.1
Total	100.0	100.0	100.0	100.0

Source: Authors' compilation.

Regarding distribution, 46.4% and 34.3% of the respondents indicated that the most popular channel for sales was locally owned shops for Saint Lucia and Trinidad and Tobago respectively. Cramer's V test was conducted using each of the main channel variables contingent upon country. A coefficient of 0.418 was calculated and proved that there was a moderate to strong variation between the results of both countries.

With respect to inputs utilized in art and craft production, certain outputs relied more heavily upon natural products, such as palm leaves for weaving and seeds for jewellery. In both case countries, just over 50% of artisans utilized indigenous materials. Ease of access to inputs however differed between countries, with 63% of the respondents from Saint Lucia stated that this was a problem. On the contrary, this appeared to be less of a problem in Trinidad and Tobago, where 37% of respondents indicated that availability of supplies was a challenge.

⁶ This is a statistical test for the significance of association between nominal variables.

C. Value Chain Analysis

Dekker (2003) provides a lucid analysis of a value chain, citing the definition of Shank (1993) as the “linked set of value-creating activities all the way from basic raw material sources for component suppliers through the ultimate end-use product delivered into the final customers’ hands”. Value chain analysis therefore is the breakdown of these set of activities into relevant segments in order to gain insights into the behaviour of costs, value added, and the source of product differentiation across the value chain. A key element of the value chain is the linkages which exist between the performance of one activity by a member of the value chain, and the effects of this activity on the performance of other members of the chain. Hence, decisions of input suppliers, either in terms of costs, availability or even quality of inputs, may have performance impacts on producers further down the chain. A linkage is deemed to be strong where the performance of one activity results in significant impacts on the activities of other members of the value chain. As observed by Dekker (2003) the ultimate aim of value chain analysis is to be able to identify opportunities for cost reduction in production, thereby enhancing the coordination and product differentiation in the value chain.

While the typical approach to value chain analysis assumes the movement of goods across the chain, the International Trade Centre (2010), in elaborating a specific value chain for handicraft in the tourism sector notes some important peculiarities. Firstly, it is more difficult to separate specific functionalities in the value chain of the tourism sector, particularly since many of the functions overlap depending on the nature of the art and craft being produced and sold. A good example of this ‘multi-functionality’ may be found in the operations of art galleries where a single gallery might be involved in production, marketing and promotion, distribution, training of artists, and the supply of art inputs and related services.⁷ More significantly, some galleries may choose to promote specific works of art for sale, and in this regard serve as a distributor to other artists, while producing its own works.

Table 3
Type of art and craft produced and sold by group
(Percentage)

Art and craft	Caribbean	Saint Lucia	Trinidad and Tobago
Jewellery	40.8	50.0	37.0
Leather	8.7	0.0	7.4
Pottery/Ceramics	20.4	15.4	11.1
Wood Work/Carvings	20.4	26.9	14.8
Stone Sculpting	5.8	0.0	0.0
Clothing/Fashion	28.2	46.2	14.8
Paintings	37.9	34.6	40.7
Metal Works	7.8	0.0	3.7
Weaving/Basketry	12.6	7.7	0.0
Photography	11.7	11.5	11.1
Batik/Fabric Printing	13.6	11.5	3.7
Other ^a	43.7	42.3	29.6

Source: Author’s Compilation.

^a This category reported as many as 61 other types of art and craft, many of which overlap the predefined categories, but were named as distinct types by the respondents. In most cases, these ‘others’ were named by a single respondent only.

⁷ These may include framing, reproduction, printing, and reconditioning of art works.

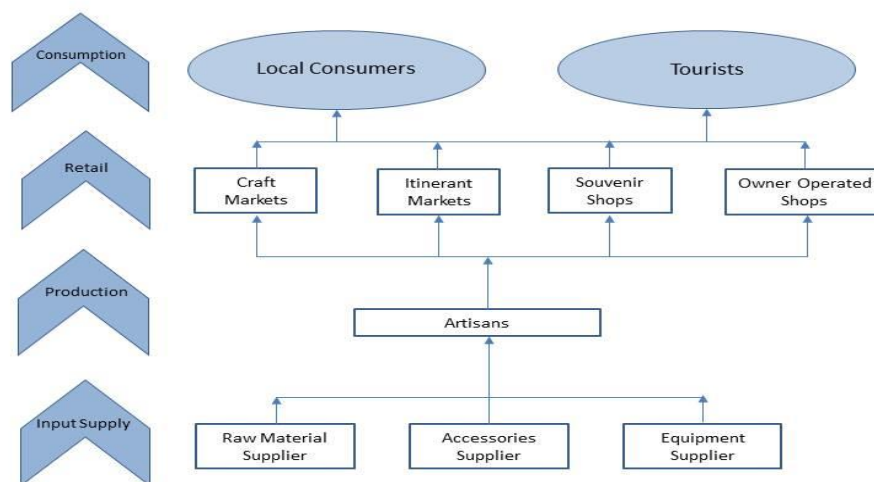
Secondly, given the wide range of artistic products that are typically offered to the tourism sector, it is not often possible to identify specific input costs for specific art outputs. Art and craft production processes are not operationally sequential since they depend on the artistic objectives, skills, and inspiration of the artist, in addition to the more practical aspects such as available time⁸ and availability and quality of raw materials.

For the purposes of this study, three art and craft subsectors have been chosen for analysis. These are 1) jewellery, 2) clothing and fashion, and 3) paintings. These subsectors were selected based on the numbers of crafters reporting these as their main production activities from the field survey (Table 3).

Moreover, the survey revealed the following as the key actors in the value chain: input suppliers, art producers/distributors, craft markets, souvenir shops, art galleries, tourists, and local consumers. Input suppliers provide the raw materials, accessories, tools and equipment necessary for the production of art and craft. As observed from the survey, roughly half of Caribbean artisans use locally sourced, indigenous materials in the production of their art and craft, while the others utilize materials imported directly by themselves or supplied by local importers.

With respect to production and distribution, recall that most art and craft producers also played the role of distributor either through locally owned shops, or other distribution channels. Significantly, the wholesaling function was largely absent in the distribution of art and craft in the subregion. Hence the role of producer/distributor is a prominent one in the Caribbean art and craft value chain. Much of the producer's sales efforts were made either through self-operated booths at craft markets, or through itinerant craft markets organized by local craft associations, or planned to coincide with major cultural festivals throughout the year⁹. Local souvenir shops and art and craft associations were also an important distributive channel for a small number of artisans.

Figure 10
Main challenges to operating art and craft business



Source: Adopted from International Trade Centre-Technical paper: linking the handicraft sector to tourism markets, 2010.

⁸ Artists and artisans are often contracted to produce specific works for which well-defined time frames are negotiated.

⁹ Such festivals include the Annual Carnivals, or Jazz and Art Festivals organized in various Caribbean countries during the year.

Additionally, as outlined above, the main buyers of art and craft for Caribbean artisans were local individuals and foreign visitors. However, hotels, other craft dealers, and foreign distributors were not major purchasers of Caribbean artisan products.

On the basis of the above, a likely value chain for the art and craft sector in the Caribbean is presented in Figure 10. This model is adapted from the tourism-related handicraft value chain map as detailed by the International Trade Centre.

1. Value Chain Elaboration

In order to elaborate the value chain for the selected artisanal products, it is necessary to assess the *value* of the product at each stage of the value chain. In the case of a painting for instance, such inputs would likely include paints, brushes, canvas, solvents and other chemicals. Other input costs are also assessed in the value chain, and would include the cost of rental of space, and other material inputs such as electricity, water, transportation and communication costs, among others. The creative input¹⁰ applied in the creation of the piece of art is also assessed and is presumed to be reflected in the output price of the piece on offer to either distributors or final consumers. In instances where the work of art is produced from locally available materials from nature, the material input cost is effectively the cost of the artisan's effort in collecting and preparing such materials for use in the creative process. Ultimately, estimates of value-added are best gauged by the input prices and the subsequent values of the works of art at different stages of the value chain, and are assessed from price and cost data collected during the survey, as well as supplementary secondary data sources.

Figure 11
Examples of necklaces evaluated in jewellery value chain



Source: Shown with the permission of the Choiseul art gallery, Saint Lucia.

¹⁰ This is effectively the labour input. Labour in this case however is deemed to include the creativity, insight, visioning, interpretation, and inspiration which led to the creation of the artwork. It also includes the actual physical talent applied in the production of the piece.

Even within the selected art and craft products, there is practically no limit to the scope and range of items produced by Caribbean artisans. It is therefore also necessary to specify the particular piece of craft that is the subject of evaluation. In the case of jewellery, this diversity is both in terms of the range of functionality of the items produced, as well as the intricacy of the designs and materials used. Considering functionality, jewellery produced include, bracelets, necklaces, rings, earrings, brooches and hair accessories. With respect to materials, artisans utilize naturally occurring materials such as beads, seeds, sea shells, wood, stones, and bones, or man-made materials such as plastics, metals, string and wire. For the purpose of this analysis, the value chain elaborated in this study is for necklaces produced mainly from naturally available materials. Examples of these products are shown in Figure 11.¹¹

Considering Clothing and Fashion, the principal products include hats, belts, handbags, footwear and specially designed fabrics prepared by printing and weaving. These artisanal products also include beachwear and related accessories which might be created through knitting or weaving. As artisanal products, clothing and fashion have the quality of being fairly unique specialty items, which are not widely available, and are therefore valued for their distinctiveness. The main inputs in the production of clothing and fashion typically include leather, dyes, threads, paints, waxes, buckles, fasteners and staples and raw fabric usually produced from natural fibres. In this study, handbags are the element of evaluation for the clothing and fashion value chain. Examples of typical products in this category are shown in Figure 12.

Figure 12
Examples of handbags evaluated in clothing and fashion value chain



Source: Shown with the permission of JENDAYI SIKELELA Designs, Trinidad and Tobago.

Like jewellery and clothing and fashion, paintings also present considerable variability with respect to the selection of a representative item for a value chain. Such variability is related to the size and intricacy of the painting, the particular creative application in terms of types of inks used (acrylic, water, pencil, charcoal), the nature and quality of the substrate on which the painting is done, (canvas, paper, metal), and the method of framing or mounting of the piece. In this study, a typical piece for analysis is a framed acrylic piece completed on canvas and mounted on a 60cm x 80cm frame. Figure 13, shows typical examples of this type of rendering.

¹¹ These exhibits are from the Choiseul Art Gallery in Saint Lucia.

Figure 13
Examples of paintings evaluated in paintings value chain



Source: Shown with the permission from the Choiseul Art Gallery, Saint Lucia.

Given the wide diversity of artisanal products on offer by Caribbean crafters, the value chain analysis developed in this study should be regarded as at best a conservative estimate of value created from the art and craft sector, since it focusses on only a very limited selection of creative outputs.¹² The value chains developed for the three art and craft categories across the two case study countries are shown in Table 4.

Table 4
Art and craft value chains assessed in this study

Type of art and craft	Countries	
	Saint Lucia	Trinidad and Tobago
Jewellery	✓	✓
Clothing and fashion	✓	✓
Paintings	✓	✓

Source: Author's Compilation.

2. Estimating value added

The following variables were estimated and applied in the elaboration of the value chain for each art and craft product:

- Average Value of Materials (Unit Input Costs)
- Cost of Labour/Creativity
- Value at Production
- Distribution Wholesale Value

¹² This assessment assumes the production of a limited range of products, these being necklaces, handbags and smaller paintings only. In practice each artisan produces a much wider array of products within his/her area of specialization, with such items often having far higher values than the products selected for evaluation in this study.

- Consumption Value (Revenue per Unit or Retail Price)
- Estimated Total Number of Units Sold per Year
- Total Annual Value Added

The average value of materials was estimated from survey findings related to mean monthly spending on inputs for producing the specific art or craft, divided by the average number of units produced per month. Note that this figure does not include an estimate of labour/creativity costs, which were assessed separately as the percentage of costs of inputs specified for labour where this was identified as the highest input cost for production of the art or craft. The value at production was assessed as the sum of material input costs and labour/creativity cost for each unit of craft produced. This effectively represented the value of the craft at the stage where the product enters the wholesale distribution chain. The distribution wholesale value represents the price at which wholesalers will offer the product to retailers for final sale to consumers. However, given that in the majority of cases, Caribbean crafters sold their product directly to final consumers, this price was not observed, and is an imputed value which was estimated as the difference between final retail price, and the total input costs (materials and labour/creativity). Consumption Value or retail price was evaluated as the total monthly revenues, divided by the total number of units sold, as reported by survey respondents.

Finally, in order to obtain an industry estimate of the total number of units sold per year, monthly sales were multiplied by the estimated number of artisans involved in production¹³ and then by the total number of months in the year. The Total Annual Value Added was ultimately quantified as the product of the total number of units sold and the total value added per unit sold.

3. Case Country: Saint Lucia - selected value chains

The analysis shows an estimated value added for jewellery of USD21.70 per necklace produced. This amount is partitioned into USD3.20 for Production (14.8%); USD12.30 for wholesale distribution (56.8%); and USD6.20 at retail or final consumption (28.4%). Using the Organization of American States Visual Arts and Craft Designers database for Saint Lucia (OAS, 2017), the number of artisans actively involved in jewellery production in Saint Lucia in 2017 was noted to be at least 44, resulting in an estimate of Total Annual Value Added for Artisanal Jewellery of USD344,178. These results are summarized in Table 5.

Table 5
Value chain in selected jewellery craft-Saint Lucia, 2017
(Dollars)

Value Chain		Value added	Percentage
Input Supply	3.0	-	
Production	6.2	3.2	14.8
Value at Distribution (Wholesale Price)	18.5	12.3	56.8
Value at Final Consumption (Retail Price)	24.7	6.2	28.4
Total Value Added (Per Unit Sold)	21.7	21.7	
Estimated Total Number of Units Sold Per Year	15 840		
Total Annual Value Added (Selected Jewellery)	344 177.78		

Source: Author's Estimates.

¹³ Obtained from secondary data sources.

Considering Clothing and Fashion, Saint Lucian artisans created an overall value added on average of USD37.00 per fashion item - in this case handbags. Of this amount, producers and wholesale distributors each shared USD9.30 (25%), while final retailers claimed USD18.50 (50%). Based on an estimate of 137 fashion artisans, the Total Annual Value added for handbags produced in Saint Lucia was assessed at USD1,217,778 (Table 6).

Finally, paintings created and sold in Saint Lucia resulted in an average value added of USD22.50, with production value added being USD4.00 or 17.6%; wholesale distribution capturing USD10.60 or 47.1%, and final retailers capturing USD7.90 or the remaining 35.3% per painting sold.

The Total Annual Value Added for selected paintings was estimated at USD651,667, and was generated by 69 active artisans (Table 7).

Table 6
Value chain in selected clothing and fashion craft - Saint Lucia, 2017
(Dollars)

Value chain		Value added	Percentage
Input Supply	9.3	-	
Production	18.5	9.3	25.0
Value at Distribution (Wholesale Price)	27.8	9.3	25.0
Value at Final Consumption (Retail Price)	46.3	18.5	50.0
Total Value Added (Per Unit Sold)	37.0	37.0	
Estimated Total Number of Units Sold Per Year	32,880		
Total Annual Value Added (Selected Fashion)	1,217,778		

Source: Author's Estimates.

Table 7
Value chain in selected paintings - Saint Lucia, 2017
(Dollars)

Value chain		Value added	Percentage
Input Supply	4.0	-	
Production	7.9	4.0	17.6
Value at Distribution (Wholesale Price)	18.5	10.6	47.1
Value at Final Consumption (Retail Price)	26.5	7.9	35.3
Total Value Added (Per Unit Sold)	22.5	22.5	
Estimated Total Number of Units Sold Per Year	28,980		
Total Annual Value Added (Selected Fashion)	651,667		

Source: Author's Estimates.

4. Case Country: Trinidad and Tobago-selected value chains

In Trinidad and Tobago, value added for a comparative piece of jewellery (necklace) was estimated at USD10.00, of which the share of production value added was USD1.50 (14.7%), while wholesale distribution was USD2.10 (21.3%). The largest share of the value chain for jewellery in Trinidad and Tobago was USD6.40 at retail consumption, which represented 64% of overall value added.

Using an estimate for the current number of active jewellery artisans¹⁴ of 70, resulted in a projected estimate of Total Annual Value Added for Artisanal Jewellery in Trinidad and Tobago of USD294,000 for 2017 (Table 8).

Table 8
Value chain in selected jewellery craft – Trinidad and Tobago, 2017
(Dollars)

Value chain		Value added	Percentage
Input Supply	4.9	-	
Production	6.4	1.5	14.7
Value at Distribution (Wholesale Price)	8.5	2.1	21.3
Value at Final Consumption (Retail Price)	14.9	6.4	64.0
Total Value Added (Per Unit Sold)	10.0	10.0	
Estimated Total Number of Units Sold Per Year	29,400		
Total Annual Value Added (Selected Jewellery)	294,000.00		

Source: Author's Estimates.

Considering clothing and fashion producers, the analysis of the selected fashion craft (handbags) resulted in a total value added estimate of USD35.80 per handbag produced. Wholesale distribution captured the largest share of created value at USD22.40 (62.5%), while retailing at final consumption earned USD11.20 or 31.3% of value added per unit. Only USD2.20 (6.3%) of value was created in the production process. Based on an estimate of 40 active clothing and fashion artisans, the Total Annual Value Added for handbags produced by artisans in Trinidad and Tobago was projected to be USD171,940.30 for 2017 (Table 9).

Table 9
Value chain in selected clothing and fashion craft – Trinidad and Tobago, 2017
(Dollars)

Value chain		Value added	Percentage
Input Supply	9.0	-	
Production	11.2	2.2	6.3
Value at Distribution (Wholesale Price)	33.6	22.4	62.5
Value at Final Consumption (Retail Price)	44.8	11.2	31.3
Total Value Added (Per Unit Sold)	35.8	35.8	
Estimated Total Number of Units Sold Per Year	4800		
Total Annual Value Added (Selected Fashion)	171 940.30		

Source: Author's Estimates.

Finally, the value chain for selected paintings in Trinidad and Tobago revealed a per unit value added of USD79.00. Final consumption at retail captured USD44.80 or roughly 56.7% of total value added, compared to USD14.90 (18.9%) for wholesale distribution, and USD19.30 (24.4%) for production. This evaluation was based on 70 painters, who together realized a projected Total Annual Value Added of USD331,611.94 for Trinidad and Tobago in 2017 (Table 10).

¹⁴ Based on 2015 estimates of the number of crafters by category provided by the Central Statistical Office of Trinidad and Tobago. This was assumed to be the same in 2017.

Table 10
Value chain in selected paintings – Trinidad and Tobago, 2017
(Dollars)

Value chain		Value added	Percentage
Input Supply	25.5	-	
Production	44.8	19.3	24.4
Value at Distribution (Wholesale Price)	59.7	14.9	18.9
Value at Final Consumption (Retail Price)	104.5	44.8	56.7
Total Value Added (Per Unit Sold)	79.0	79.0	
Estimated Total Number of Units Sold Per Year	4200		
Total Annual Value Added (Selected Paintings)	331,611.94		

Source: Author's Estimates.

5. Case Country Comparative Analysis

The value chain analysis reflects some significant differences between the two case study countries. These are presumed to be related to differences in market structure, as well as scale factors. A summary of the value chain results is presented in Tables 11 and 12, and graphically compared in Figure 14.

Table 11
Value chain summary – Saint Lucia
(Dollars)

	SLU Jewellery	TTO Jewellery	SLU Fashion	TTO Fashion	SLU Paintings	TTO Paintings
Production	3.2	1.5	9.3	2.2	4.0	19.3
Distribution	12.3	2.1	9.3	22.4	10.6	14.9
Final Consumption	6.2	6.4	18.5	11.2	7.9	44.8
Total	21.7	10.0	37.0	35.8	22.5	79.0

Source: Author's Estimates.

Table 12
Value chain summary – Trinidad and Tobago
(Percentage)

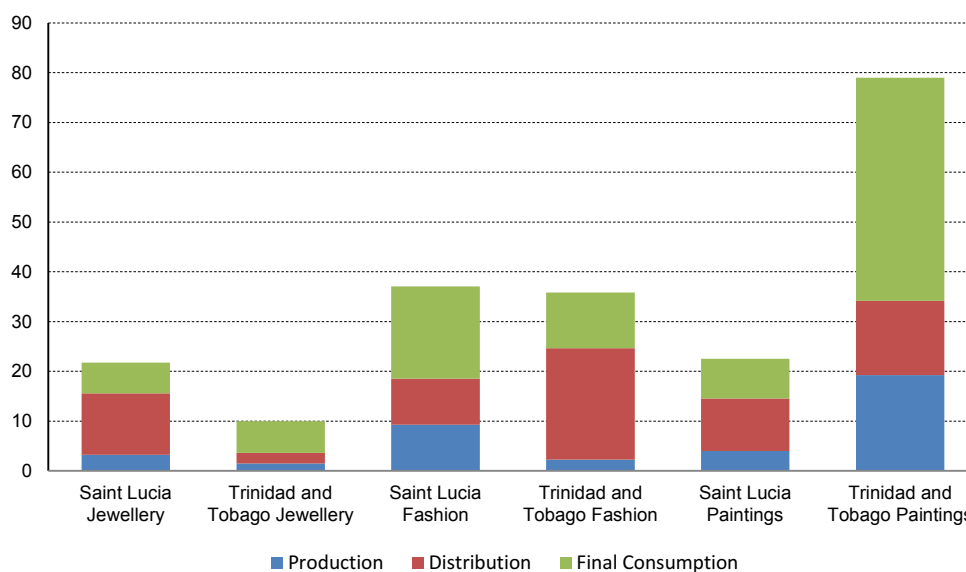
	SLU Jewellery	TTO Jewellery	SLU Fashion	TTO Fashion	SLU Paintings	TTO Paintings
Production	14.8	14.7	25.0	6.3	17.6	24.4
Distribution	56.8	21.3	25.0	62.5	47.1	18.9
Final Consumption	28.4	64.0	50.0	31.3	35.3	56.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Author's Estimates.

With respect to jewellery, Saint Lucian artisans show a higher value added per unit compared to Trinidad and Tobago. The opposite is the case with respect to paintings, while both countries are relatively similar in terms of clothing and fashion. This difference possibly reflects the greater reliance of Saint Lucia artisans on the international tourism market, in which visitors are likely to demonstrate a higher willingness to pay for specialty products which may be regarded as souvenirs or mementos. Moreover, Saint Lucian artisans capture their largest share of value added from distribution activities, unlike their Trinidad and Tobago counterparts, who obtain their largest value added at the retail

consumption stage. The greater dependence on the domestic market by Trinidad and Tobago crafters does not apparently afford this price premium for artisanal jewellery.

Figure 14
Value added per unit - selected art and craft value chains
Saint Lucia and Trinidad and Tobago
(Dollars)



Source: Authors' compilation.

At the same time, the relatively higher value added for paintings in Trinidad and Tobago suggests the higher per capita income effect¹⁵ of the economy of Trinidad and Tobago compared to that of Saint Lucia. The significant value added at the retail consumption stage also implies that the purchase of paintings in the Trinidad and Tobago market is driven by higher income earners, who are able to bear higher retail margins.¹⁶ In this regard, it is possible that visitors to the Saint Lucia market may regard paintings as a relatively more expensive option, and therefore elect to purchase more reasonably priced items as mementos. Further, the purchase of paintings imply additional handling costs, and inconvenience for visitors during their return trip, and may also affect sales of larger and higher valued paintings.

Although clothing and fashion, valued in this study as handbags, show almost similar value added for both countries, the production value added is smaller for Trinidad and Tobago compared to that of Saint Lucia. This is possibly as a result of lower input costs for art and craft production materials in Trinidad and Tobago. Additionally, a relatively higher margin of value for distribution in Trinidad and Tobago reflects possibly greater market power by distributors in Trinidad and Tobago when compared to those in Saint Lucia. This in turn is perhaps the effect of the tourism sector providing more distribution options to Saint Lucian clothing and fashion artisans relative to their counterparts in Trinidad and Tobago. Once again, the higher retail consumption value added margin in Saint Lucia, demonstrates the benefit of the tourism market as a purchaser of artisanal fashion. This option is not available to the same extent to Trinidad and Tobago fashion crafters.

¹⁵ GDP per Capita for Trinidad and Tobago (2015) = USD20,736 (calculated based on official figures from Central Bank, and Central Statistical Office, Trinidad and Tobago). GDP per Capita for Saint Lucia (2015) = USD8,462 (calculated based on official figures from Statistics Department, Saint Lucia and Eastern Caribbean Central Bank).

¹⁶ Classical economic price theory categorises paintings as luxury goods which have a high income elasticity of demand.

Using the estimated Total Annual Value Added for the three types of art and craft, the shares of total GDP for the sector were projected to be 0.155% for Saint Lucia, and 0.003% for Trinidad and Tobago.¹⁷ Although, these estimates are small, they represent a significant contribution to livelihoods for both economies. Further, given the level of public sector support and private investment, the art and craft sector shows good growth potential relative to the other main economic sectors for both countries as shown in Table 13.

Table 13
Comparison of projected value added to 2015 GDP for other main sectors

	Saint Lucia	Trinidad and Tobago
Art and Craft (Jewellery, Fashion, Paintings)	0.155	0.003
Agriculture	1.883	0.514
Manufacturing	2.373	5.681
Hotels and Restaurant	15.307	0.401

Source: Author's Estimates.

D. Policy implications and conclusions

Several policy implications are apparent from the results of the analysis. These relate to the findings from the survey, and the value chain analysis. Considering the survey, the results revealed the issues of financing, infrastructure, market structure and development, and government support as important areas for which policy interventions may be important in order to stimulate the further development of the art and craft sector in the Caribbean. Additional policy questions are also apparent. These include:

- Is there scope for strengthening art and craft and tourism linkages in the Caribbean?
- Is it worthwhile investing in the art and craft sector?
- What is the export potential of Caribbean art and craft?
- What are the prospects for job creation and entrepreneurship through art and craft? (employment and training level)
- Are there options for advancing an innovation strategy or industrial policy from art and craft?

1. Financing

Through dialogue with stakeholders in both case countries, it was found that financing was a major challenge for the artisans that, in effect, constrained the development of the sector. The problem seemed to pervade the sector to the same extent, with 32.1% and 31.4% of artisans in Saint Lucia and Trinidad and Tobago respectively noting this to be a key constraint. Indeed, up to 66% of respondents indicated personal financing to be the main source of financing for their craft business, and many stakeholders surmised that this was a factor in preventing new and younger artisans from entering the industry. The future development of the craft sector in the subregion therefore will require policies which foster better access to financing for artisans. The design of financing policies however, would require more indebt analysis of art and craft businesses in order to garner a better understanding of the peculiarities of art and craft operations, workflow, markets, and risks, as a basis for informing more appropriate financing policies.

¹⁷ Estimates based on 2015 GDP.

2. Infrastructure

In both case study countries, artisans noted an inadequacy of specific areas for artisans to engage clients. While in many countries, facilities for the sale of art and craft are provided, these are often inadequate as they are usually very small and designed for only the sale of craft, with limited scope for production activities. Further, these may be located in areas that are incongruent with safe visitation by tourists. Examples of these facilities include the Castries Craft market in Saint Lucia, and the Store Bay Craft Market, Tobago, both of which have excellent locations, but provide little space for actual craft production. In the case of Trinidad, the Piccadilly ‘Drag Mall’ in the City of Port of Spain, while providing work space for crafters, is located in a part of the city with security concerns.

Apart from established facilities, itinerant or ‘pop-up craft markets’ as in the case of Trinidad and Tobago, and art galleries and specialty shops in Saint Lucia were identified as major avenues for artisans to sell their products. Nevertheless, in both cases, it was also observed that artisans could not afford expensive booths at shopping malls and other key commercial areas, as they often did not make enough profit to sustain such a venue. Moreover, considering that many artisans worked from home, customers would not be able to locate artisans and their products, even though these may be beautiful, unique, and innovative. A key element of public infrastructure for art and craft production therefore was the provision of spaces which facilitated the total art and craft business operation, and offered the required business visibility, and clustering of related ancillary creativity services. In this regard, the policy approach for the provision of infrastructure for the art and craft sector should give consideration to the development of creative hubs (Dovey and Pratt, 2016) as a strategy for growing the art and craft sector in the Caribbean.

3. Market structure and development

A key reoccurring theme from discussions within the two case countries was that of access to markets for artisans. As is evident from the survey, artisans depend mainly on visitors (Saint Lucia), and high income earners (Trinidad and Tobago) for sales of their products. And while souvenir shops were identified as a relatively small distribution channel for artisans, these businesses were perceived as the source of considerable competition for local crafters, since they were significant distributors of extra-regional crafts for sale to Caribbean visitors. Surveyed artisans also revealed that some consumers were generally interested in cheaper imported items, with which local artisans could not compete, while some tourism markets placed a higher value on items that were authentically crafted in, and therefore imbued with the cultural element of the destination. This observation suggests the prospect of their being two separate market segments for art and craft in the Caribbean, with the genuine indigenous arts being able to sustain higher prices relative to cheaper imported products. The policy challenge implied therefore is the development of the indigenous art and craft market which would enable the sector to better extract higher revenues from its appropriate target segment. Such market development policies should include niche sector promotion as part of the overall destination promotion, as well as suitable product diversification and positioning, digital marketing and branding.

4. Government support

Artisans lamented the lack of both physical and institutional infrastructure to assist the sector. They observed that neither the Governments nor local entities (community groups, civil society, private sector) have shown meaningful interest in the development of the sector, despite its potential. In the two case countries, national entities differed in the level of assistance rendered to the art and craft sector. For example, in Trinidad and Tobago, while the government has invested in training artisans, 22.9% of the country sample thought that this support was inadequate. In Saint Lucia, artisans also identified challenges in collaborating with the national entities that are responsible for the management of the sector to their benefit. Roughly 33% of the sample thought that there was not enough governmental support.

All of the above point to the need for comprehensive nationally articulated policies for the development of art and craft in the Caribbean. As alluded to in Section 4 above, several regional efforts, as well as some national initiatives, have been undertaken by many Caribbean countries in the past. Still, many of these efforts have not benefitted from a clear alignment with national development goals

and the promotion of the requisite institutional apparatus to enable growth of the sector in many Caribbean countries. This observation is not inconsistent with that of Nurse (2009) who stated that “the challenge of measuring economic impact and performance of the industry is exacerbated by the lack of an institutional framework for the collection and publication of data”. An adequate policy framework which directs attention to these deficiencies is critical for the future development of the regional art and craft sector.

5. Scope for strengthening art and craft and tourism linkage in the Caribbean?

It is clear from the value chain analysis that the presence of tourists provides a significant market boost to the art and craft business in the Caribbean. This however is mainly through direct sales of artisans to visitors. The largely absent role of wholesale distributors, as well as the limited sale of product to other *tourism* value chain players such as hotels, and restaurant suggests that the scope for strengthened linkages between artisans and tourists may be limited over the short term. However, significantly enhanced prospects for improved inter-sectorial linkages may be possible with the diversification of the scope of art and craft produced, along with a deepening of the role of both art and craft, and artisans as a part of the overall Caribbean tourism experience. This approach will create avenues for greater engagement of tourism sector stakeholders with artisans in the presentation of the destination brand. National and regional tourism policies must take cognisance of this possibility.

6. Is it worthwhile investing in the art and craft sector?

As a public policy question, this issue is best answered by giving consideration to the likely and comparable social returns on investment. These may in turn be assessed in terms of returns to public and private investment, employment generation, and contribution to national GDP. It is apparent from the survey that very little public investment has taken place in the evolution of the art and craft sector in the Caribbean to date. Private investment is significant only to those involved in the sector, as mostly personal financing by the artisans themselves is employed in the development of the sector. Further, while art and craft is small in terms of employment, it provides stable and sustained livelihoods to significant numbers of persons, and embellishes the visitor experience, albeit to a limited degree. Notwithstanding these limitations, it contributes a relatively significant share of GDP in value-added terms as discussed above. The case country analysis also suggests that where tourism is strong, the art and craft sector holds the potential to contribute more substantially to national economic and social development. The policy case for further investment in the sector in the Caribbean is therefore strong.

7. What is the export potential of Caribbean art and craft?

Currently, most of the region’s exports of art and craft are effected through sales to visitors who *come* to the Caribbean. There are however prospects for enhanced *intra-regional* exports of art and craft to visitors in other Caribbean destinations, thereby allowing artisans to take fuller advantage of the larger overall visitor market of the region. Some artisans are already engaging in this type of trade through collaboration with other artisans in various Caribbean destinations.

Further, extra regional market access can be secured though online sales arrangements, via already existing global artisanal networks. Success in this regard will depend on resolving existing trade facilitation challenges related to transportation and logistics, tariffs and charges, and electronic payment arrangements. National and regional trade policy consideration would be required to take these concerns in respect of art and craft into consideration.

8. Job creation and entrepreneurship through art and craft?

Art and craft is not a high employment sector in the Caribbean, since most artisans operate as single producers and sole traders. The majority however are fiercely independent entrepreneurs, with the confidence to apply their creative talent in pursuing a livelihood activity. This personal motivation provides a good basis for the development of entrepreneurship and enterprise, and the sector should be noted as a good target for the application of supporting policies for the development of small and

medium sized enterprises. In this regard, the provision of training support to both develop skills, as well as entrepreneurship could be a valuable form of policy support to the subsector.

9. Innovation strategy or industrial policy from art and craft?

According to Bakhshi, Mc Vittie, and Simmie (2008), creative industries, and creativity play an important role in the process of innovation. The activities of artisans in the production of art and craft bear ample testament to this reality in the Caribbean. Regional artisans have continuously demonstrated new applications and skills, both in the utilization and recycling of indigenous materials, as well as in the conceptualization of new designs, symbols and methods. Strategies which can harness these talents and apply them both in regional education and industrial policies as a means of promoting innovation in Caribbean economies can serve to more fully develop the art and craft subsector, while at the same time enhance the diversification of Caribbean economies.

The intention of this research was to assess the prospects for the art and craft sector to contribute to the enhanced sustainability of the tourism sector in the Caribbean. It is apparent that there are currently only limited prospects, given that only a small share of art and craft output is sold directly to visitors to the subregion. There is however considerable potential for this sector to bolster the Caribbean tourism experience and to enhance the prevailing level of synergy between the two sectors. Towards this end, improved national and regional policies which enable the regional art and craft sector to be promoted as an integral part of the tourism experience is a critical requirement. The sector can also contribute significantly to improving livelihoods, and fostering the development of creative talent in the region. Ultimately, this would require the shaping of policies which address several growth constraints and the positioning of the sector as an integral pillar of overall development strategy.

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Annexes

Annex 1

Questionnaire

QUESTIONNAIRE

Questionnaire Number: _____

Country: _____

Study of the Art and Craft sector in the Caribbean

INTRODUCTION

Dear Artisan,

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC), as part of its on-going research on sustainable tourism in the Caribbean is currently undertaking a study of the art and craft sector in the sub-region. The aim of this study is to assess the status of production and distribution of art and craft with a specific focus on the linkage between this sector and the tourism sector in the Caribbean. We anticipate that the findings of this study could be useful in setting feasible policy for the future development of the art and craft sector in the region.

In order to achieve the study objectives, we are seeking your assistance in answering the following questions about your art and craft production and distribution activities. Please note that this study is being conducted in more than one country in the sub-region, and your responses will be treated with the strictest confidence.

The questionnaire comprises four (4) pages and 20 questions, and should take you no more than 5 minutes to complete. In responding, please pay special attention to those questions which ask for more than one response.

Should you have any questions or concerns relating to this survey please feel free to contact me at the following details on the card appended below.

Once again, many thanks for your kind assistance.

Sincerely,

Willard Phillips



1. Sex: Male..... [] Female..... []
2. Age category:
 Less than 20 Years..... [] 20 - 30 Years..... []
 30 – 50 Years..... [] More than 50 Years..... []
3. How long have you been an artisan?
 Less than 5 Years..... [] 5 - 10 Years..... []
 11 – 20 Years..... [] More than 20 Years..... []
4. Are you a member of a local art and craft association?
 Yes..... [] No..... []
5. How much of your time do you devote to your art and craft business?
 Full-time..... [] Part-time..... []
6. Are you *mainly* a producer or distributor of art and craft?
 Producer..... [] Distributor..... [] Both..... []
7. Which type of art and craft do you produce and/or sell *the most?* (*Choose all that apply*)
 Jewellery..... [] Clothing/Fashion..... []
 Leather Craft..... [] Paintings..... []
 Pottery/Ceramics..... [] Metal Works..... []
 Woodwork/Carvings..... [] Weavings/Basketry..... []
 Stone Sculpting..... [] Other: _____
8. From where do you source most of your inputs for production of art and craft? (*Choose all that apply*)
 From Locally Available (Indigenous) Materials... []
 From Materials Imported by Local Suppliers... []
 From Materials Imported Directly by Myself... []
9. What are the main inputs used in your production of art and craft? (*Choose all that apply*)
 Wood..... [] Paper..... []
 Leather..... [] Sand..... []
 Wire..... [] Cement..... []
 Glue..... [] Paints..... []
 Brushes..... [] Fabric..... []
 Glass..... [] Cardboard..... []
 Stone..... [] Metal..... []
 Thread/String/Twine..... [] Other: _____
10. Who are your main buyers of your art products?
 Local Individuals..... [] Souvenir Shops..... []
 Foreign Visitors..... [] Hotels/Guest Houses..... []
 Other Art and Craft Dealers... [] Foreign Distributors..... []
 Other: _____
11. What are the main channels for the sale of your art products?
 Through other Artisans..... [] Local Souvenir Shops..... []
 Local Art & Craft Association.. [] Locally Owned Shop..... []
 Foreign Distributors..... [] Online Shop..... []
 Other: _____

12. Overall, what percentage of your products is sold to the tourism/hotel sector?

- | | | | |
|--------------------|--------------------------|--------------------|--------------------------|
| Less than 10%..... | <input type="checkbox"/> | 11% - 30%..... | <input type="checkbox"/> |
| 31% - 50%..... | <input type="checkbox"/> | 31% - 50%..... | <input type="checkbox"/> |
| 51% - 70%..... | <input type="checkbox"/> | More than 70%..... | <input type="checkbox"/> |

13. What are the main areas of costs to you in the production of your art and craft? (*Choose all that apply*)

- | | | | |
|---------------------|--------------------------|-------------|--------------------------|
| Materials..... | <input type="checkbox"/> | Labour..... | <input type="checkbox"/> |
| Electricity..... | <input type="checkbox"/> | Water..... | <input type="checkbox"/> |
| Transportation..... | <input type="checkbox"/> | Fuel..... | <input type="checkbox"/> |
| Rent..... | <input type="checkbox"/> | Other:_____ | |

14. How much on average do you spend per month on production for your art and craft business?

- | | | | |
|-------------------------|--------------------------|-------------------------|--------------------------|
| Less than \$500..... | <input type="checkbox"/> | \$501 – \$1,000..... | <input type="checkbox"/> |
| \$1,001 - \$2,000..... | <input type="checkbox"/> | \$2,001 - \$5,000..... | <input type="checkbox"/> |
| \$5,000 - \$10,000..... | <input type="checkbox"/> | More than \$10,000..... | <input type="checkbox"/> |

15. For your *main* pieces of art and craft, how many pieces on average do you sell per month?

- | | | | |
|------------------|--------------------------|--------------------|--------------------------|
| Less than 5..... | <input type="checkbox"/> | 5 – 10..... | <input type="checkbox"/> |
| 11 - 20..... | <input type="checkbox"/> | 21 – 50..... | <input type="checkbox"/> |
| 50 - 100..... | <input type="checkbox"/> | More than 100..... | <input type="checkbox"/> |

16. What is your average revenue for art and craft per month?

- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Less than \$5,000..... | <input type="checkbox"/> | \$5,000 – \$10,000..... | <input type="checkbox"/> |
| \$10,001 - \$20,000..... | <input type="checkbox"/> | \$20,001 – \$30,000..... | <input type="checkbox"/> |
| \$30,001 - \$50,000..... | <input type="checkbox"/> | More than \$50,000..... | <input type="checkbox"/> |

17. In which period of the year do you earn your highest revenues from art and craft?

- | | | | |
|----------------|--------------------------|---------------------|--------------------------|
| Jan – Mar..... | <input type="checkbox"/> | April to June..... | <input type="checkbox"/> |
| Jul – Sep..... | <input type="checkbox"/> | October to Dec..... | <input type="checkbox"/> |

18. What is your main source of credit for financing your art and craft business?

- | | | | |
|-------------------------|--------------------------|----------------------|--------------------------|
| None..... | <input type="checkbox"/> | Commercial Bank..... | <input type="checkbox"/> |
| Personal Finances..... | <input type="checkbox"/> | Credit Union..... | <input type="checkbox"/> |
| Friends and Family..... | <input type="checkbox"/> | Other..... | <input type="checkbox"/> |

19. What would you say are your main challenges in operating your art and craft business? (*Choose all that apply*)

- | | | | |
|------------------------------|--------------------------|---------------------------|--------------------------|
| Access to financing..... | <input type="checkbox"/> | Limited Markets..... | <input type="checkbox"/> |
| Availability of Supplies.... | <input type="checkbox"/> | Difficulty Exporting..... | <input type="checkbox"/> |
| Limited Skills/Training..... | <input type="checkbox"/> | Insufficient workers..... | <input type="checkbox"/> |
| Lack of Gov't | <input type="checkbox"/> | Other..... | <input type="checkbox"/> |

20. Please provide any other general comments about your art and craft business

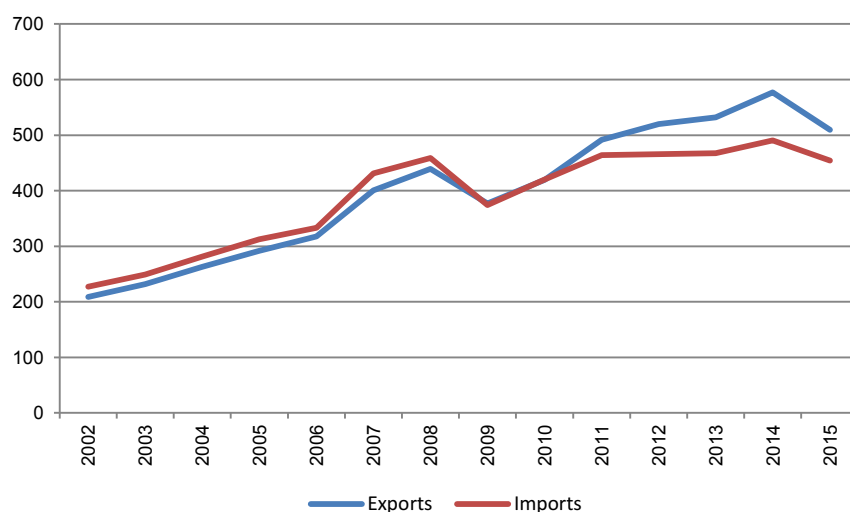
Thank You Very Much for Your Assistance!

Annex 2

Art and craft in the global creative economy

According to UNCTAD (2016), over the last decade, global trade in creative goods and services has seen unprecedented growth, with the value of exports of the world's creative industry increasing from \$208 billion in 2002 to \$577 billion by 2014.¹⁸ This total includes the diverse categories of products and services including art and crafts, performing arts, published goods, audio visuals, designs, new media and creative services¹⁹. Regarded as a new dynamic sector in world trade, total creative exports increased by 47%, with an average annual growth of 8.6% between 2003 and 2012. Over the same period, the value of imports increased by 56% (Figure A.1).

Figure A.1
Global Trade in Creative Goods, 2002 - 2015
(USD Billions)



Source: Based on data from the UNCTAD Global Database on creative economy.

Most export growth was driven by increases in designs and new media accounting for 60% and 9% respectively, while publishing and audio visuals each contributed 8%. Art and craft, and performing arts also contributed 7% each to growth over the period. Detailed figures for export growth by regions are presented in Table A.1.

¹⁸ UNCTAD's database reports a subsequent decline in both exports and imports in 2015. This however has been attributed to a change in the data reporting methodology in that year when several countries failed to report. This does not reflect any systemic market trend for global creatives trade in 2015.

¹⁹ Creative services here include personal, cultural and recreational services; and audio-visual, advertising, architectural and research and development services.

Table A.1
Creative Goods: exports by region, 2003 and 2014

Region	Value in Millions of USD ^a		Growth Rate (percentage)
	2003	2014	
World	233 026	577 191	148
Developing Economies	94 890	331 554	249
Developed Economies	135 814	241 280	78
Europe	102 969	184 622	79
North America	27 406	47 768	74
Asia	88 332	321 140	264
Africa	885	2 356	166
Latin America and the Caribbean	6 177	8 412	36

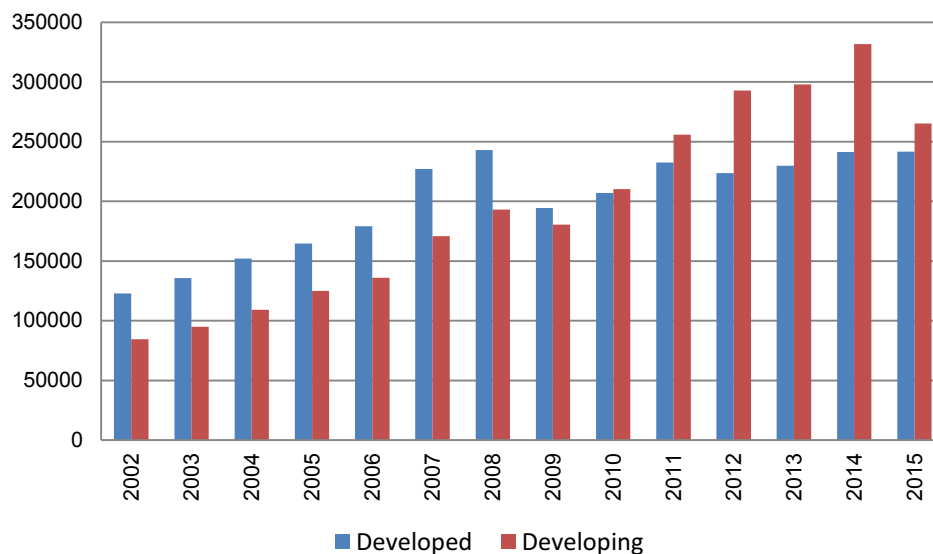
Source: Compiled from data in the UNCTAD Global Database on creative economy.

^a Current Prices.

In terms of creative economy output by regions, the global industry shows clear performance differences between developed and developing countries. While in the past, developed country exports of creative goods exceeded those of developing countries, the reverse has been the case since 2010, with the share of global exports rising to 57.4% in 2014. Export growth among developing countries has been led by Eastern and South Eastern Asia with increases of 246% and 242% respectively between 2003 and 2014. This spectacular regional performance has been buttressed by China which increased exports by more than 400% over the period. Among developed economies, however, Europe continues to be the largest exporter of creative goods, achieving global export shares of 32% by 2014. Figure A.2 compares the performance of developed and developing countries' exports of creative goods from 2002 to 2014.

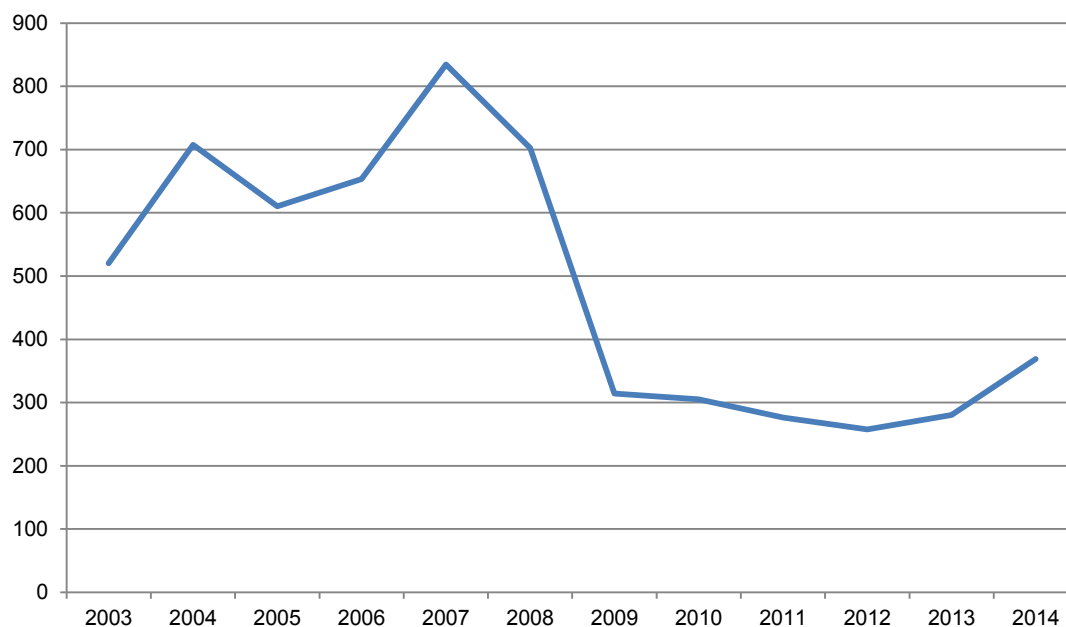
The Caribbean region's creative economy is miniscule in global terms with the total value of exports amounting to US\$368.8 million, which represented 0.06% of world total in 2014. Growth trends from 2003 have been positive peaking at USD835 million in 2007, followed by a sharp decline to USD258 million by 2012. Since then however, exports have shown a continuous upward trend (Figure A.3). And while like the rest of the world, design output has dominated export growth, the Caribbean region is distinct in respect of the significant share of art and craft products in its creative exports mix. The share of design products has consistently exceeded 90% of Caribbean creative exports since 2003, with such exports including primarily jewellery, fashionwear, and interior design products. Art and craft, publishing and visual arts represent the three other most significant subsectors for the Caribbean, with shares of 4.3%, 2.2% and 1.5% respectively in 2014.

Figure A.2
Creative Exports by Country Group (USD Millions)



Source: Authors' compilation.

Figure A.3
Caribbean Trend in Creative Goods Exports (USD Millions) - 2003 - 2014



Source: Authors' compilation.

Although in global creative trade the share of art and craft remains relatively low averaging 8.0% over the period, for the purpose of this study, this figure is significant given that it represents the largest share of creative exports among developing economies. Moreover, the share of developing economies' exports in the total global economy has been increasing faster than that of developed economies, attaining a total share of 74% in 2014, compared to 26% for developed countries. Additionally, in the specific case of the Caribbean, the art and craft subsector has shown consistent positive growth since 2009, after a period of decline from 2002. Figure A.4 summarizes the breakdown of creative exports for the Caribbean region since 2003.

Figure A.4
Shares of Creative Output - Caribbean Region, 2003 - 2014



Source: Authors' compilation.

Among Caribbean economies, based on available data from UNCTAD's creative database, the Dominican Republic is easily the subregion's largest exporter of creative goods, achieving \$313 million worth of exports in 2014.²⁰ This represents a significant increase from 2012, when total exports had fallen to \$195 million from a previous high of \$260 million in 2010. Barbados (\$19 million), Aruba (\$8 million) and Jamaica (\$6 million) represent the other significant players in the creative goods economies of the Caribbean. While export figures are unavailable for Trinidad and Tobago, Oxford Economics (2014) notes that this country is also an important player in terms of employment in the creative sector in the Caribbean.²¹ Table A.2 summarizes recent exports of creative goods for selected Caribbean countries.

²⁰ This is possibly as a result of the dominance of the Dominican Republic in the Caribbean's tourism business.

²¹ The challenge of clear classification of outputs in the creative economy is evident in the figures used for assessing the impact of the sector in the region. UNTADS's database for instance makes a distinction between creative goods, and creative services. In this case, both Jamaica and Trinidad and Tobago report more significant creative outputs, conceivably related to these countries' strong manifestations of creativity through various annual cultural festivals.

Table A.2
Value of Creative Goods Exports – Selected Caribbean Countries, 2010 – 2014

Country	Value of Exports (USD Millions)				
	2010	2011	2012	2013	2014
Antigua and Barbuda	2.22	1.02	1.84	1.48	1.05
Aruba	4.51	7.49	5.42	9.82	7.73
Bahamas	1.68	3.39	3.12	3.92	4.45
Barbados	13.20	12.52	42.59	13.34	19.20
Dominica	0.06	-	0.39	-	-
Dominican Republic	260.02	242.64	194.56	243.32	312.78
Jamaica	12.60	8.34	9.04	8.54	5.98
Saint Kitts and Nevis	0.77	0.26	-	-	-
Saint Lucia	-	-	-	-	17.58
Saint Vincent and the Grenadines	0.26	0.32	0.55	-	-
Trinidad and Tobago	9.64	-	-	-	-

Source: UNCTAD Global Database on creative economy.


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