Creative Clusters

Economic Analysis of the Current Status and Future Clustering Potential for the Crafts Industry in Ireland

Prepared for

The West Cork Development Partnership on behalf of a consortium of Local Development Companies, Ballyhoura Development Ltd, Wexford Development Ltd, Kilkenny LEADER Partnership and South Tipperary Development Company under the LEADER element of the Rural Development Programme 2007-2013 in association with the Crafts Council of Ireland

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Executive Summary

Introduction

This report represents Indecon International Economic Consultants' independent economic analysis of the current status and future clustering potential for the crafts industry in Ireland. It must be noted that this report is based on the current and future role of Local Development Companies (LDC) in the strategic growth of the crafts sector in Ireland. It does not reflect the investment and supports provided by Enterprise Ireland, the County and City Enterprise Boards and other key public and private partners in education, enterprise, tourism, culture, and at local and national level whose commitment, energy and ongoing investment is vital in sustaining and developing Ireland's craft sector.

Indecon International Economic Consultants' were commissioned on behalf of a consortium of local development companies, led by the West Cork Development Partnership in association with the Crafts Council of Ireland (CCoI), to undertake an independent economic analysis of the current status and future potential for sustainable growth and development of the SME craft sector in Ireland and with particular focus on the five partner regions of the development companies. The five development companies supporting this project under the LEADER element of the Rural Development Programme 2007-2013 are West Cork Development Partnership, Ballyhoura Development Company Ltd., Wexford Local Development, Kilkenny LEADER Partnership and South Tipperary Development Company.

Background

CCoI and the five local development companies have a track record of promoting and developing the crafts sector in Ireland and this review is part of the on-going development of their work. However, it was felt important to undertake an independent and rigorous examination of the current position and potential of the sector.

The Crafts Council of Ireland is the key development agency for the crafts in Ireland and its role is to foster the growth and commercial strength of the industry, communicating its unique identity and stimulating quality, design, innovation and competitiveness. The vision of CCoI is that Irish craft and design would be recognised and valued worldwide for its excellence in craftsmanship, innovation and marketing.

The West Cork Development LEADER Programme, (WCDP), has been active in supporting development in the crafts sector. The West Cork "Fuchsia" brand is central to WCDP's interest in the crafts sector. Other craft or craft related projects through WCDP include "West Cork Inspires" craft group exhibitions, training, mentoring and supports.

Kilkenny LEADER Partnership has also been engaged in the development of the craft sector and facilitates the creation of an integrated local development strategy to improve the economic, social and cultural quality of life in County Kilkenny. With this in mind, Kilkenny LEADER Partnership places emphasis on realising the sustainable potential for rural areas, supporting craft and other businesses.

South Tipperary Development Company similarly aims to improve the social, socio-economic and economic circumstances within the partner region. The development company aims to increase local rural economic activity, support micro-enterprises, including crafts, encourages rural tourism and craft businesses and maintains and restores natural and built heritage.

Wexford Local Development promotes economic activity and job creation in order to generate additional alternative incomes in rural areas. Wexford Local Development's actions specific to the crafts sector are support for existing craft businesses and the development of new craft businesses, as well as networking activities in local crafts and the promotion of crafts including a Wexford Craft Trail.

Ballyhoura Development aims at enhancing the natural and cultural heritage; reinforcing the economic environment in order to contribute to job creation; and improving the local economy in the partner region. Specific enterprise supports that are available to the crafts sector include ‘Starting your own business’, ‘Community enterprise’ and ‘Enterprise centres’. In particular Ballyhoura recognises a Complementary Attractions Cluster in terms of recreation and heritage.

The analysis and strategies in this report are aligned with the objectives of = CCoI and the partner companies but also identify new initiatives to realise the potential of the crafts sector.

Methodology

As part of this study, Indecon has undertaken rigorous new research on the crafts sector. This included surveys and workshops with a wide range of makers, enterprises, retailers and educators as well as detailed engagement with a number of key stakeholders in the industry. Our primary research was designed to ensure the widest set of views was sought from persons with first-hand knowledge and experience of the needs and priorities of the sector. We have also analysed official statistical databases and CCoI information on the sector.

Employment in the Crafts Sector

The majority of craft makers and retailers are working full-time in crafts. However, the sector is also an important source of part-time and seasonal employment opportunities.

Employment in Crafts Sector	
2012	5,351
Source: Indecon Estimates	

Indecon estimates that a total of 5,351 persons were employed in craft businesses in 2012. However, it must be noted that there is some uncertainty regarding the precise estimates but they are indicative of the scale of employment in the sector.

Profile of Crafts Industry

It is useful to provide an overview of the size of the sector, the location of craft enterprises, the types of crafts and indicators of the level of activity in the industry.

The number of enterprises registered with CCoI has grown in Ireland reaching a total of 2,399 enterprises in 2012. A significant number of craft enterprises are active in the relevant five partner regions. Ceramics and pottery, jewellery (precious and non-precious) and furniture have the highest proportion of registered craft makers in the five regions.

Selected Breakdown of Craft Enterprises by Crafts Industry in the Republic of Ireland 2012		
Crafts Industry	**Number of Registered Craft Enterprises**	**% Share**
Textile Making & Spinning	567	24%
Jewellery Making & Silversmith	391	16%
Ceramics & Mosaics	376	16%
Wood Working	231	10%
Glass Making	179	7%
Furniture Making	172	7%
Paper & Printing	111	5%
Metal Working	92	4%
Stone Working	54	2%
Mixed Media Construction	52	2%
Basketry	36	2%
Leather Working	26	1%
Candle Making	30	1%
Musical Instrument Making	22	1%
Other Craft Industries*	60	3%
Total	**2399**	**100%**

Source: Crafts Council Register of Craft Enterprises 2012
*Bookbinding, Fly Tying, Fresco Painting & Soap Making

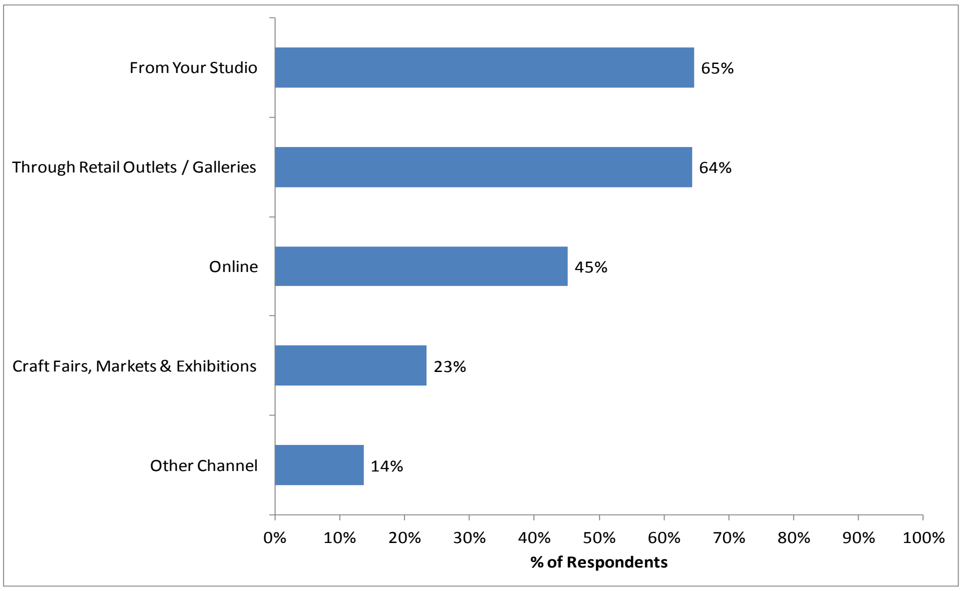
70.1% of makers have sales of less than €25,000 reflecting the micro-business structure of the sector. However, there are some craft enterprises of scale as indicated below. The small-scale nature of many craft businesses presents very specific development challenges but has the advantages of being a very employment-intensive sector.

Breakdown of Sales Revenue Reported by Craft Makers 2012	
Sales Band	**% of Respondents in Sales Band**
Less than €10,000	49.3%
€10,000 - €25,000	20.8%
€25,001 - €50,000	12.4%
€50,001 - €100,000	8.4%
€100,001 - €250,000	6.2%
€250,001 - €500,000	1.8%
€500,001 - €1m	1.1%
	100%

Source: Indecon Analysis of Survey of Craft Makers.

The channels through which craft makers sell their products are most commonly direct from their studio or through a retail outlet or gallery. A significant number revealed that they also sell online or at craft fairs and exhibitions.

Channels Through Which Craft Makers Sell their Products 2012



Source: Indecon Analysis of Survey of Craft Makers.
Note: 'Other channels' include pop-up shops, repeat business, commissions, shopping channel, CCoI directory, word of mouth and recommendations from interior designers or architects etc.

The role of e-commerce to craft makers and retailers is an important issue in considering the potential of the sector. Most craft makers (83%) and retailers (91%) reported that they have a website for their business, however, fewer of the craft makers have transaction capability on their websites and only 65% of retailers indicated they trade online.

Summary Statistics on the Functionality of Craft Makers' and Craft Retailers' Websites

	% of Makers with a Website	% of Retailers with a Website
Email Enquiry	87%	92%
Product Images & Specifications	86%	92%
Product Pricing	44%	62%
Credit Card/Debit Card/PayPal Payment	43%	54%
Order Placement	38%	51%
Promotional Videos	17%	28%
Gift Cards and Certificates	12%	28%
Marketing and Research Tools	9%	26%
Order Tracking	8%	18%
Mobile App Support	5%	15%

Source: Indecon Survey of Craft Makers and Craft Retailers.

Education and Skills in the Crafts Sector

A total of 8,257 students were enrolled in crafts and crafts related courses in HEA funded institutions (universities, colleges and institutes of technology) in 2012. Among those who were enrolled, 1,513 were new entrants. In 2011, 2,444 qualifications in crafts were awarded. This highlights the importance of facilitating emerging trained craft workers to establish and develop commercially viable businesses or to secure employment in other craft businesses.

40% of craft makers who responded to the survey said they felt that Irish educational institutions prepared students very well or well in the area of creative and technical skills, similarly 66% of educators shared this same view. Only 14% of makers felt that craft graduates were prepared for the sector in terms of business skills and even fewer (8%) of educators shared this view. This is a major issue and has important implications for both new and existing micro craft businesses.

Opinions of Craft Educators and Craft Makers on How Well Full-time and Part-time Crafts and Craft related courses run by Irish Educational Insititutions Prepare Students for Work in the Crafts Sector in Terms of (i) Creative Skills and (ii) Business Skills

	Very well	Quite well	Mixed results	Quite poorly	Very poorly
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*
Craft Educators					
Creative Skills	34%	32%	29%	3%	0%
Business Skills	0%	8%	58%	24%	8%
Craft Makers					
Creative Skills	15%	25%	17%	6%	4%
Business Skills	2%	12%	23%	14%	15%

Source: Indecon Analysis of Survey of Craft Educators.

Strengths and Challenges Facing the Crafts Sector

The Irish crafts sector has many strengths, particularly in terms of the design and quality of craft products.

Retailers rated Irish craft makers as good or excellent on many criteria. Product design and quality were considered to be of a very high standard by craft retailers. There are, however, major challenges facing craft makers including the availability of product information, understanding of what consumers want and the quality of packaging. Many of the issues reflect the challenges faced by micro-businesses in many sectors.

Opinions of Craft Retailers on the Performance of Irish Craft Makers//Enterprises 2012

	Excellent	Good	Neither good nor bad	Bad	Very Bad
	%	*%*	*%*	*%*	*%*
Consistent quality of products	16%	66%	16%	0%	0%
Depth of understanding of what consumers want	2%	36%	34%	20%	0%
Packaging quality	5%	41%	32%	18%	5%
Price competitiveness	2%	30%	52%	14%	2%
Product design	23%	53%	21%	2%	0%
Range of products available	10%	54%	22%	15%	0%

Source: Indecon Analysis of Survey of Craft Retailers.

Potential for the Sector

Indecon's assessment is that despite the progress which has been made in developing the crafts sector there is significant potential for growth in the sector both nationally and in each of the partner regions.

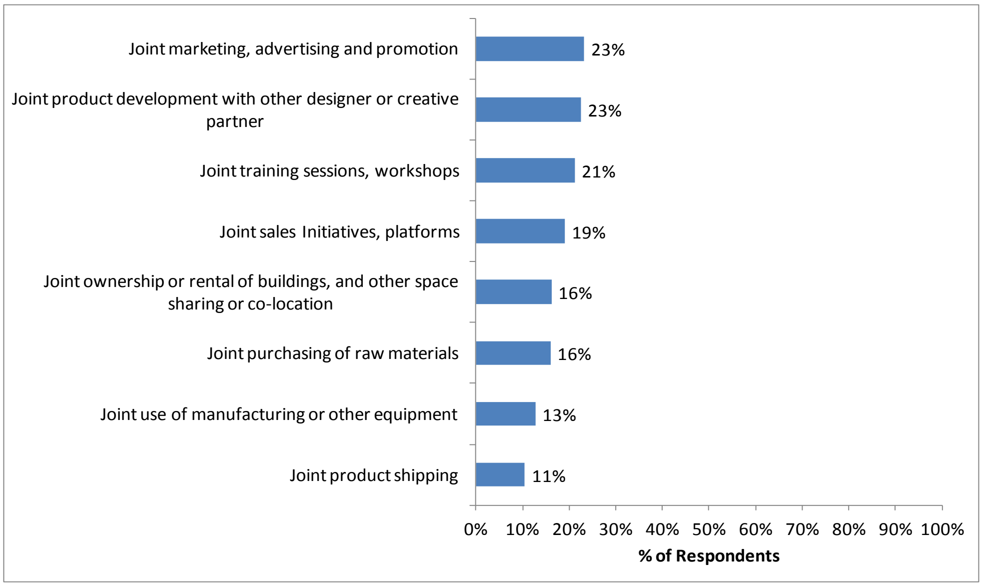
The domestic market and Great Britain offer potential for further development and other markets of significance include the USA and Canada and Continental Europe. The strong connection between the crafts sector and the tourism sector in Ireland is of significance in maximising the impact of the sector. According to data from Fáilte Ireland, over 3.23 million overseas tourists visited places of historical and cultural interest in 2011. A challenge for craft makers in areas where tourist numbers are low is how to achieve sales from tourism spend.

A key issue addressed in this study was whether there were additional cost effective initiatives that could be taken to enable the sector to realise this potential. Indecon's assessment is that the potential will only be realised if innovative measures are taken to help very small-scale craft businesses to overcome the barriers to development in addition to supporting the creation of a small number of larger craft enterprises. For most craft makers, however, the challenges are those inherent in operating micro-businesses and the scale of the barriers to development should not be underestimated.

Developing Craft Businesses, Collaboration and Clustering

As part of our research we examined whether collaboration and clustering would be of assistance in realising the potential of the sector. Our analysis suggests that existing levels of collaboration among craft makers are low. Joint marketing, advertising and promotion appear to be one area of potential and there is also some potential for improvements to collaboration levels around product development, training sessions, workshops and joint sales initiatives.

% of Craft Makers Who Agree that Opportunities Exist for Future Useful Collaboration by Purpose of Collaboration 2012



Source: Indecon Analysis of Survey of Craft Makers.

Clustering may also be of assistance in helping the sector expand. The majority of clustering initiatives in crafts have taken place organically within the crafts sector, often with support from CCoI and local development agencies. In some cases such as in Kilkenny, clustering has occurred because of historical initiatives and in other instances clusters have emerged as a spin-off from larger craft businesses or educational institutions, or in areas of great natural beauty attractive to tourists. Indecon believes that there are benefits and synergies to be realised from wider and deeper cross-sectoral cooperation. However, we believe that in addition more fundamental initiatives are required to address the barriers to development facing the sector. Our recommendations for strategies needed to realise the potential of the sector are outlined below.

Recommended Strategies to Secure the Potential of Craft Businesses

Indecon's analysis suggests four main strategies are required if the potential of craft businesses in the partner regions and nationally are to be realised. The four key areas of action needed are as follows:

- Measures to assist micro craft businesses to achieve some of the benefits of economies of scale;
- Programme to assist development of a limited number of craft businesses of scale;
- Attraction of high potential start-up craft enterprises; and
- Measures to support commercially focused new craft makers.

Many of CCoI's current initiatives as well as those undertaken by the local development companies are already contributing to these strategic objectives. For each of the four high-level strategies, Indecon has proposed a number of specific additional targeted actions that would assist realising the potential of the sector. We believe that if these measures are implemented the Crafts Sector has the ability to increase both domestic and export sales and critically to expand employment opportunities, aligned with the skill base of the Irish labour force. Detailed actionable measures under each of the areas identified are discussed in more detail in the recommendations sector of this report.

Summary of Proposed Recommendations for Consideration

- **Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale**
  1. Creation of facilities to boost craft sales at key tourism attractions
  2. Clustering based co-operation to improve efficiency, quality or market access
  3. Support expanded supplier programme with selected retailers
  4. Craft Enterprise Lounge
  5. Develop virtual social networks amongst craft makers
  6. Encourage more local collaboration with related sectors
- **Programme to assist the development of a limited number of craft businesses of scale**
  7. Support for recruitment and development of key management
  8. Financial support for investment in technology and R+D
  9. Significant branding/marketing supports
- **Attraction of high potential start up craft enterprises**
  10. Encouragement of new start-ups from related sectors
  11. Support for craft entrepreneurs with existing business experience
  12. Attraction of craft makers currently based in other countries
- **Measures to support commercially focused new craft makers**
  13. Develop post graduate course in Arts and Crafts Entrepreneurship
  14. 'Corporate adoption' of new talented craft makers by successful existing major companies in region
  15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school
  16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers' and retailers' requirements and marketing

Source: Indecon Analysis

Conclusion

The recommendations are consistent with the existing strategies being implemented by CCoI and the five local development companies. However, effective implementation would require action by a range of other national and local organisations and support by individual craft makers and other businesses. It is essential that there are appropriate resource allocations to support the recommendations. Indecon believes that 'the prize' which exists in terms of employment opportunities in this highly skilled intensive sector justifies a new co-ordinated national approach for this sector.

Acknowledgments

Indecon would like to acknowledge the valuable advice and inputs of a wide range of organisations and individuals. We would in particular like to thank Ian Dempsey West Cork Development Partnership, Jean O'Sullivan West Cork Development Partnership, Niall Morrissey South Tipperary Development Company, Declan Rice Kilkenny Leader Partnership, Helena Dempsey Wexford Local Development, as well as Padraig Casey and Claire Horgan Ballyhoura Development Ltd. We would also like to acknowledge the valuable advice and assistance provided by CCoI including Karen Hennessy, Louise Allen, Anastasia Dack, Audrey Kelly, John Tynan, Gus Mabelson and Eimear Conyard. Indecon would also like to thank the wide range of craft makers, retailers, educationalists and government agencies that provided valuable first-hand insights into the nature and potential of the sector. Indecon would also like to thank the Crafts Guilds, Associations Networks and Societies (GANS) and other organisations who encouraged co-operation with our study and who provided inputs to our analysis. Most of all we would like to thank the many talented craft makers in Ireland who shared their experience and insights.

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1 Introduction and Background

1.1 Introduction

This report represents Indecon International Economic Consultants' independent economic analysis of the current status and future clustering potential for the crafts industry in Ireland. It must be noted that this report is based on the current and future role of Local Development Companies (LDC) in the strategic growth of the crafts sector in Ireland. It does not reflect the investment and supports provided by Enterprise Ireland, the County and City Enterprise Boards and other key public and private partners in education, enterprise, tourism, culture, and at local and national level whose commitment, energy and ongoing investment is vital in sustaining and developing Ireland's craft sector.

1.2 Background to the Study

In May 2012 the West Cork Development Partnership (on behalf of a consortium of Local Development Companies including Ballyhoura Development Ltd, Wexford Local Development, Kilkenny LEADER Partnership and South Tipperary Development Company) signed a Memorandum of Understanding with CCoI. The Memorandum of Understanding sets out their commitment to work together in order to develop a strategic action plan that will support the growth and development of the crafts sector and contribute to rural development in terms of jobs, economic growth, infrastructure and strategic partnerships.

CCoI, based in Kilkenny, is the key supporter and promoter of the crafts industry in Ireland. Its role is to foster the growth and commercial strength of the sector, communicating the industry's unique identity and stimulating quality design, innovation and competitiveness. The Local Development Companies are responsible for the Rural Development (LEADER) programme 2007-2013 in their respective areas and provide direct support for local development initiatives conducive to, and supportive of, local community and enterprise development.

This study is an independent report by Indecon Economic Consultants and represents a rigorous economic analysis of the current status and future potential for sustainable growth and development of the SME craft sector in Ireland, with particular focus on the five partner regions. The catchment area of each the five partner regions (West Cork, Ballyhoura, South Tipperary, Kilkenny and Wexford) are shown in Figure 1.1. The West Cork partner region includes Bandon, Skibbereen, Bantry and parts of the Macroom electoral area. This region is bounded on the east by the town of Carrigaline and Cork Harbour and by the coastline to the south. The Ballyhoura catchment area incorporates East Limerick and North East Cork. The South Tipperary Local Development Company's catchment area is the local authority area of South Tipperary (south east region).

Figure 1.1: Catchment Areas of the Five Partner Regions

Source: Willie Miller Urban Design

While the focus of this study is on the potential for expansion of the craft sector in the five partner regions, the analysis has wider national implications. The experience of the sector in these regions and an understanding of the barriers to development which face craft makers provide insights that Indecon believes could be the basis for a model of development for the sector in other regions.

1.3 Scope of the Study

A number of particular issues have been addressed in the study as follows:

- ❑ Economic analysis of the current status of craft enterprise nationally and in the partner study area and of the future potential for the growth and development of the sector;
- ❑ Inhibitors/enablers to growth;
- ❑ Education, skills and training needs;
- ❑ Synergies in respect of cross-sectoral collaboration that provide opportunities for growth or alignment of support services between agencies and which could facilitate scalability of craft enterprise.

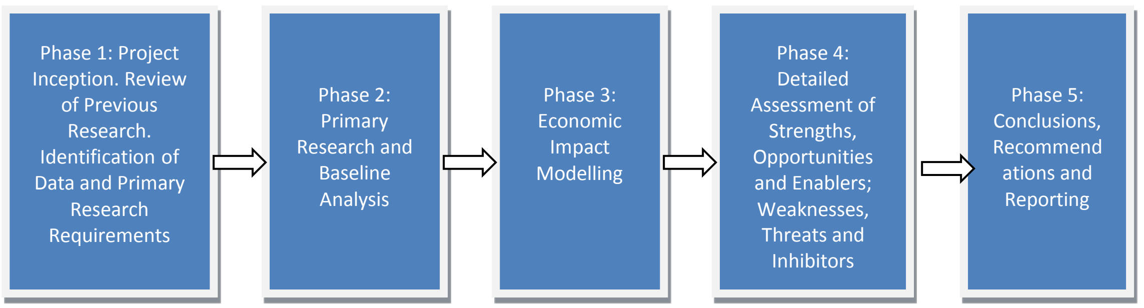
Particular emphasis has been given to assessing the current and future potential of the sector and to identifying an action plan to realise the opportunities for the sector.

1.4 Methodology

1.4.1 Overview of Methodology

A schematic summary of the five-phased methodological approach applied in completing this study is presented in Figure 1.2.

Figure 1.2: Overview of Phases of Methodology/Project Work Plan



Source: Indecon

1.4.2 Primary Research

As part of our approach to this study, Indecon has undertaken significant primary research. This included surveys and workshops with a wide range of makers, enterprises, retailers and educators active in crafts across Ireland as well as detailed engagement with a number of key stakeholders in the industry. Our primary research was designed to ensure the widest set of views was sought from persons with first-hand knowledge and experience of the needs and priorities of the sector. These elements are described below. In addition we undertook a detailed analysis of official statistical databases and CCoI information on the sector.

Engagement with Key Stakeholders

Indecon's engagement with industry stakeholders involved meetings and other inputs from interested parties including:

- CCoI;
- The Local Development Companies;
- Craft makers or enterprises;
- Craft retailers; and
- Educational institutions.

Surveys Research

As part of our primary research and baseline analysis, Indecon also undertook, with the assistance of CCoI and the local development companies, targeted and focused surveys as follows:

- Survey of Craft Makers and Enterprises
- Survey of Craft Retailers
- Survey of Craft Educators

Indecon received a large number of responses to these surveys that are shown in the table below. Of particular significance was the larger number of responses (324) received from craft makers and enterprises.

Table 1.1: Summary of Number of Responses to Indecon Surveys

Survey	No. of Responses
Survey of Craft Makers	
5 Partner Regions	77
Rest of the Republic of Ireland	225
Northern Ireland	22
Craft Makers & Enterprises Total	*324*
Survey of Craft Retailers	
Survey of Retailers of Irish-produced Crafts in Ireland and abroad	47
Survey of Craft Educators	
Survey of Craft Educators in the Republic of Ireland and Northern Ireland	41
Grand Total	**412**

Source: Indecon Analysis.

Craft Workshops and Consultations

To enable more detailed examination of issues of relevance to craft makers in the partnership areas and to discuss issues emerging from the survey research and stakeholder consultations, Indecon undertook a series of workshops with:

- Craft Makers and Enterprises in operation in the five partner areas;
- Craft Retailers in operation in the five partner areas; and
- Craft Educators in the five partner areas.

Indecon's workshop model follows best practice standards in conducting research of this form. Workshop attendees took part in a structured SWOT[1] analysis of the crafts industry, encompassing all aspects of the industry relevant to craft design, production, retailing and education. The structure of the workshop ensured that all attendees were given the opportunity to put forward their views through both written and oral submissions.

1.5 Structure of Report

The remainder of this report is structured as follows:

- Section 2 presents an overview of the employment significance of the crafts industry.
- Section 3 provides an analysis of the profile of the sector including levels of sales, as well as issues such as e-commerce and product development.
- Section 4 presents a review of education in the sector.
- Section 5 focuses on developing the sector.
- Section 6 presents our recommendations on securing the potential of craft businesses.

1.6 Acknowledgements

Indecon would like to acknowledge the valuable advice and inputs of a wide range of organisations and individuals. We would in particular like to thank Ian Dempsey West Cork Development Partnership, Jean O'Sullivan West Cork Development Partnership, Niall Morrissey South Tipperary Development Company, Declan Rice Kilkenny Leader Partnership, Helena Dempsey Wexford Local Development, as well as Padraig Casey and Claire Horgan Ballyhoura Development Ltd. We would also like to acknowledge the valuable advice and assistance provided by CCoI including Karen Hennessy, Louise Allen, Anastasia Dack, Audrey Kelly, John Tynan, Gus Mabelson and Eimear Conyard. Indecon would also like to thank the wide range of craft makers, retailers, educationalists and government agencies who provided valuable first-hand insights into the nature and potential of the sector. Indecon would also like to thank the crafts Guilds, Associations Networks and Societies (GANS) and other organisations who encouraged co-operation with our study and who provided inputs to our analysis. Most of all we would like to thank the many talented craft makers in Ireland who shared their experience and insights.

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[1] Strengths, Weaknesses, Opportunities and Threats.

2 Employment in the Crafts Sector

2.1 Introduction

From a national economic perspective it is important to consider the overall economic significance of the crafts sector particularly in terms of numbers employed.

2.2 Nature of Employment in the Crafts Sector

The Census of Population provides detailed data on the labour force by detailed occupation that allows us to select a number of crafts and craft related occupations for assessment. The size of the labour force in 2011 for these selected occupations is shown in Table 2.1 below. The evidence suggests that there is a significant labour force in crafts-related occupations nationally although some of these categories may not be included in a narrow definition of crafts. There are also other craft sub-sectors not included in these categories but the figures highlight the range of skilled employees available.

Table 2.1: Trend Analysis of Irish Census of Population 2011 - Labour Force in Detailed Craft related Categories

	2011
Textile and Craft Workers	
Weavers, knitters, warp preparers, bleachers, dyers and finishers	451
Sewing machinists, menders, darners and embroiderers	2,217
Shoe repairers and other leather makers	340
Tailors, dressmakers, clothing cutters, milliners and furriers	1132
Other textiles, garments and related trades	294
Manufacturing Craft Workers	
Cabinet makers	3,454
Other woodworking trades	670
Glass product and ceramics makers, finishers and other operatives	1,718
Other craft and related occupations	1,767
Bookbinders and Printing Craft Workers	
Bookbinders, print finishers and other printing trades	2,692
Instrument Makers and Other Craft Workers	
Precision instrument makers, goldsmiths, silversmiths and precious stone workers	1,863
Smiths/Forge Workers	
Smiths, forge/metal plate workers and shipwrights	483
Total	**17,081**

Source: CSO Census of Population

A special analysis conducted by the CSO for Indecon for this study of the labour force in the counties relevant to the five partner regions is presented below. This shows that there are over 3,800 persons in the five counties who are in these occupational categories.

Table 2.2: Breakdown of Irish Census of Population 2011, Number of People in the Labour force by Counties in the Five Partner Regions by Detailed Craft related Occupation

	Kilkenny	Wexford	South Tipperary	Cork	Limerick	Rest of Ireland	Total
Cabinet makers	115	129	77	420	118	2,595	3,454
Glass product and ceramics makers, finishers and other operatives	104	77	30	146	44	1,317	1,718
Precision instrument makers, goldsmiths, silversmiths and precious stone workers	46	53	36	307	119	1,302	1,863
Bookbinders, print finishers and other printing trades	41	47	16	177	74	2,337	2,692
Other craft and related occupations	40	58	25	196	94	1,354	1,767
Sewing machinists, menders, darners and embroiderers	32	59	29	215	80	1,802	2,217
Other woodworking trades	28	26	21	119	32	444	670
Tailors, dressmakers, clothing cutters, milliners and furriers	17	24	11	128	31	921	1,132
Smiths, forge/metal plate workers and shipwrights	12	32	14	73	17	335	483
Weavers, knitters, warp preparers, bleachers, dyers and finishers	8	17	6	52	9	359	451
Shoe repairers and other leather makers	6	6	9	40	16	263	340
Other textiles, garments and related trades	6	2	4	25	8	249	294
Total	**455**	**530**	**278**	**1,898**	**642**	**13,278**	**17,081**

Source: CSO Special Analysis of Census completed for Indecon

Table 2.3 examines the employment and unemployment rates of each of the occupations. The data suggests there were approximately 12,050 employed in these occupations in 2011. The evidence also suggests that many craft workers are unemployed which highlights the importance of measures to expand the sector and to enhance the viability of existing and new craft enterprises.

Table 2.3: Analysis of Irish Census of Population 2011 - Labour Force & Persons at Work in Detailed Craft related Categories			
	Labour Force	**Unemployment Rate**	**Persons at Work**
Textile and Craft Workers	**2011**	**2011**	**2011**
Weavers, knitters, warp preparers, bleachers, dyers and finishers	451	34.1%	297
Sewing machinists, menders, darners and embroiderers	2,217	44.8%	1,224
Shoe repairers and other leather makers	340	23.8%	259
Tailors, dressmakers, clothing cutters, milliners and furriers	1132	28.8%	806
Other textiles, garments and related trades n.e.s.	294	46.6%	157
Manufacturing Craft Workers			
Cabinet makers	3,454	36.2%	2,204
Other woodworking trades	670	19.6%	539
Glass product and ceramics makers, finishers and other operatives	1,718	38.2%	1,062
Other craft and related occupations	1,767	19.8%	1,417
Bookbinders and Printing Craft Workers			
Bookbinders, print finishers and other printing trades	2,692	23.6%	2,057
Instrument Makers and Other Craft Workers			
Precision instrument makers, goldsmiths, silversmiths and precious stone workers	1,863	11.9%	1,641
Smiths/Forge Workers			
Smiths, forge/metal plate workers and shipwrights	483	19.7%	388
Total	**17,081**		**12,050**

Source: CSO Census of Population

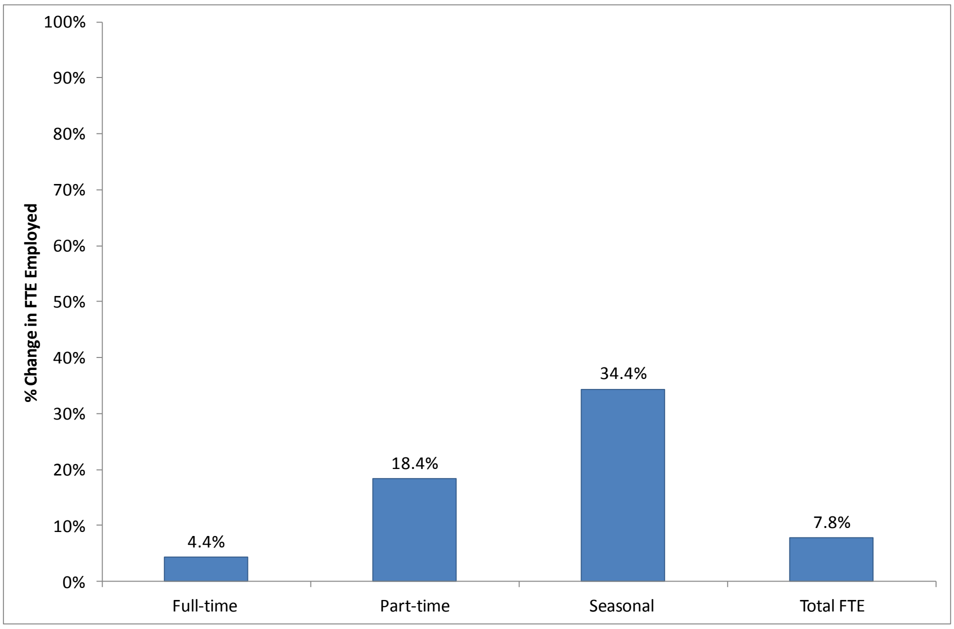
Responses from our survey of craft makers and retailers provide a useful insight into the nature of employment in the industry. An analysis of headcount reveals that the majority of craft makers are working full-time. The sector is also an important source of part-time and seasonal employment opportunities.

Table 2.4: Breakdown of Persons Employed/Engaged in Craft in 2009 and 2012 – Headcount		
	2009	**2012**
	Headcount	*Headcount*
Full-time	62%	58%
Part-time	31%	33%
Seasonal	8%	9%
	100%	**100%**

Source: Indecon Analysis of Survey of Craft Makers.

Figure 2.1 displays the change in the number of full-time equivalent (FTE) persons employed in crafts from 2009 to 2012 for full-time, part-time and seasonal workers. According to the survey respondents, the number of FTE persons working full-time in the craft enterprises increased by almost 5% over the period from 2009 to 2012. Part-time and seasonal employed increased at a faster rate according to our survey. These results reflect employment in new start-up craft businesses and do not take account of employment losses in craft enterprises that have ceased operation.

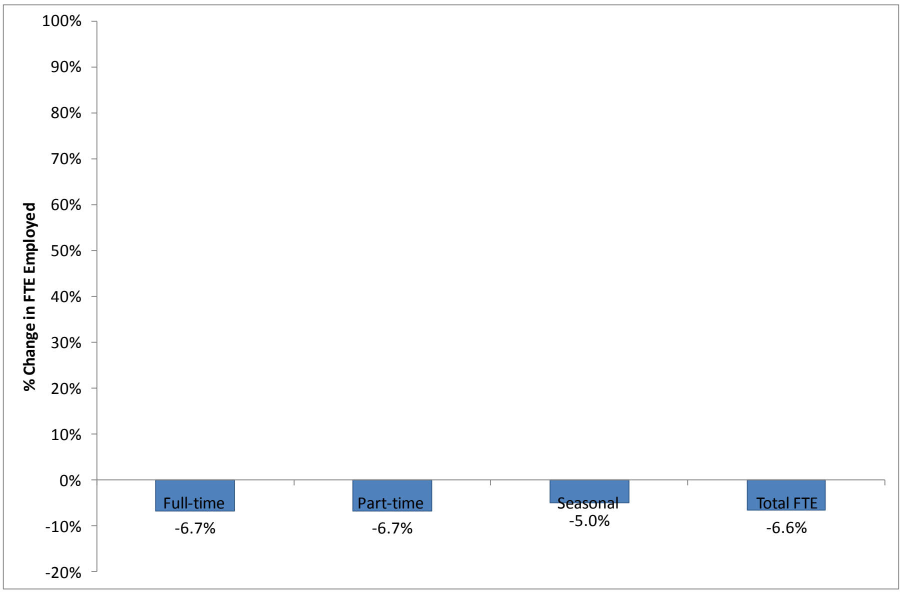
Figure 2.1: % Change in Full-time Equivalent Employees in Craft 2009-2012 (Including New Businesses)



Source: Indecon Analysis of Survey of Craft Makers.

The change in FTEs employed in craft retailing is shown in Figure 2.2 below. Among the respondents to our craft retailing survey, the total number of full-time equivalent numbers employed fell by 6.6% from 2009 to 2012. These findings reflect the general decline in consumer expenditure and the pressures on the retail sector.

Figure 2.2: % Change in Full-time Equivalent Employed in Craft Retailing 2009-2012



Source: Indecon Analysis of Survey of Craft Retailers.
Note: Includes foreign retailers selling Irish Crafts.

The table below shows an update of the Indecon estimates of employment in craft enterprises employing three or more persons in Ireland. The estimates (informed by primary research and survey analysis) indicate the number of persons engaged in craft enterprises employing 3 or more amounted to around 3,887 in 2012. However, there is significant uncertainty regarding these estimates and they should be seen as indicative.

Table 2.5: Employment Estimates in Craft Enterprises - Employing 3 or more 2012

	2012
Pottery & Ceramics	751
Graphic Crafts	672
Jewellery	651
Textiles	516
Stone	515
Wood	242
Iron & Metals	195
Heritage & Rural Crafts	154
Glass	145
Other	45
Total Craft	**3,887**

Source: Update of Indecon Analysis of the Crafts Sector 2009 using Indecon Survey of Craft Makers 2012.

We estimate total employment among craft businesses including those employing less than three as well as employment in the larger enterprises. This suggests total employment of 5,351 in crafts sector.

Table 2.6: Overall Estimates of Employment in the Craft Sector	
Employment in Crafts Sector 2012	5,351
Source: Indecon Estimates	

2.3 Summary of Findings

The majority of craft makers and retailers are working full-time. However, the sector is also an important source of part-time and seasonal employment opportunities.

Indecon estimates that there are a total of 5,351 persons employed in craft businesses in 2012. However, it must be noted that there is some uncertainty regarding the precise estimates but they are indicative of the scale of employment in the sector.

3 Profile of the Crafts Industry

3.1 Introduction

This section presents a summary profile of the crafts sector. This includes an analysis of the location of craft enterprises, the types of craft and various indicators of the level of activity. It also examines the distribution channels used and other features of the sector.

3.2 Craft Makers and Enterprises in Ireland

An important source of information on the crafts sector is the register of craft enterprises of the Crafts Council of Ireland (CCoI). Table 3.1 presents a breakdown of the number of craft enterprises registered by county. Those counties within the catchment area of the five partner regions are highlighted. The number of enterprises registered with CCoI has grown substantially from 1,842 in 2009 to a total of 2,399 enterprises in 2012. There are a significant number of craft enterprises in the counties of the five partner regions, highlighting the relevance of the crafts sector to these areas.

Table 3.1: Breakdown of CCoI Registered Craft Enterprises by County in the Republic of Ireland 2012

	Number of Craft Enterprises
	2012
Dublin	501
Cork	**311**
Galway	145
Wicklow	120
Kilkenny	**116**
Kerry	104
Mayo	92
Waterford	88
Wexford	**94**
Kildare	90
Clare	78
Donegal	82
Louth	62
Meath	61
Tipperary	**63**
Westmeath	48
Limerick	**51**
Sligo	53
Laois	44
Offaly	37
Carlow	40
Leitrim	40
Monaghan	28
Cavan	21
Roscommon	17
Longford	13
Total	**2,399**

Source: Crafts Council of Ireland

A breakdown of craft enterprises registered with CCoI in 2012 by the type of craft is presented in the table below. Textiles, ceramics, woodworking and furniture are important craft sectors for Ireland and the partner regions. In 2012, the greatest numbers were active in textile making and spinning, accounting for 24% of all CCoI client enterprises. Jewellery makers and silversmiths accounted for 16% of clients and a further 16% were active in ceramics and mosaics. Other active craft makers included woodworking, glass, printing, stone and metal work.

Table 3.2: Selected Breakdown of Craft Enterprises by Crafts Industry in the of Republic of Ireland 2012

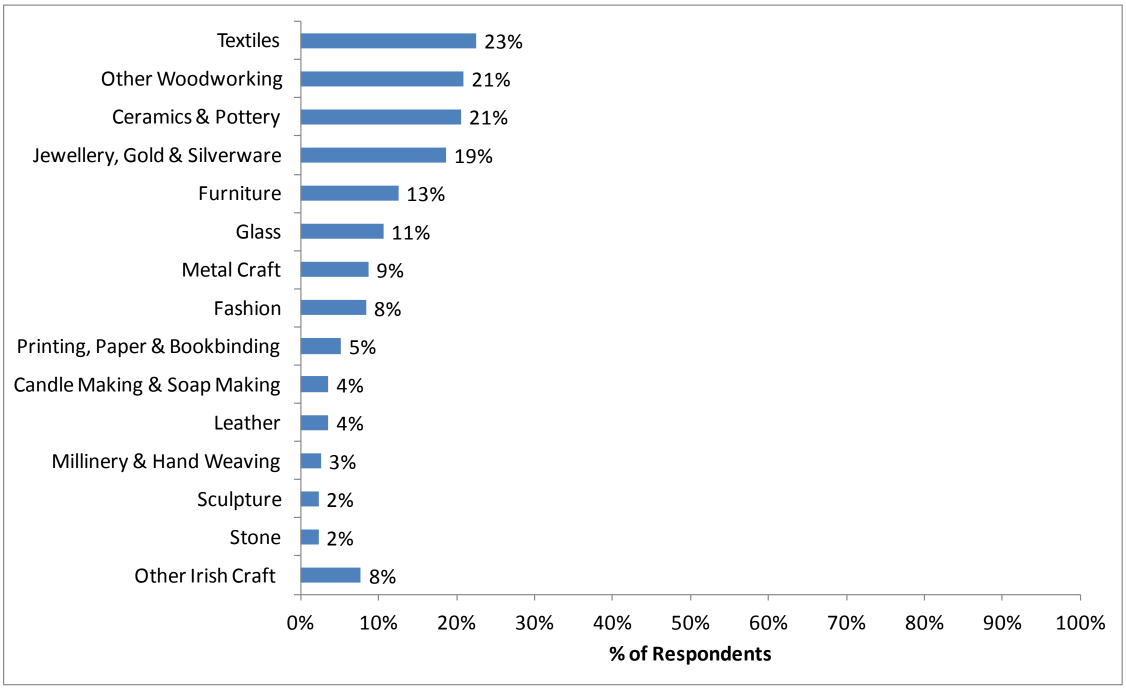
Crafts Industry	Number of Registered Craft Enterprises	% Share
Textile Making & Spinning	567	24%
Jewellery Making & Silversmith	391	16%
Ceramics & Mosaics	376	16%
Woodworking	231	10%
Glass Making	179	7%
Furniture Making	172	7%
Paper & Printing	111	5%
Metal Working	92	4%
Stone Working	54	2%
Mixed Media Construction	52	2%
Basketry	36	2%
Leather Working	26	1%
Candle Making	30	1%
Musical Instrument Making	22	1%
Other Craft Industries*	60	3%
Total	**2,399**	**100%**

Source: Crafts Council Register of Ireland 2012

*Bookbinding, Fly Tying, Fresco Painting & Soap Making.

An analysis of the craft categories based on the Indecon survey is shown in figure 3.1. These findings also highlight the significance of textiles and fashion, woodwork, ceramics, pottery, jewellery, gold and silverware, furniture, glass and metal craft makers.

Figure 3.1: Breakdown of Craft Makers by Craft Categories in which they are Active



Source: Indecon Analysis of Survey of Craft Makers.

Table 3.3 focuses on the respondents to our makers' survey who are in operation in one of the five partner regions. This table highlights the importance of ceramics, pottery, jewellery, gold and silverware. Textiles are important among craft makers in South Tipperary and West Cork.

Table 3.3: Analysis of Craft Makers in the Five Partner Regions by Type of Craft 2012

	Ballyhoura	Kilkenny	South Tipperary	Wexford	West Cork
	% of Region	*% of Region*	*% of Region*	*% of Region*	*% of Region*
Ceramics & Pottery	33%	26%	33%	23%	13%
Jewellery, Gold & Silverware	33%	26%	0%	23%	0%
Other Irish Craft	33%	11%	17%	3%	13%
Metal Craft	33%	5%	0%	17%	6%
Furniture & Other Woodworking	0%	26%	33%	34%	19%
Stone, Glass & Sculpture	0%	16%	0%	20%	0%
Textiles, Fashion, Leather, Millinery & Hand Weaving	0%	11%	50%	20%	50%
Candle Making, Soap Making, Printing, Paper & Bookbinding	0%	16%	0%	9%	13%

Source: Indecon Analysis of Survey of Craft Makers.
Note: Percentages do not add up to 100% as some craft makers are involved in more than one sector.

Most craft makers in the partner regions are specialists in one category of craft but a number are active in 2 or more types of crafts.

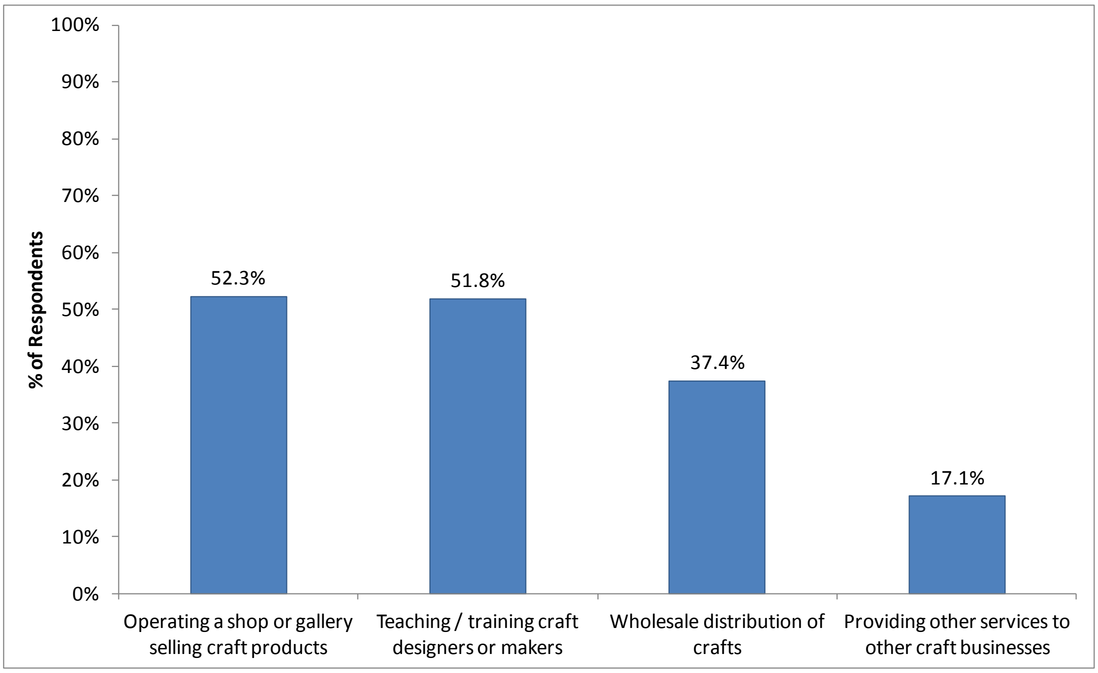
Table 3.4: Number of Different Craft Categories that Makers from the Five Regions are Active in 2012

	Ballyhoura	Kilkenny	South Tipperary	Wexford	West Cork
	% of Region	*% of Region*	*% of Region*	*% of Region*	*% of Region*
1 Category	67%	68%	67%	77%	81%
2 Categories	33%	26%	33%	14%	19%
3 Categories	0%	5%	0%	3%	0%
4 Categories	0%	0%	0%	3%	0%

Source: Indecon Analysis of Survey of Craft Makers

Figure 3.2 shows that over half of the respondents to the craft makers' survey reported that they are involved in operating a shop or a gallery selling craft products and or in teaching/training. Over 37% of respondents said they are active in the wholesale distribution of crafts and a further 17% said they provide services to other craft businesses.

Figure 3.2: % of Craft Makers Involved in Other Activities in Addition to Making/Designing by Activity 2012



Source: Indecon Analysis of Survey of Craft Makers.

Survey results for the five partner regions in Table 3.5 reveals an even higher proportion of makers involved in these related activities.

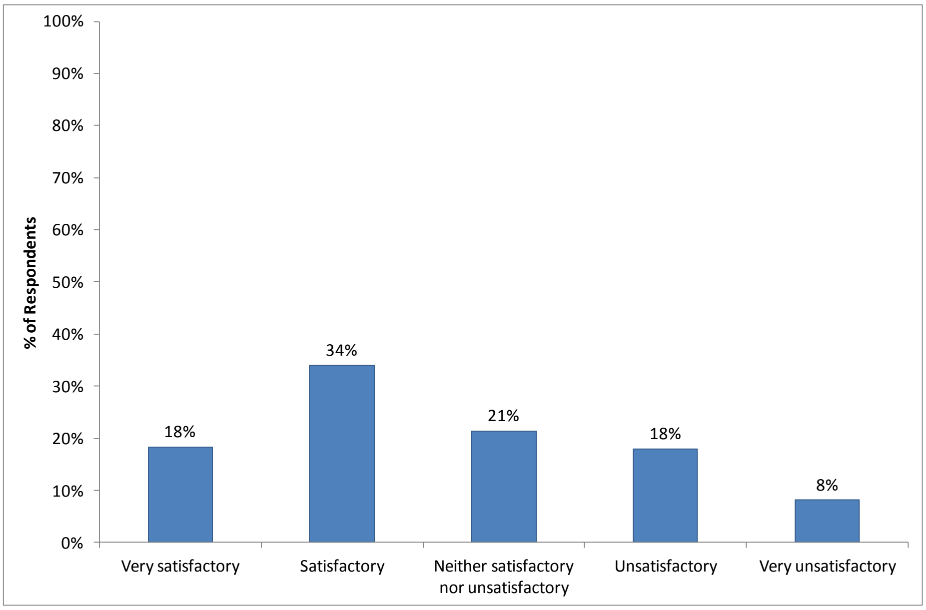
Table 3.5: Number of Different Craft Categories Makers from the Five Regions are Active in 2012

	Ballyhoura	Kilkenny	South Tipperary	Wexford	West Cork
	% of Region	*% of Region*	*% of Region*	*% of Region*	*% of Region*
Teaching/training craft designers or makers	100%	43%	75%	38%	67%
Operating a shop or gallery selling craft products	67%	50%	-	50%	75%
Wholesale distribution of crafts	67%	43%	25%	38%	-
Providing other services to other craft businesses	33%	36%	-	23%	17%

Source: Indecon Analysis of Survey of Craft Makers

One of the advantages of the crafts sector is the quality of life afforded to craft makers. The evidence of views on this issue is presented in Figure 3.3. While most believe that engagement in the craft provides a satisfactory or very satisfactory quality of life this does not take away from the importance of measures to enhance the living standards of craft makers.

Figure 3.3: Craft Makers' Opinions on the Quality of Life Afforded to them by their Craft Related Activities by Level of Satisfaction 2012

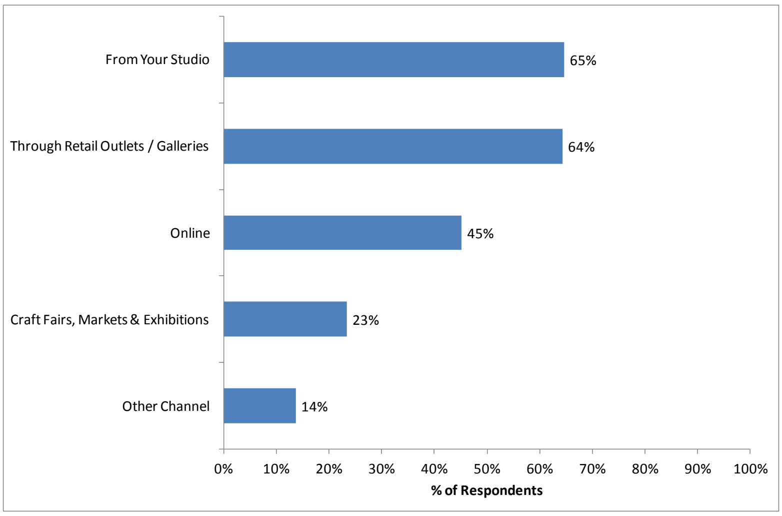


Source: Indecon Analysis of Survey of Craft Makers.

3.3 Analysis of Sales and Sales Revenue in the Crafts Sector

Figure 3.4 shows the channels through which the respondents to the crafts survey of makers sell their products. 65% of respondents indicated they sell their craft products directly from their studio while 64% sell through retail outlets and or galleries. 45% of respondents reported that they sell some of their products online.

Figure 3.4: Channels Through Which Craft Makers Sell their Products 2012



Source: Indecon Analysis of Survey of Craft Makers.

Note: 'Other channels' include pop-up shops, repeat business, commissions, shopping channel, CCoI directory, word of mouth and recommendations from interior designers or architects etc.

The findings at regional level for the channels through which makers sell their products are similar to that of the rest of the Republic of Ireland. A significant proportion of makers in some of these regions sell their products through craft fairs, markets and exhibitions. The proportion selling online in Wexford, West Cork and Ballyhoura is above average. However, craft businesses only secure a small share of revenue from online selling.

Table 3.6: Channels Through which Craft Makers in the Five Partner Regions Sell their Products 2012

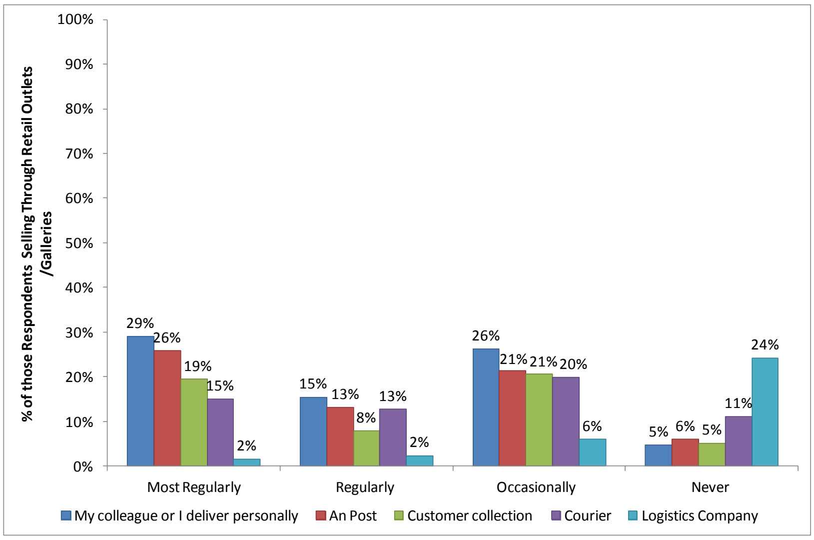
	Ballyhoura	Kilkenny	South Tipperary	West Cork	Wexford
From Your Studio	100%	68%	100%	64%	76%
Through Retail Outlets/Galleries	67%	63%	60%	70%	65%
Crafts Fairs, Markets & Exhibitions	67%	26%	20%	45%	53%
Online	100%	32%	0%	9%	6%
Other Channel	0%	21%	0%	6%	6%

Source: Indecon Analysis of Survey of Craft Makers

Note: "Other Channel" includes commissions and pop-up shops.

The most commonly used methods of delivery by craft makers selling their products through retail outlets and galleries involve delivering personally and / or using An Post postal services. These findings reflect the nature of a crafts industry that is characterised by micro-businesses.

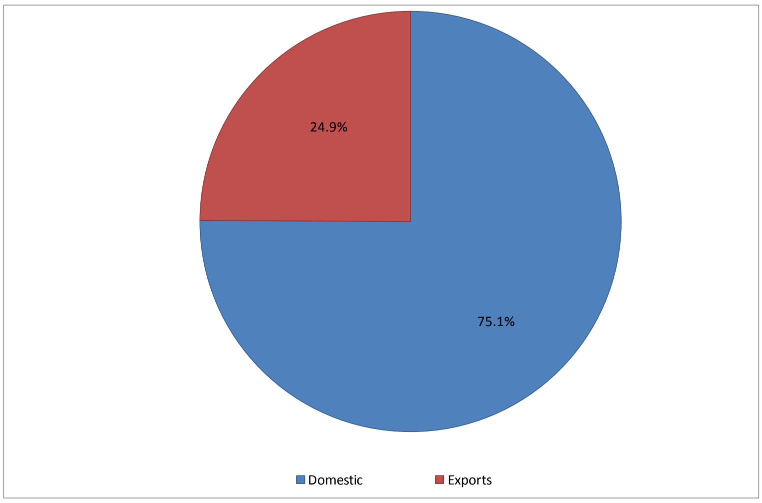
Figure 3.5: Methods of Delivery Used by Craft Makers Selling Through Retail Outlets/Galleries by Frequency of Use



Source: Indecon Analysis of Survey of Craft Makers.

Figure 3.6 shows the proportion of sales among the respondents to our survey of craft makers accounted for by domestic sales and exports. Over 75% of sales reported across all makers were sales in the domestic market and the remaining 25% are exports. This highlights the importance of the domestic market to craft sales in Ireland and suggests the need to examine ways of expanding sales to tourists in Ireland and to Irish consumers.

Figure 3.6: % Breakdown of Craft Makers' Sales by Domestic Sales and Export Sales 2012



Source: Indecon Analysis of Survey of Craft Makers.

An analysis of sales revenue within the crafts sector suggests that 70.1% of makers have sales of less than €25,000, reflecting the micro nature of enterprise in the sector. However, there are craft businesses of scale with sales of over €100,000.

Table 3.7: Breakdown of Sales Revenue Reported by Craft Makers 2012

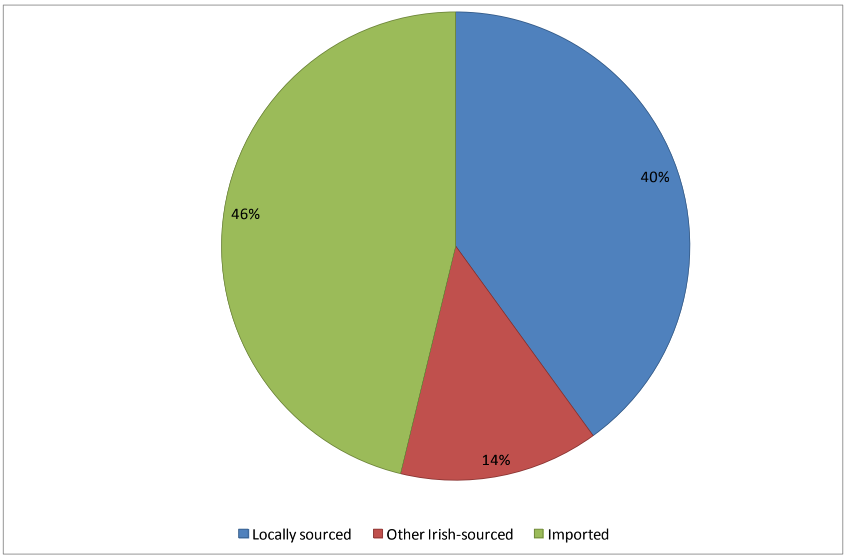
Sales Band	% of Respondents in Sales Band
Less than €10,000	49.3%
€10,000 - €25,000	20.8%
€25,001 - €50,000	12.4%
€50,001 - €100,000	8.4%
€100,001 - €250,000	6.2%
€250,001 - €500,000	1.8%
€500,001 - €1m	1.1%
	100%

Source: Indecon Analysis of Survey of Craft Makers.

3.4 Analysis of Expenditure on Raw Materials in the Crafts Sector

One of the features of the craft sector is the high level of knock-on impacts on the Irish economy. This is evident from the fact that almost 54% of expenditure was on raw materials and packaging that were Irish sourced.

Figure 3.7: Breakdown of Craft Makers' Expenditure on Raw Materials and Packaging by Source 2012



Source: Indecon Analysis of Survey of Craft Makers.

3.5 Outsourcing in Crafts

Just 20% of makers reported that they outsource to some degree but most craft makers do not engage in any outsourcing. This is not surprising given the high skilled individualistic nature of much of the Irish crafts sector.

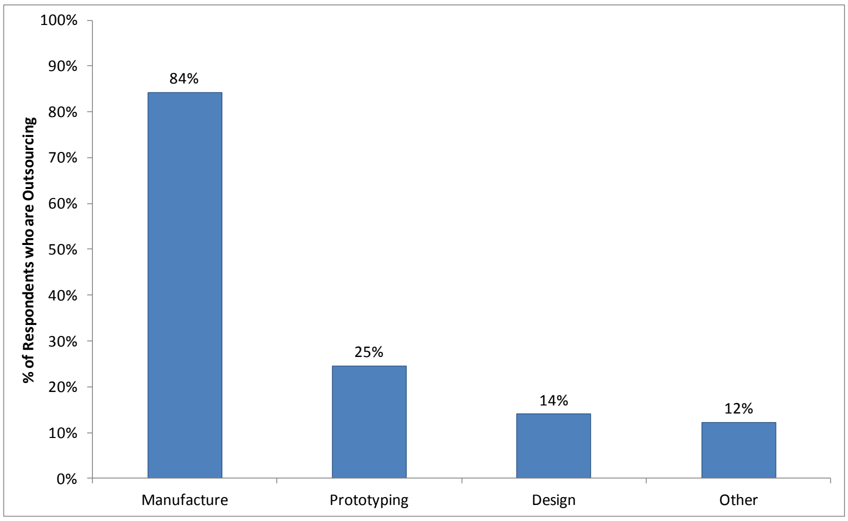
Table 3.8: % of Respondents who Are Outsourcing Part of the Design/Manufacture of their Products or Other Outsourcing

	% of Respondents
Some Outsourcing	20%
No Outsourcing	80%
	100%

Source: Indecon Analysis of Survey of Craft Makers.

The most common type of outsourcing is part of the manufacturing process (84%). A quarter of respondents said they outsourced parts of the prototyping of their products and a further 14% said they outsource part of the design of their crafts. Other services that makers reported they outsourced included marketing and 3D printing.

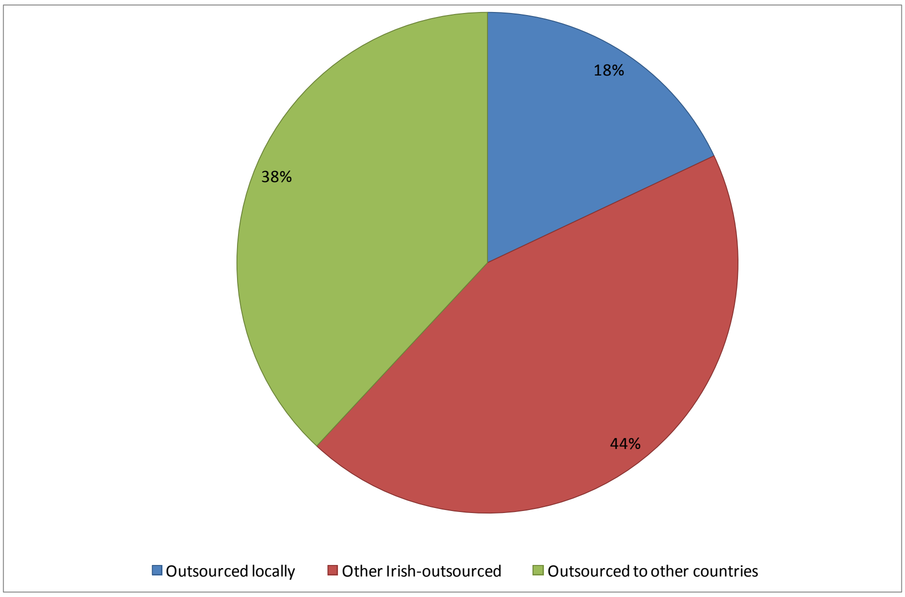
Figure 3.8: Breakdown of Types of Outsourcing by Craft Makers, 2012



Source: Indecon Analysis of Survey of Craft Makers.
Note: Other includes support services such as marketing and 3D printing.

62% of total expenditure on outsourcing was sourced from Irish business/services (locally and in other parts of Ireland). This also highlights the knock-on employment impacts of craft enterprises. Among all respondent's expenditure, 18% was accounted for by outsourcing from the maker's local area.

Figure 3.9: Breakdown of the Cost of Craft Makers' Outsourced Designs and Products by Source



Source: Indecon Analysis of Survey of Craft Makers.

3.6 E-commerce

> *"Vendors with updated product websites are invaluable for us. We can pull photos & info from their secured site & utilise them in customer emails and support; It's also invaluable to order from their websites"* (Respondent to the survey of craft retailers).

A recurring theme arising from our primary research of the sector was the potential role of e-commerce. Many of the craft makers and retailers were aware of the opportunities that having a website or trading online presented to them in terms of accessing their existing customer base and entering new markets. Given the geographic location of many craft businesses away from main markets of population centres, it is useful to consider the importance of e-commerce.

Table 3.9 shows that 83% of craft makers surveyed have their own website for their business.

Table 3.9: Proportion of Craft Makers with a Website for their Business 2012

	% of Respondents
Website	83%
No Website	17%
	100%

Source: Indecon Analysis of Survey of Craft Makers.

An even higher proportion of retailers surveyed have a website.

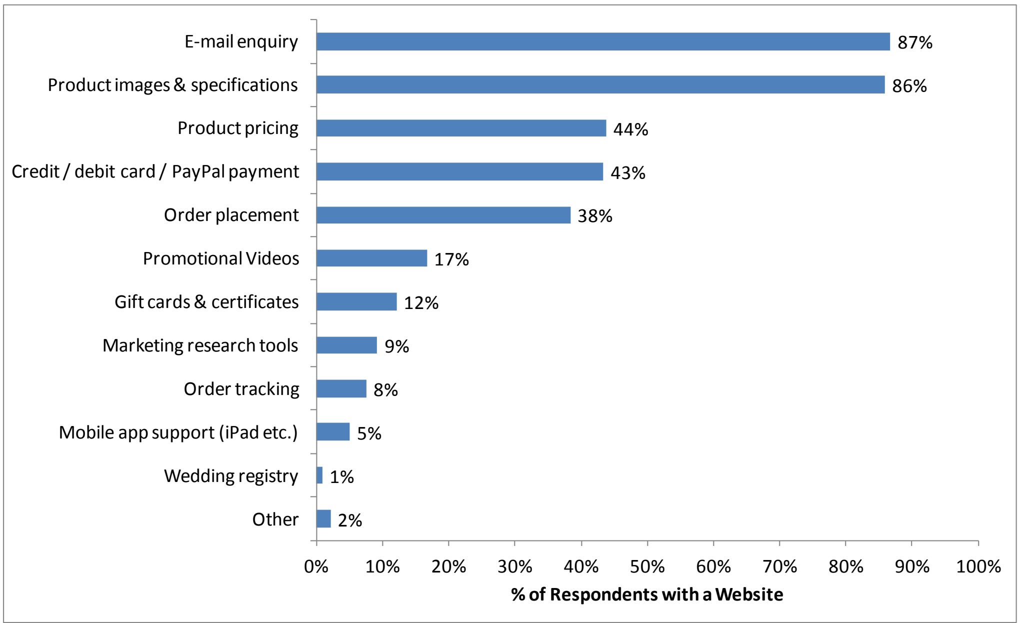
Table 3.10: Craft Retailers who have a Website 2012

	% of Respondents
Website	91%
No Website	9%
	100%

Source: Indecon Analysis of Survey of Craft Retailers.

Figure 3.10 presents information on the makers' survey as to the various functionalities of craft makers' websites. A majority of makers, who have a website, have the basic functions of email enquiry and product images and specifications (approx. 87%). However, 40% of respondents have functions on their websites such as product pricing, payment options and order placement to facilitate online trading.

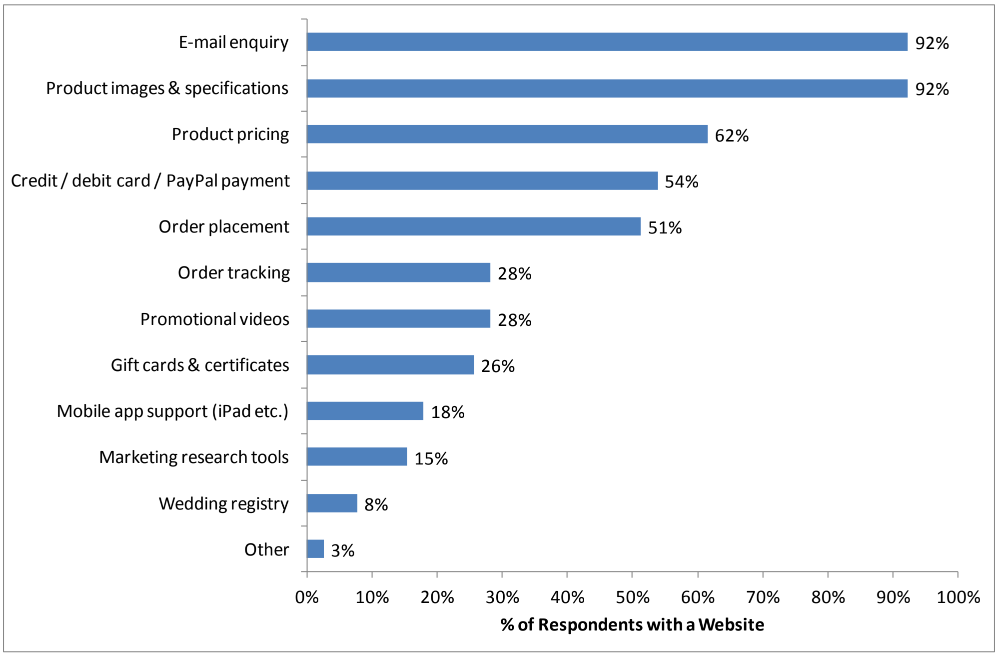
Figure 3.10: Ecommerce Functionality of Craft Makers' Websites 2012



Source: Indecon Analysis of Survey of Craft Makers.
Note: "Other" includes a facility to book classes, media tracking and online teaching.

Craft retailers were also asked about the functionalities of their websites and Figure 3.11 shows that a greater proportion of retailers have transaction capabilities on their websites.

Figure 3.11: Ecommerce Functionality of Craft Retailers Websites 2012



Source: Indecon Analysis of Survey of Craft Retailers.
Note: Other = Toll free phone number.

Table 3.11 looks at the functionality of craft makers' websites by sales revenue band. The data suggests that a greater proportion of makers in the higher sales revenue bands (above €50,000) tend to have transaction capability on their website compared with those makers in the lower sales bands.

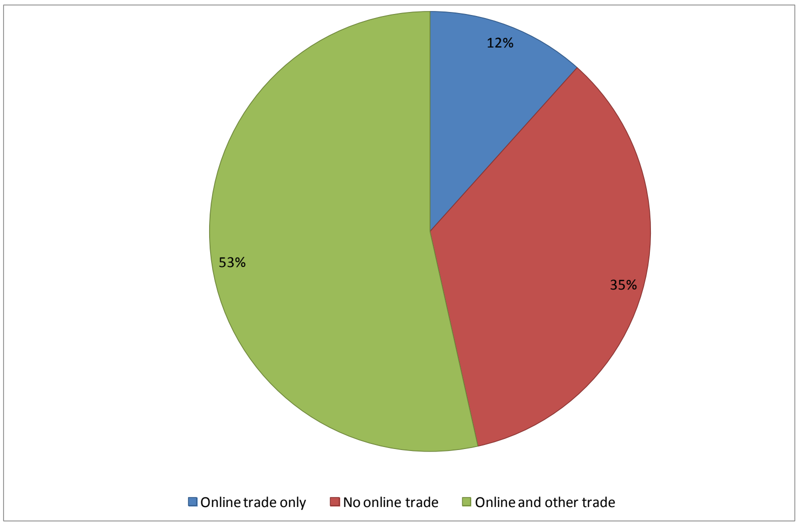
Table 3.11: Breakdown of Craft Makers by 2012 Sales Band and Website Functionality

	Basic Visual Website		Website with Transaction Capability		
	Product images & specifications	**E-mail enquiry**	**Product pricing**	**Order placement**	**Credit/debit card/PayPal payment**
	% of Respondents in Sales Band	*% of Respondents in Sales Band*	*% of Respondents in Sales Band*	*% of Respondents in Sales Band*	*% of Respondents in Sales Band*
Less than €10,000	56%	57%	29%	21%	0%
€10,000 - €25,000	79%	77%	39%	38%	39%
€25,001 - €50,000	67%	64%	33%	27%	30%
€50,001 - €100,000	84%	88%	52%	52%	52%
€100,001 - €250,000	100%	82%	47%	47%	47%
€250,001 - €500,000	67%	50%	33%	33%	50%
€500,001 - €1m.	50%	100%	50%	50%	50%

Source: Indecon Analysis of Survey of Craft Makers.

Retailers were also asked to report whether they engaged in online trading and the results of this are presented in Figure 3.12. 65% of respondents reported that they trade online.

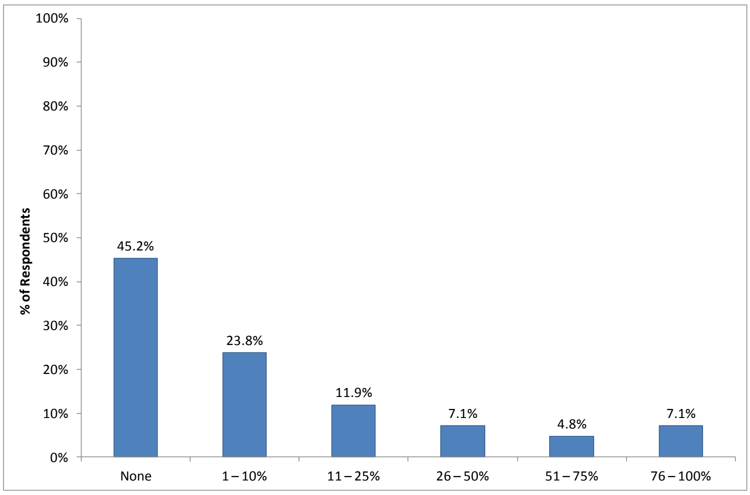
Figure 3.12: Breakdown of Craft Retailers by Level of Online Trade Activity 2012



Source: Indecon Analysis of Survey of Craft Retailers.

Even for these retailers who have the facility to trade online for most this is not a significant source of business. Almost 24% of craft retailers reported that between 1% and 10% of their craft sales revenue is from online sales and 45% report no online sales of Irish produced crafts.

Figure 3.13: Proportion of Retailers Sales of Irish-produced Craft which is Sold Online 2012

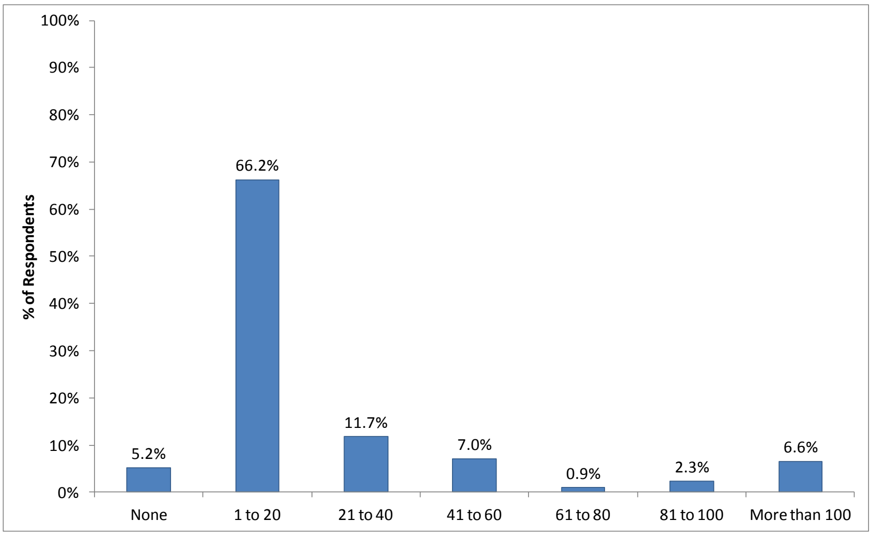


Source: Indecon Analysis of Survey of Craft Retailers.

3.7 Product Development

The majority of craft makers reported that they had introduced new craft products or ranges to their business over the past two years. Given the nature of the industry, some makers introduced a large number of new products as each item may have been seen as a unique piece.

Figure 3.14: Breakdown of Craft Makers by Number of New Craft Products Introduced from 2010-2012



Source: Indecon Analysis of Survey of Craft Makers.

Most makers in the partner regions introduced 1-20 new craft products. The findings are consistent with the rest of Ireland.

Table 3.12: Breakdown of Craft Makers in the Five Partner Regions by Number of Craft Products Introduced from 2010 - 2012

	None	1 to 20	21 to 40	41 to 60	61 to 80	81 to 100	More than 100
Kilkenny	0%	92%	0%	0%	0%	0%	8%
South Tipperary	25%	75%	0%	0%	0%	0%	0%
Wexford	17%	58%	8%	0%	0%	0%	17%
West Cork	0%	80%	15%	5%	0%	0%	0%
Ballyhoura	0%	33%	33%	0%	0%	0%	33%

Source: Indecon Analysis of Survey of Craft Makers

3.8 Summary of Findings

The number of enterprises registered with CCoI has grown in Ireland reaching a total of 2,399 enterprises in 2012. A significant number of craft enterprises are active in the relevant five partner regions. Ceramics and pottery, jewellery (gold and silver) and furniture have the highest proportion of registered craft makers in the five regions.

70.1% of makers have sales of less than €25,000 reflecting the micro business structure of the sector. However, there are some craft enterprises of scale. The small-scale nature of many craft businesses present very specific development challenges but has the advantages of a very employment intensive sector.

The channels through which craft makers sell their products are most commonly direct from their studio or through a retail outlet or gallery. A significant number revealed that they also sell online or at craft fairs and exhibitions.

The role of ecommerce to craft makers and retailers is an important issue in considering the potential of the sector. Most craft makers (83%) and retailers (91%) reported that they have a website for their business. However, fewer of the craft makers have transaction capability on their websites and only 65% of retailers indicated that they trade online. Online sales are typically a small proportion of the total.

4 Education and Skills in the Crafts Sector

4.1 Introduction

This section considers the current status and future needs of education and skills in the crafts industry in Ireland. The analysis in this chapter is facilitated by our primary research at workshops and consultations, a survey of craft educators in Ireland (North and South), publicly available data sources and special data requests to key institutions in Ireland who deliver craft courses.

4.2 Number of Students Enrolled in Craft Courses

Examining the number of students enrolled in craft courses across institutions in Ireland provides an indication of the levels of education in the sector as well as the variety of skilled courses available. However, it is important to remember that this does not capture training while in the workforce and other training outside the formal education sector.

Table 4.8 below shows that in 2012, a total of 8,257 students enrolled in craft related courses in institutions funded by the Higher Education Authority of Ireland (HEA hereafter). HEA funded institutions includes universities, colleges and institutes of technology. The data below includes full-time and part-time enrolments. Total enrolments are broken down by the broad fields of study. Mechanics and metal work accounts for the greatest proportion of total enrolments with a total of 3,045 in 2012. Fine arts and design were also among the courses with the largest number of enrolments. The numbers in education are high compared with the size of the sector and while some are part-time enrolments and many will be involved in other sectors, the scale of the skill base is such as to highlight the importance of facilitating many of the emerging trained craft workers to establish and develop commercially viable businesses or to secure employment in other craft businesses.

Table 4.1: Full Time and Part Time Enrolments in Craft and Related Courses of Higher Education Authority Funded Institutions 2012

	Males	Females	Total
Craft skills	116	18	134
Fine arts	650	1,750	2,400
Design	799	1,135	1,934
Mechanics and metal work	2,907	138	3,045
Textiles, clothes, footwear, leather	26	78	104
Materials (wood, paper, plastic, glass)	584	56	640
Total Enrolments	**5,082**	**3,175**	**8,257**

Source: Higher Education Authority Data
Note: Includes undergrad occasionals, undergrad certificates, undergrad diplomas, ordinary degrees, honours degrees, postgraduate occasionals, postgraduate certificate, and postgraduate diploma, taught masters, research masters & PhDs. All HEA funded institutions includes Universities, Colleges & Institutes of Technology.

Table 4.2 shows the number of new entrants in 2012 as distinct from the total number of enrolments. 1,513 students enrolled for the first time in courses in the crafts field provided by HEA funded institutions in 2012.

Table 4.2: New Entrants to Higher Education Authority Funded Institutions 2012

	Males	Females	Total
Craft skills	22	0	22
Fine arts	104	212	316
Design	185	186	371
Mechanics and metal work	638	16	654
Textiles, clothes, footwear, leather	9	20	29
Materials (wood, paper, plastic, glass)	115	6	121
Total Number of Awards	**1,073**	**440**	**1,513**

Source: Higher Education Authority
Note: Includes undergrad occasionals, undergrad certificates, undergrad diplomas, ordinary degrees, honours degrees, postgraduate occasionals, postgraduate certificate, and postgraduate diploma, taught masters, research masters & PhDs. All HEA funded institutions includes Universities, Colleges & Institutes of Technology.

The total number of awards granted for the completion of craft related courses at all levels for HEA funded institutions in 2011 is presented in Table 4.3 below. This amounted to 2,444 in 2011. It is important that the sector continues to strive to attract young talent in order to preserve the highly skilled nature of the sector.

Table 4.3: All Levels Awarded in Higher Education Authority Funded Institutions 2011

	Males	Females	Total
Craft skills	26	-	26
Fine arts	218	596	814
Design	163	335	498
Mechanics and metal work	822	43	865
Textiles, clothes, footwear, leather	-	5	5
Materials (wood, paper, plastic, glass)	213	23	236
Total Number of Awards	**1,442**	**1,002**	**2,444**

Source: Higher Education Authority
Note: Includes undergrad occasionals, undergrad certificates, undergrad diplomas, ordinary degrees, honours degrees, postgraduate occasionals, postgraduate certificate, and postgraduate diploma, taught masters, research masters & PhDs. All HEA funded institutions includes Universities, Colleges & Institutes of Technology.

Table 4.4 shows the FETAC major awards (level 5 and 6) only for 2010 and 2011. Total of 1,442 higher-level awards were attained in craft related courses. This represents an increase of approximately 13% from a total of 1,279 in 2011. Courses with the highest number of awards in 2011 were in woodwork (carpentry and joinery) and art, craft and design. Given the downturn in the construction sector a policy issue is whether craft activity could provide an opportunity for these individuals. Otherwise, a high percentage may be unemployed or emigrate or not use their skills.

Table 4.4: Craft Related FETAC Major Awards by Award Title and Level 2010 & 2011			
Level	**Award Title**	**2010**	**2011**
Level 6	Art Metalwork	10	14
Level 5	Art, Craft and Design	352	383
Level 6	Craft - Cabinet Making	78	74
Level 6	Craft - Carpentry and Joinery	719	805
Level 6	Craft - Print Media	12	25
Level 6	Craft - Printing	0	1
Level 6	Craft - Sheet Metal Working	15	18
Level 6	Craft - Tool making	12	18
Level 6	Creative Ceramics	7	8
Level 5	Creative Craft	43	46
Level 6	Furniture Making and Restoration	28	31
Level 6	Textiles	3	8
Level 5	Thatching	-	11
		1,279	**1,442**

Source: Further Education & Training Awards Council (FETAC)

The National College of Art and Design (NCAD) is a key specialist institution representing a significant source of qualifications and skills for the crafts sector in Ireland. Upon special request, Indecon obtained detailed data on students studying craft and related subjects at NCAD in the academic year of 2012/13. A total of 339 undergraduate students are studying craft related subjects in the design faculty of the NCAD. Among the subjects available to study which are directly related to the crafts sector are craft design, textile design, fashion design and industrial design among others. The largest number of students is studying industrial design, textile design and visual communications.

Table 4.5: 2012/13 NCAD Student Data - Faculty of Design	
Faculty of Design Degree Programmes	**Number of Students**
BDes (Hons) in Craft Design (Yrs 2-4)	46
BA (Hons) in History of Art & Design & Craft Design (Yrs 2-4)	10
BDes (Hons) in Textile Design (Yrs 2-4)	70
BA (Hons) in History of Art & Design & Textile Design (Yrs 2-4)	11
BDes (Hons) in Fashion Design (Yrs 2-4)	38
BA (Hons) In History of Art & Design & Fashion Design (Yrs 2-4)	3
BDes (Hons) in Industrial Design (Yrs 1-4)	89
BDes (Hons) in Visual Communication (Yrs 2-4)	53
BA (Hons) in History of Art & Design & Visual Communications (Yrs 2-4)	19
Total Undergraduate Design Students	**339**

Source: National College of Art and Design (NCAD)

In total 348 students are studying craft related subjects at undergraduate and Master's level in the NCAD at present. Table 4.6 shows that a small number of students at NCAD are studying crafts subjects including ceramics, metals, embroidered textiles and costume for performance to Master's level.

Table 4.6: NCAD Students Studying at Masters Level by Specialist Area 2012/13

Course (research masters)	Yrs 1 & 2
MA Design - Ceramics	3
MA Design - Metals	1
MA Design - Embroidered Textiles	3
MA Design - Costume for Performance	2
Total	**9**

Source: National College of Art and Design (NCAD)

In first year students, can choose from modules in craft, design and fine art before specialising in their chosen discipline. In textile design, students specialise from year three onwards and they choose either printed or embroidered textiles.

It is important to note that Limerick School of Art and Design at Limerick Institute of Technology, Crawford College of Art and Design at Cork Institute of Technology and Galway Mayo Institute of Technology also offer undergraduate and postgraduate courses in craft-specific disciplines. Furthermore, the Crafts Council of Ireland runs two specialised training courses in Ceramics Skills and Design and in Jewellery and Goldsmithing Skills and Design.

Table 4.7: Breakdown of Undergraduate NCAD Craft and Textile Design Students by Specialist Area 2012/13

Course	Ceramics	Glass	Metals
BDes (Hons) in Craft Design	14	8	24
BA (Hons) in History of Art & Design & Craft Design	5	4	1
Total	**19**	**12**	**25**
	Textile Design Yr 2	**Embroidered Yrs 3 & 4**	**Printed Yrs 3 & 4**
BDes (Hons) in Textile Design	24	27	19
BA (Hons) in History of Art & Design & Textile Design	8	2	1
Total	**32**	**29**	**20**

Source: National College of Art and Design (NCAD)

4.3 Education, Skills and Training Needs

The national skills bulletin provides detailed data on selected craft occupations including design, metal, carpentry and other skilled trades. This data provides a useful insight into the current status of the sector in terms of employment indicators and skills needs. This data includes workers whose job descriptions include aspects that are craft related as well as those working directly in crafts.

The data in Table 4.8 shows the high numbers employed in design occupations while a greater number are involved in metalwork and woodwork. Other skilled trades include textiles, glass and ceramics. The design occupations attract the greatest number of third level graduates. The proportion of workers in metal and wood with third level qualifications is low. The number of new employment permits issued is an indication of the demand for craft related workers that is not being met by domestic or EEA sources. The data suggests that there is no shortage of supply of skilled workers in this sector.

Table 4.8: Demand and Shortage Indicators for Selected Craft and Related Occupations 2012

	Design Occupations	Metal Forming, Welding & Related	Carpenters & Joiners	Other Skilled Trades*
Number Employed 2011 - Annual Average	5,700	7,200	15,200	8,700
% Female	55.10%	2.30%	0%	26.10%
% Part-time	23.60%	9.10%	21.70%	20.30%
Unemployment Rate (%)	Below Average	Above Average	Above Average	Above Average
% Aged 55 Years and Over	11.30%	6.20%	10.40%	18.70%
% Non-Irish Nationals	13.90%	15.50%	8.60%	14.80%
% Third Level Graduates	72.60%	4.90%	6.10%	30.10%
Average Annual Employment Growth Rate 2007-2011 (%)	-7.00%	-13.20%	-23.00%	-10.10%
New Employment Permits Issued 2011**	5	2	0	11
Replacement Rate***	2.60%	2.70%	2.70%	2.70%
Shortage Indicator****	No Shortage	No Shortage	No Shortage	No Shortage

Source: National Skills Bulletin

*Weavers & knitters, upholsterers, shoe repairers and other footwear and leather working trades, tailors and dressmakers, clothing manufacturers, embroiderers and other textiles, garments and related trades, glass and ceramic makers, furniture and other craft woodworkers, florists and other skilled trades.

** Indicator of demand not met by domestic or EEA sources. ***Rate needed to preserve existing stock. ****No shortage means no labour market imbalance.

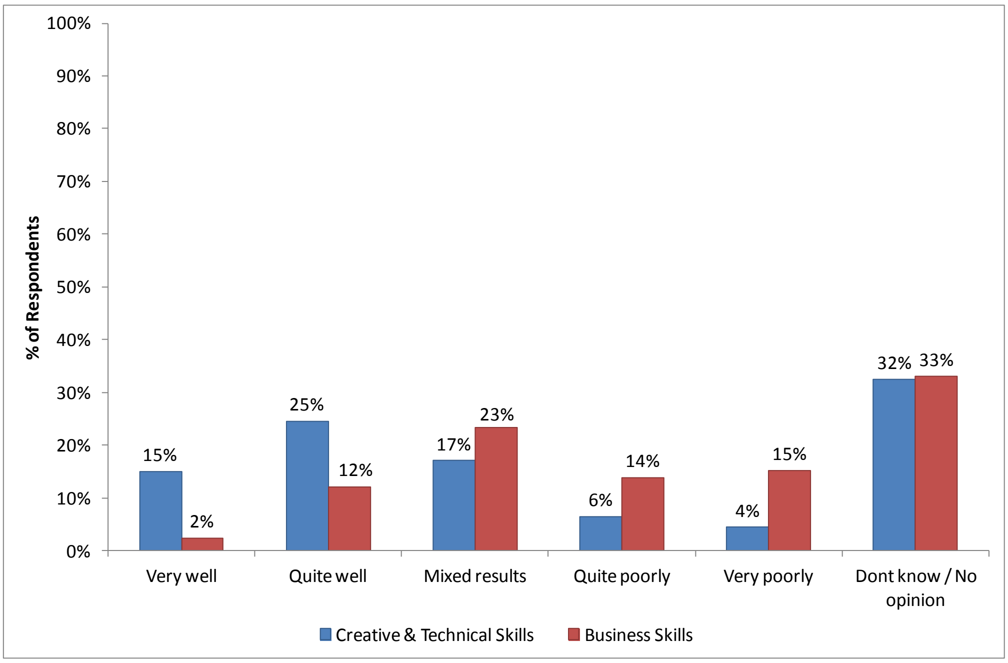
The above quantitative analysis of the educational attainment, qualifications and skills of workers in craft related disciplines in Ireland provides a useful insight into the sector's skill base.

In the survey of craft makers, respondents provided their opinions on how well Irish educational institutions prepare their students for working in the crafts sector in terms of two broad skill sets, namely creative and technical skills and business skills. Figure 4.1 presents the results on a five-point scale from "very well" to "very poorly".

Forty per cent of respondents to the craft makers' survey reported that they felt Irish education institutions prepared students in the crafts sector very well or quite well in the area of creative and technical skills. In contrast to this, only 14% of respondents said that institutions prepared students very well or quite well in the relevant business skills required for the sector. This is a major issue and has important implications for both new and existing micro-craft businesses. This is highlighted by the view of a craft maker as outlined below:

> *"Craft Students who are in third level need to get business experience during their term in college for example a work placement or trade show experience"* (Source: Indecon survey of craft makers).

Figure 4.1: Craft Makers' Opinions on How Well Irish Educational Institutions Prepare Students for Work in the Crafts Sector in Terms of (i) Creative and Technical Skills and (ii) Business Skills 2012



Source: Indecon Analysis of Survey of Craft Makers.

When craft educators were asked the same question relating to the preparation of students in terms of business skills, the results suggest that educators are also concerned about the lack of business acumen among craft graduates even more so than the craft makers. Table 4.9 shows that even fewer educators (8%) think that craft graduates are prepared well in terms of business skills and a greater proportion (32%) think that the preparation of graduates in this area is quite poor or very poor. The opinions of craft educators in relation to the preparation of graduates with the necessary creative and technical skills indicate that 66% of respondents believed that graduates are very well or quite well prepared.

Table 4.9: Opinions of Craft Educators on How Well Full-time and Part-time Crafts and Craft related courses run by Irish Educational Insititutions Prepare Students for Work in the Crafts Sector in Terms of (i) Creative Skills and (ii) Business Skills

	Very well	Quite well	Mixed results	Quite poorly	Very poorly	Don't know/No opinion
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*
Creative Skills	34%	32%	29%	3%	0%	3%
Business Skills	0%	8%	58%	24%	8%	3%

Source: Indecon Analysis of Survey of Craft Educators.

In Table 4.10 below, we outline the opinions of craft educators on any changes in emphasis that could be made to their institution's crafts-related course curricula to better equip the craft students to be creative and innovative makers with the multidisciplinary skills required for the industry. Those areas in which craft educators have most commonly identified a need for greater emphasis include business management skills, class visits to enterprises/makers and retailers, collaborative interdisciplinary projects, field trips in Ireland and abroad and photography, digital imaging and IT skills for artists.

Table 4.10: Changes in Emphasis Craft Educators think Could be Made in their Institution's Craft related Course Curricula to better Equip Craft Students to be Creative and Innovative Makers with the Multi-disiplinary Competencies Required for Craft Enterprises

	New Emphasis	More emphasis	Same emphasis	Less emphasis	No emphasis	Don't know/No opinion
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*
Business management skills	15%	62%	21%	3%	-	-
Class visits to craft enterprises/makers, and retailers	10%	58%	33%	-	-	-
Collaborative interdisciplinary projects	20%	58%	13%	5%	-	5%
Creativity and innovation skills	24%	32%	42%	3%	-	-
Design skills	10%	26%	64%	-	-	-
Field trips in Ireland and abroad	5%	68%	25%	-	-	3%
Foreign language skills	11%	27%	41%	3%	16%	3%
Interpersonal and presentation skills	10%	49%	38%	3%	-	-
Marketing and selling skills including retailing	21%	54%	26%	-	-	-
Photography, digital imaging and IT skills for artists	8%	62%	31%	-	-	-
Prototyping and manufacturing skills	21%	45%	34%	-	-	-
Studio practice, projects and student exhibitions/shows	3%	31%	64%	3%	-	-
Work placements	13%	35%	53%	-	-	-
Other	33%	50%	17%	-	-	-

Source: Indecon Analysis of Survey of Craft Educators.
Note: Other emphasis mentioned by craft educators included emphasis on changing technologies and transnational student exchange programmes.

Further to the opinions shown in the table above, craft educators were also asked to put forward their views on ideas for new or altered courses or qualifications to facilitate the growth and development of craft persons and the Irish crafts sector generally. A majority (63%) of respondents said that they felt that new postgraduate level courses should be offered to craft students. This is in line with earlier evidence in this study suggesting that numbers of students who progress to postgraduate level are limited in the sector.

Table 4.11: Educators' Opinions on Ideas for New or Altered Courses or Qualifications to Facilitate the Growth and Development of Craft Persons and the Irish Crafts Sector Generally

	High Priority	Medium Priority	Low Priority	Not a Priority
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*
Alter the length of existing craft courses	23%	28%	33%	15%
Alter the mix of postgraduate and undergraduate courses	30%	43%	13%	15%
Increase the % of grade attributable to studio work	13%	33%	23%	33%
Offer a new joint qualification with a business college	30%	20%	30%	20%
Offer a new joint qualification with a foreign arts, crafts or design school	23%	35%	28%	15%
Offer new qualification based on joint venture with a craft enterprise, museum or art auction house	46%	18%	18%	18%
Offer new post Leaving Cert/evening/weekend/summer/hobbyist development courses	10%	43%	23%	25%
Offer new part-time diploma courses	21%	36%	26%	18%
Offer new postgraduate courses	63%	23%	5%	10%
Offer new undergraduate courses	23%	38%	15%	25%
Other	50%	33%	0%	17%

Source: Indecon Analysis of Survey of Craft Educators.

Note: Other changes suggested by craft educators included qualifications in craft technologies knowledge (e.g. rapid prototyping skills), exhibition experience, bespoke business training geared towards creative industries

Table 4.12 summarises the craft educators' views on initiatives that could be undertaken in order to better equip craft students to be creative makers and to give them the multidisciplinary competencies they require. Those initiatives that were most commonly considered to be of high priority were: establish a materials R&D/prototyping/manufacturing laboratory; establish new business incubation units for final year students and new graduates; and facilitate more summer work placements in Ireland and abroad. One educator remarked that establishing a student-manned retail craft gallery would be very beneficial in terms of teaching the students about pricing. It is noteworthy that ceramics students staff the retail shop in the CCoI Ceramics School in Thomastown. This coincides with the view expressed in the Indecon retailer survey by a Canadian retailer that retail craft sales and purchasing experience should be a part of craft makers' training as it helps them better understand what consumers want, product pricing and marketing generally. Another respondent remarked on the importance of inviting students to Showcase, CCoI's annual tradeshow.

Table 4.12: Craft Educators' Opinions on Initiatives to Better Equip Craft Students to be Creative Innovative Makers and to Give them the Multidisiplinary Competencies Required if they wish to Establish and Develop Successful New Craft Enterprises				
	High Priority	**Medium Priority**	**Low Priority**	**Not a Priority**
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*
Arrange (more) crafts and design competitions	14%	59%	27%	0%
Arrange (more) craft student exchanges with other countries' craft schools	18%	63%	18%	0%
Arrange (more) craft student field trips to trade shows in Ireland and abroad	29%	61%	8%	3%
Arrange (more) mentoring for students	30%	49%	16%	5%
Establish (more) residencies for postgraduate students in museums, galleries etc.	35%	49%	11%	5%
Establish a materials R&D/prototyping/manufacturing laboratory in your institution	56%	23%	10%	10%
Establish a student-manned retail craft gallery at your institution	13%	32%	42%	13%
Establish new business incubation units for final year students and new graduates	64%	30%	0%	6%
Facilitate (more) summer work placements in Ireland and abroad	56%	28%	8%	8%
Invite (more) visiting craft makers and lecturers	43%	38%	8%	11%
Rent out the institution's production facilities student-manned to craft enterprises	11%	31%	31%	28%
Other	67%	17%	0%	17%

Source: Indecon Analysis of Survey of Craft Educators.
Note: Other comments made by the educators included the idea of business incubation units for postgraduate students.

4.4 Summary of Findings

A total of 8,257 students were enrolled in craft and craft related courses in HEA funded institutions (universities, colleges and institutes of technology) in 2012. Among those who were enrolled, 1,513 were new entrants. In 2011, 2,444 qualifications in craft were awarded. This highlights the importance of facilitating emerging trained craft workers to establish and develop commercially viable businesses or to secure employment in other craft businesses.

Forty per cent of craft makers who responded to the survey said they felt that Irish educational institutions prepared students very well or well in the area of creative and technical skills, similarly 66% of educators shared this same view. Only 14% of makers felt that craft graduates were prepared for the sector in terms of business skills and even fewer (8%) of educators shared this view. This is a major issue and has important implications for both new and existing micro-craft businesses.

5 Developing Craft Business

5.1 Introduction

In this section we consider the issues in developing craft businesses and the barriers to realising the potential of the sector. The fundamental issues in expanding the sector are related to the fact that the crafts industry is predominantly a micro-enterprise industry. Most craft enterprises face the major challenges that are common to micro-businesses in other sectors. In addition because of the artistic and technical orientation and training of craft makers there are frequently face resources and skill constraints to developing their business. While there are some noteworthy exceptions this issue represents a special additional challenge for craft makers and for the sector.

5.2 Assessment of Current Craft Makers in Ireland

It is useful in considering the development of Irish crafts to start with some views from an assessment of the sector. Retailers' opinions on the overall performance of makers in the industry show that a majority rate Irish craft makers as excellent or good.

Table 5.1: Opinions of Craft Retailers on the Overall Performance of Irish Craft Makers/Enterprises 2012

	Excellent	Good	Neither good nor bad	Bad	Very Bad
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*
Overall Performance of Craft Makers	7%	62%	26%	5%	0%

Source: Indecon Analysis of Survey of Craft Retailers.

Retailers reported product design and quality most frequently as good. The availability of product information, craft makers understanding of what consumers want and the quality of packaging were listed most frequently among those qualities where retailers believe challenges exist for craft makers.

While the basic products produced by craft makers are in general of high quality, retailers confirmed that challenges exist for the craft sector in certain areas, namely:

- Availability of product information;
- Understanding of consumer requirements; and
- Packaging quality.

Table 5.2: Opinions of Craft Retailers on the Performance of Irish Craft Makers/Enterprises 2012						
	Excellent	**Good**	**Neither good nor bad**	**Bad**	**Very Bad**	**Don't know/No opinion**
	% of Sample	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*	*% of Sample*
Ability to deliver required quantities of products	16%	60%	16%	7%	0%	0%
Acceptable payment terms	11%	70%	9%	9%	0%	0%
Accuracy and timeliness of documentation (order confirmations, invoices etc.)	7%	59%	20%	5%	5%	5%
Availability of product information	7%	44%	23%	23%	2%	0%
Consistent quality of products	16%	66%	16%	0%	0%	2%
Delivery performance	2%	64%	23%	11%	0%	0%
Depth of understanding of what consumers want	2%	36%	34%	20%	0%	7%
Flexibility	5%	48%	33%	10%	0%	5%
Packaging quality	5%	41%	32%	18%	5%	0%
Price competitiveness	2%	30%	52%	14%	2%	0%
Problem resolution	7%	50%	26%	12%	0%	5%
Product design	23%	53%	21%	2%	0%	0%
Range of products available	10%	54%	22%	15%	0%	0%
Returns handling	9%	28%	44%	7%	0%	12%
Sales enquiry response time	9%	53%	23%	9%	2%	2%
Website functionality and ease of use	5%	28%	40%	12%	5%	12%

Source: Indecon Analysis of Survey of Craft Retailers.

Insights to our assessment of the crafts sector were provided by the Indecon workshops. Table 5.3 presents a high level summary of the responses from all the participants of the workshops carried out in the five regions. All the attendees to the four workshops put 859 responses on four dimensions in the form of individual ideas forward. The emphases placed on the four dimensions (strengths, weaknesses, opportunities and threats to the sector) were broadly balanced.

Table 5.3: Overview of Responses to the Crafts Sector Workshop SWOT Analysis by Partner Region 2012					
	Wexford	**Kilkenny & South Tipperary**	**West Cork**	**Ballyhoura**	**Total Responses**
Strengths	52	68	58	43	**221**
Weaknesses	59	77	43	51	**230**
Opportunities	58	50	52	53	**213**
Threats	46	55	54	40	**195**
Total Responses	**215**	**250**	**207**	**187**	**859**
Source: Indecon Analysis of Craft Workshops.					

Table 5.4 below presents a breakdown of the strengths, weaknesses, opportunities and threats arising by over-arching theme. The findings highlight that the standards in the sector are seen as the most important strength of crafts in Ireland. This is consistent with the high rating given to the quality of crafts in our retailer research and was also confirmed by Indecon's own assessment of the excellence of craft available in Ireland. In terms of weaknesses, the issue of finance/costs/business acumen, collaboration/networking and perceptions/awareness were noteworthy themes.

Table 5.4: Overview of Strengths, Weakness, Opportunities and Threats in the Crafts Sector by Overarching "Theme" - All Partner Regions 2012					
	Strengths	**Weaknesses**	**Opportunities**	**Threats**	**Total**
Perceptions/Awareness	54	23	32	21	**130**
Education	8	11	16	8	**43**
Standards	110	13	9	13	**145**
Research/Marketing	4	18	38	5	**65**
Economy	4	1	7	20	**32**
Resources/Support	14	35	50	21	**120**
Business Acumen	1	23	0	6	**30**
Finance/Cost	6	46	3	35	**90**
Competition	1	6	4	60	**71**
Collaboration/Networking	19	34	53	2	**108**
Logistics	0	20	1	4	**25**
Total	**221**	**230**	**213**	**195**	**859**
Source: Indecon Analysis of Craft Workshops.					

Table 5.5 presents the detailed ideas that participants at the workshops contributed to the theme of 'standards' as a key strength of the sector. Participants felt that the uniqueness of craft products and the quality of the design and workmanship contributed significantly to the high standards in the sector. Creativity, flexibility and adaptability were also ideas used to describe the sector.

Table 5.5: Detailed Analysis of "Standards" as a Strength of the Crafts Sector	
	Frequency
"Unique Products", "Individual Touch", "Not Mass Produced"	21
"High Quality Standards", Quality Design", "Quality Workmanship"	20
"Creative Work", "Raw Talent", "Creative Skills"	10
"Diversity", "Wide Range of Products"	8
"Design Capabilities", "Excellent Craftsmanship", "Expertise"	7
"Flexibility", "Adaptability", "Freedom"	7
"Skills and Expertise", "Skills Based Sector"	7
"Personal Service", "Genuineness", "Persistence and Determination", "Love of Craft"	7
"Talented Producers"	6
"Tradition", "Powerful Indigenous Resource"	4
"Handmade vs. machined"	1
"Strong brands"	1
"Supports available - CCOI - Local agencies etc."	1
"Use local/Irish raw material"	1
"Crafts is mostly functional and is used"	1

Source: Indecon Analysis of Craft Workshops.

Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

As mentioned previously, 'perceptions/awareness' were also ranked as an important strength of the sector. Within this theme, the common ideas that arose out of the brainstorming were the importance of promoting Irish made designs, and promoting and preserving the existing excellent reputation of the Irish crafts industry. Raising further awareness around the indigenous culture, heritage and traditions underpinning the Irish crafts sector was also discussed and is reflected in the comment below:

> *"As a furniture-maker one of my main concerns is with communicating the quality, time and expertise that have gone in to creating my work"* (Respondent to the craft makers' survey).

Table 5.6: Detailed Analysis of "Perceptions/Awareness" as a Strength of the Crafts Sector	
	Frequency
"Promoting Irish", "Irish Design" "Reputation"	13
"Indigenous", "Culture", "Heritage", "Tradition"	12
"Sharing Enthusiasm, Positivity & Passion"	11
"Personal Customer Service", "Meet the Maker"	6
"Public Support for Crafts", Crafts Generate Goodwill", "Sense of Community"	5
"Willingness of Public to Support Crafts"	4
"Seen as a Tourism Add-on"	1

Source: Indecon Analysis of Craft Workshops.

Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

Figure 5.5 presents a snapshot of the brainstorming at one of the craft workshops conducted by Indecon in the five regions. Some of the strengths of the sector identified by participants are shown in this picture. Ideas were grouped by theme and participants rated what they considered were the most important ideas.

Figure 5.1: Brainstorming at the Craft Workshops – Strengths of the Sector

Source: Indecon.

'Standards' and 'perceptions/awareness' were again rated as the most important of the over-arching themes relating to the strengths of the sector.

Table 5.7: Overview of Strengths of the Crafts Sector Voted Most Important by Overarching Theme 2012

Theme	Ranking
Standards	**110**
Perceptions/Awareness	**54**
Collaboration/Networking	19
Resources/Support	14
Education	8
Finance/Cost	6
Research/Marketing	4
Economy	4
Business Acumen	1
Competition	1
Logistics	0

Source: Indecon Analysis of Craft Workshops.

Figure 5.2 shows some of weaknesses posted on the brainstorming wall at the workshops.

Figure 5.2: Brainstorming at the Craft Workshops – Weaknesses of the Sector

Source: Indecon.

Among the weaknesses that were identified at the workshops, 'finance/cost', 'resources/support' and 'collaboration/networking' ranked highest. Some of these factors reflect wider economic challenges facing the domestic Irish economy and small businesses. However, in a number of cases they are intensified because of the special nature of the sector.

Table 5.8: Overview of Weakness Voted Most Important by Theme

Theme	Ranking
Finance/Cost	**46**
Resources/Support	**35**
Collaboration/Networking	**34**
Perceptions/Awareness	23
Business Acumen	23
Logistics	20
Research/Marketing	18
Standards	13
Education	11
Competition	6
Economy	1

Source: Indecon Analysis of Craft Workshops.

Figure 5.3 presents an image of the brainstorming wall at the workshops with a sample of the ideas those participants submitted in relation to the opportunities that the crafts sector could avail of.

Figure 5.3: Brainstorming at the Craft Workshops – Opportunities of the Sector

Source: Indecon.

'Resources/support' and 'collaboration/networking' were seen as among the most important in terms of the opportunities that the sector could avail of. 'Research/marketing' was also selected as highly important.

These findings reflect the realities of the requirements of buyers and the need to market the high quality crafts that are produced. The view of one of the retailers surveyed is illustrative:

> *We like to see Irish crafted products which incorporate thoughtful design and that "tell a story." Products which appeal most generally have had strong marketing slant and are well packaged and "ready to go to market." We look for well-developed supplier websites and Point of Sale information which we can use in turn to sell the particular item in our store* (Respondent to the survey of craft retailers).

Possible threats facing the sector, according to the craft makers, retailers and educators participating in the workshops are captured in this image below.

Figure 5.4: Brainstorming at the Craft Workshops – Threats to the Sector

Source: Indecon.

Among the threats to the sector that were identified 'competition' and 'finance/cost' are considered the most important. It is therefore useful to first consider the issue of finance in some more detail.

Table 5.9 presents the details on the analysis of finance/cost as a weakness of the crafts sector. This issue also came to the fore in our wider research with craft makers and retailers. Access to capital funding/financial backing is the common issue that retailers and makers in particular are facing. During the workshops, the cost of raw materials and the cost of participating in Showcase were also discussed among the craft makers as a weakness in term of their efforts to develop.

Table 5.9: Detailed Analysis of "Finance/Cost" as a Weakness of the Crafts Sector	
	Frequency
"Cost of Raw Materials", "Employee Costs", "Cost of Showcase"	15
"Access to Capital Funding", "Cash Flow" "Financial Backing"	15
"Uncertainty", "Access to Financial Support", "Poorly Funded"	11
"High Selling Price", "Justifying Price", "Less Disposable Income"	8
"VAT"	5
"Low Margins", Retail Mark-Up"	2

Source: Indecon Analysis of Craft Workshops.
Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

Finally, finance/cost also was seen as a significant threat to the crafts industry. The findings here mirror the discussion on finance/cost as a weakness. The cost of materials was highlighted again, as was the high cost of labour in production. This is perhaps to be expected given the handmade nature of the products being produced and the relatively small-scale of production. High input costs can lead to uncompetitive pricing of craft products especially if the consumer does not appreciate the uniqueness of the handmade product. This is particularly the case for functional objects for everyday use.

Table 5.10: Detailed Analysis of "Finance/Cost" as a Threat to the Crafts Sector	
	Frequency
"VAT", "Commercial Rates", "Duty"	10
"Cost of Materials", "Transport Costs", "Fees at Events"	10
"High Cost of Time in Production"	5
"Negative Cash Flow"	3
"Over Pricing", "Price Sensitive"	3
"Lack of Financial Resources for Investment"	2

Source: Indecon Analysis of Craft Workshops.
Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

The resources and supports available are viewed as an opportunity for the sector, particularly in relation to the CCoI and the LEADER funding initiatives. Other potential resources mentioned for the sector were government policies on SME development.

The participants at the workshops agreed that research and marketing skills present significant opportunities for the development of their business through e-commerce and participating in marketing focused events. The Internet would also allow makers and retailers to access niche markets for some of their products.

Table 5.11: Detailed Analysis of “Research /Marketing” as an Opportunity for the Crafts Sector

	Frequency
"Access to Global Market Online", "Ecommerce"	17
"Access to Global and International Markets"	7
"Exporting Opportunities"	4
"Marketing Focused Events", "Niche Markets"	3
"Social Networking"	2

Source: Indecon Analysis of Craft Workshops.
Note: “Frequency” refers to the number of times the idea was put forward during all the workshops.

In relation to competitive threats to the Irish crafts industry, cheap imports sold at low prices are a concern for retailers and makers of Irish designed crafts. This reinforces the need for further promotion and awareness around the “Imagined, Designed and Made in Ireland” type of branding. It also raises the issue that Irish makers need to differentiate their products and not try to compete directly with cheap imports that are manufactured at far lower cost than could ever be achieved in Ireland, especially when percentage retailer margins are factored in to the equation.

5.3 Collaboration in the Sector

In the survey of craft makers, respondents were asked to indicate, according to a number of initiatives, their own existing level of collaboration within the sector on a four-point scale ranging from “Close On-going Collaboration” to “No Collaboration”.

At a glance, Table 5.12 suggests that existing levels of collaboration among craft makers in the sector are low. Among the various initiatives mentioned below, joint marketing, advertising and promotion appears to be the most common form of collaboration among craft makers. Respondents also reported engaging in collaboration in the areas of sales initiatives, training sessions and workshops. Few collaborate in the areas of joint product shipping, joint purchasing of raw materials and joint use of manufacture and other equipment.

Table 5.12: The Extent to which Craft Makers Collaborate/Work Jointly with Other Craft and Non-craft Businesses by Nature of Collaboration				
	Close On-going Collaboration	**Periodic Collaboration**	**Occasional Collaboration**	**No Collaboration**
	% of Respondents	*% of Respondents*	*% of Respondents*	*% of Respondents*
Joint marketing, advertising and promotion	19%	17%	28%	36%
Joint ownership or rental of buildings, and other space sharing or co-location	14%	3%	14%	69%
Joint product development with other designer or creative partner	6%	11%	24%	61%
Joint product shipping	0%	2%	7%	91%
Joint purchasing of raw materials	3%	1%	13%	82%
Joint sales Initiatives, platforms	12%	15%	29%	44%
Joint training sessions, workshops	10%	13%	25%	52%
Joint use of manufacturing or other equipment	4%	5%	16%	76%

Source: Indecon Analysis of Survey of Craft Makers.

One particular respondent to the survey of craft makers remarked on the benefit they experienced from collaborating with another maker at one of the craft fairs.

> *"The cost of an individual stand would have been too much for each of us to have invested, and yet we still both sold out of our products. The costs of these fairs can be very crippling when you are starting out. So sharing the cost greatly helps. We both did well from promoting both our products on each other's website/Facebook pages and hence increase/share our products to each other's customer base. I need to employ people to knit for me, in order to develop. I want to be able to design more and have production done simultaneously. This is the only way I can grow. It has been very difficult finding knitters in Ireland; hence my production levels cannot increase. I do want to keep my product Irish and Handmade"* (Respondent to survey of craft makers).

Feedback from the participants on the level of collaboration between members of the crafts industry was collected from the point of view of this being both a weakness of the sector and also a potential source of opportunities. The ideas put forward in Table 5.13 reflect the earlier feedback gathered from the makers' survey on their existing level of collaboration. Participants at the workshops agreed that the sector is experiencing lack of co-operation and incubation. They often remarked that the isolation of some self-employed makers operating in remote parts of the country is a hindrance to collaboration. This is despite the fact that from a national employment perspective the regional and rural location of many craft businesses provided opportunities in areas where there are few alternatives.

Table 5.13: Detailed Analysis of "Collaboration/Networking" as a Weakness of the Crafts Sector	
	Frequency
"Lack of Co-operation", Lack of Incubation", "Lack of Unified Strategic Marketing"	11
"Isolation", "Fragmentation", "Working Alone"	7
"Elitism", "Holding on to One's Own Ideas", "Lack of Cohesion"	5
"Too Local"	3
"Dispersed", "Distance"	3
"Lack of Links between Crafts and Business"	1

Source: Indecon Analysis of Craft Workshops.
Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

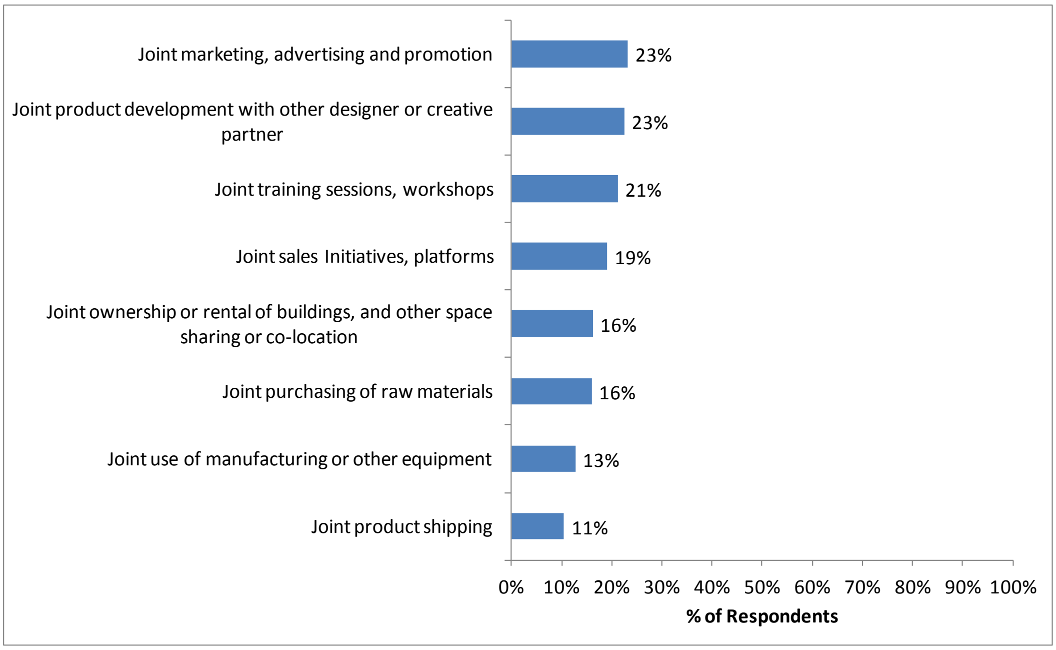
Mirroring the low level levels of collaboration in the sector, the feedback from the workshops was that there are opportunities for collaboration that must be leveraged. Effective networking and social networking are tools that the craft makers and retailers felt they needed to improve on in order to grasp collaboration opportunities. Sharing information was the most significant of the benefits that could arise from effective collaboration.

Table 5.14: Detailed Analysis of "Collaboration/Networking" as an Opportunity for the Crafts Sector	
	Frequency
"Effective Networking", "Social Networking"	15
"Collaboration", "Collective Ideas, "Collective Strength", "Shared Purpose"	12
"Sharing Information"	7
"Community Involvement", "Community Links"	5
"Sharing Skills"	3
"Group Marketing & Advertising"	3
"International Links"	2
"Develop the Crafts Trails"	2
"Synergies with business graduates"	1
"Combined craft retailing with support"	1
"Co-ordination of sector students - maker - business"	1

Source: Indecon Analysis of Craft Workshops.
Note: "Frequency" refers to the number of times the idea was put forward during all the workshops.

In light of the existing low levels of collaboration reported among craft makers, it is useful to also consider their views on any potential for improving collaboration. 23% of respondents suggested that opportunities exist for future useful collaboration in the areas of joint marketing, advertising and promotion and joint product development with other designers or makers. Potential for improvements to collaboration levels around training sessions, workshops and joint sales initiatives was also indicated.

Figure 5.5: % of Craft Makers Who Agree that Opportunities Exist for Future Useful Collaboration by Purpose of Collaboration 2011



Source: Indecon Analysis of Survey of Craft Makers.

5.4 Demand for Irish Crafts and Expectations for Future Growth

5.4.1 Demand for Crafts

As part of our overall economic assessment of the potential of the crafts sector we undertook an analysis of the demand for crafts in Ireland. Primary research into the demand for crafts in Ireland was outside the scope of this study but we felt it was useful to examine data from the household budget survey to assess the main components of domestic demand for crafts among Irish households. In particular we examined household expenditure among Irish households on a selected number of craft related product categories. This included categories such as jewellery, textiles, furniture, leather goods, glassware and pottery and clothing and footwear. Not all of this expenditure would be on crafts as normally defined and much of this would be on imported products. However, household and corporate domestic demand is important for craft businesses but also of significance is tourism spending.

In order to take account of the fact that some expenditure in the categories examined would not be craft related, we assume a conservative estimate of 45% of the purchases being related to craft products. This indicates that €2.01 billion was spent on Irish and imported crafts-related products by Irish households.[2] This estimate does not take into account spending by the corporate sector in Ireland and spending by overseas tourists. Indecon estimates suggest that approximately €483 million was spend by the corporate sector of this was obtained by Irish craft enterprises and approximately €193 million of this demand is accounted for by domestic and foreign tourism.[3] These estimates are subject to considerable uncertainty and definitional issues but if a wide definition of craft is used this highlights the importance of the domestic market including tourism spend for the continued growth of Irish craft enterprises. The estimates suggest that even if a wide definition of craft is used and only 3% of household expenditure is on crafts-related products, the scale of demand is still significant.

Research conducted by Millward Brown Lansdowne on behalf of CCoI shows that consumer interest in buying and owning Irish craft and design increased from 39% in 2010 to 51% in 2011 and the number of people who had purchased a piece of Irish craft in the previous year increased from 50% to 62%.

Table 5.15: Irish Households Purchases in Potential Craft Areas - Analysis of Annual Spending (€)

Description	State
Households	
Number of Permanent Irish Households	1,610,162
Annual Analysis	
Total Spending in All Areas	67,871,091,949
Total Spending on craft related products	2,005,585,944
Summary of Annual Analysis	
Total Spending in All Areas	**67.87 Billion**
Total Spending – Craft related Products	**2.01 Billion**
Total Spending on Crafts-Related Products as % of Total Spending in All Areas	**3.0%**

Source: Indecon Analysis of CSO Household Budget Survey 2009/2010

5.5 Crafts and Tourism

The potential opportunities for the crafts sector in Ireland are also strongly connected with the tourism industry from the perspective of the consumer. The importance of craft makers leveraging the tourism sector in Ireland by creating awareness, promoting their story and attracting customers is evident given the importance of tourism spending for the viability of many craft makers. This is highlighted by the comment of one craft maker received as part of this study:

> *"Tourism is vital to survival of Irish Craft Industries therefore Fáilte Ireland and Tourism Ireland (and indirectly Government) play vital role in increasing exposure and promotion"* (View of one craft maker).

[2] This is a judgment based on an indicative estimate.

[3] According to the Indecon 2010 methodology, approximately 23% of domestic household demand for craft was captured by Irish enterprises and a further 40% of this was accounted for by domestic and foreign tourism.

Table 5.16 below shows the size of the tourism sector in Ireland in terms of the number of annual overseas visitors, visitors from Northern Ireland and domestic visitors. There were a total of 16,624,000 tourists in the Republic of Ireland in 2011, including domestic tourists. This represents a significant cohort of potential buyers for the crafts industry.

Table 5.16: Tourism Numbers 2009-2011

	2009	2010	2011
	000s	000s	000s
Overseas Visitors	6,578	5,945	6,326
Northern Ireland	985	1,189	1,304
Domestic	8,340	8,614	8,994
Total	**15,903**	**15,748**	**16,624**

Source: Fáilte Ireland Data

In 2011, total revenue earned from tourists in Ireland was over €5.7 billion, 68% of which was from out-of-state visitors and foreign exchange.

Table 5.17: Total Tourism Revenue 2009-2011

	2009	2010	2011
	€m.	€m.	€m.
Out of state & foreign exchange	4,258	3,901	3,914
Domestic Trips	1,390	1,870	1,822
Total Tourism Revenue	**5,648**	**5,771**	**5,736**

Source: Fáilte Ireland Data

While the majority of spending among tourists visiting Ireland is on accommodation, food and drink and internal transport, tourists also spend significantly on craft and other shopping expenditures. A consistent 16% of spend or close to €1.0 billion was on shopping over the three-year period 2009-11. This represents an important opportunity for craft.

A key challenge for the craft makers of Ireland in areas where tourist numbers are low is how to achieve sales from tourism spend.

Table 5.18: Breakdown of Tourism Spend 2009-2011			
	2009	**2010**	**2011**
Bed & Board	28%	25%	27%
Other Food & Drink	36%	35%	35%
Sightseeing/Entertainment	6%	7%	7%
Internal Transport	11%	11%	11%
Shopping	16%	16%	16%
Miscellaneous	3%	6%	3%
Source: Fáilte Ireland Data			

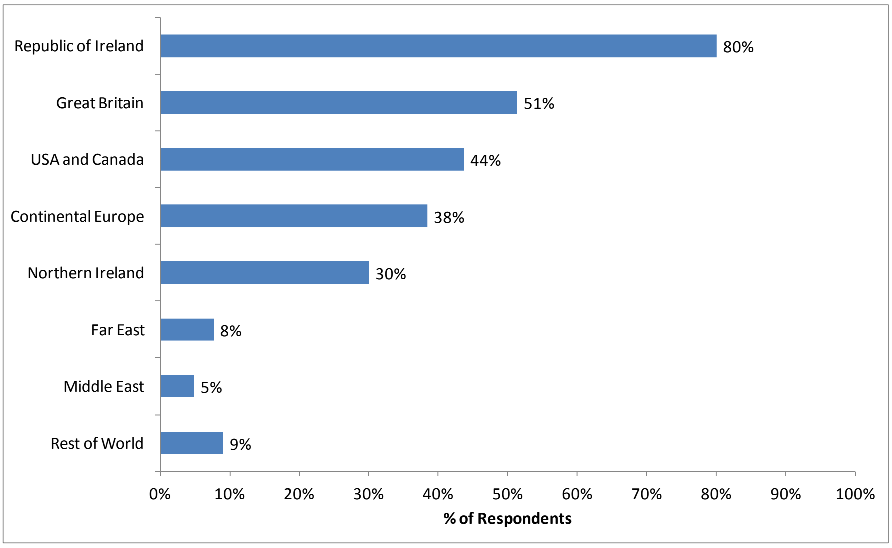
Data from Fáilte Ireland reveals the number of overseas tourists who are engaged in cultural activities during their time spent in Ireland and this group may represent a particular potential market for Irish crafts. In 2011, over 3.23 million overseas tourists visited places of historical and cultural interest. This is more than half of the total overseas visitors. Particularly relevant to craft is the number of overseas tourists who visit museums/art galleries and heritage/interpretive centres which amounted to almost 2 million in 2011. Craft persons who are given the opportunity to showcase their products and makers stories at these venues should be in a better position to secure such tourist business.

Table 5.19: Number of Overseas Vistiors Engaged in Cultural Activities by Activity 2009-2011			
	2009	**2010**	**2011**
Any Visits to Places of Historical/Cultural Interest	2,893,000	2,827,000	3,231,000
Houses/Castles	2,470,000	2,414,000	2,666,000
Monuments	2,088,000	2,003,000	2,157,000
Museums/Art Galleries	1,662,000	1,688,000	1,969,000
Heritage/ Interpretive Centres	1,557,000	1,579,000	1,833,000
Source: Fáilte Ireland Data			

The total number of visitors who engaged in cultural activities in 2011 amounted to 3.5 million and these visitors spent a total of €2.8 billion. From the perspective of the crafts sector, this highlights the importance of collaborating with the tourism sector in an effort to attract customers, raise sales and inform visitors about the crafts sector in Ireland. This is also likely to enhance the authenticity of the Irish tourism experience for such visitors.

Underpinning the expectations among makers for future growth in the crafts industry are the markets in which they see potential for further development in their business. Eighty per cent of respondents indicated that they see the Irish market as the main potential market for developing their business. Over half of respondents indicated that Great Britain is among the main potential markets, while 44% and 38% chose 'USA and Canada' and 'Continental Europe' as among their main markets respectively. Just 30% of respondents indicated that Northern Ireland was among the main markets for developing their business. While a range of export markets are seen as offering potential, the importance of the domestic market (including tourism spend) should not be underestimated. It continues to be apparent throughout our analysis that the domestic market is the key market for the development of most of the Irish crafts industry.

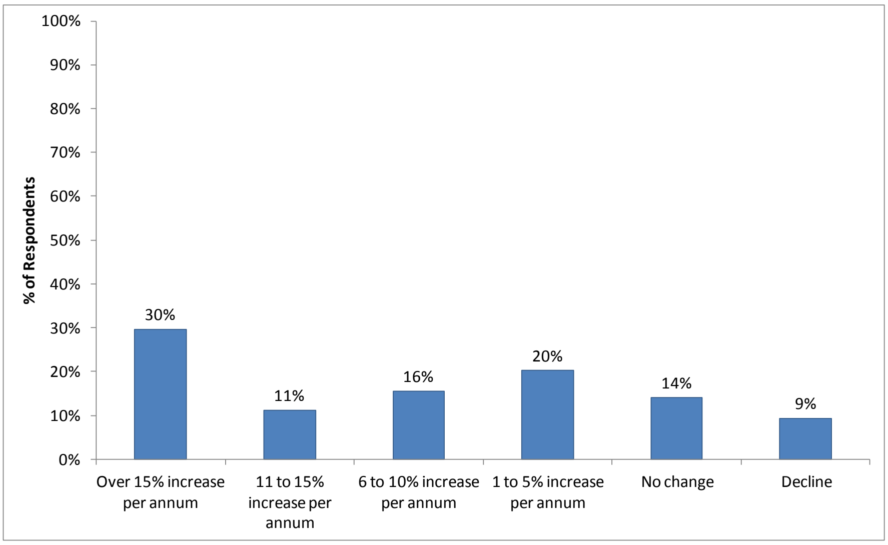
Figure 5.6: Markets Identified by Craft Makers as Main Potential Markets for Developing Business 2013-2017



Source: Indecon Analysis of Survey of Craft Makers.

Craft makers' expectations in terms of the future growth of their craft sales over the next four years show mixed expectations. Thirty per cent of makers expect an increase of over 15% per annum while 23% expect no change or a decline. However, an important factor underpinning these findings is the actual level of sales revenue of each of the makers.

Figure 5.7: Breakdown of Craft Makers by Expectations for Future Growth in Craft Sales 2013-2017



Source: Indecon Analysis of Survey of Craft Makers.

Of potential concern is that fewer craft makers in the very high revenue bands expect a significant growth in sales. Ensuring that companies of scale continue to develop is an important priority for the sustainability of the sector. Overall, the craft makers' outlook is positive in relation to their sales potential. Indecon believes such potential exists but that it will only be realised if the sector overcomes the barriers to development.

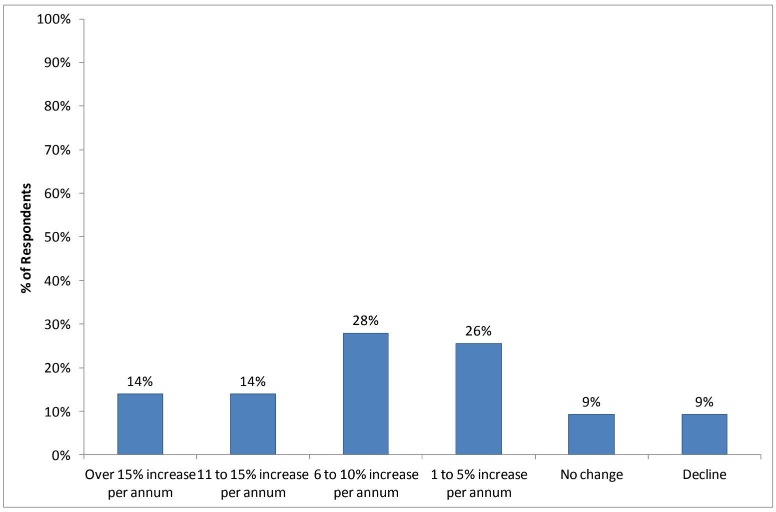
Table 5.20: Breakdown of Craft Makers by Sales Band and Expectation for Growth in Sales (2013-2017)

Sales Band	Expectations for Future Growth in Craft Sales 2013-2017					
	Over 15% increase per annum	11 to 15% increase per annum	6 to 10% increase per annum	1 to 5% increase per annum	No change	Decline
Less than €10,000	23%	11%	16%	20%	20%	10%
€10,000 - €25,000	31%	18%	16%	11%	9%	15%
€25,001 - €50,000	45%	10%	10%	16%	10%	10%
€50,001 - €100,000	33%	13%	8%	33%	8%	4%
€100,001 - €250,000	35%	0%	29%	29%	6%	0%
€250,001 - €500,000	0%	0%	33%	0%	33%	33%
€500,001 - €1m.	0%	33%	0%	67%	0%	0%

Source: Indecon Analysis of Survey of Craft Makers.

Similarly, we also asked the craft retailers to indicate their expectations for future growth in sales. A slightly higher proportion (18%) of craft retailers expect no change or a decline in their revenue while a higher proportion of craft makers expect increases in sales revenue of 6% to 15%.

Figure 5.8: Breakdown of Craft Retailers by Expectations for Future Growth in Sales of Irish-produced Craft 2013-2017



Source: Indecon Analysis of Survey of Craft Retailers.

5.6 Summary of Findings

The Irish crafts sector has many strengths particularly in terms of the design and quality of craft products.

Retailers rated Irish craft makers as good or excellent on many criteria. Products design and quality of products were considered to be of a very high standard by craft retailers. There are, however, major challenges facing craft makers including the availability of product information, understanding of what consumers want and the quality of packaging. Many of the issues reflect the challenges faced by micro-businesses in many sectors.

Indecon's assessment is that despite the significant progress which has been made in developing the crafts sector there is significant potential for growth in the sector both nationally and in each of the partner regions.

The domestic market and Great Britain offer potential for further development and other markets of significance include the USA and Canada and Continental Europe. The strong connection between the crafts sector and the tourism sector in Ireland is of significance in maximising the impact of the sector. According to data from Fáilte Ireland, over 3.23 million overseas tourists visited places of historical and cultural interest in 2011. A challenge for craft makers in areas where tourist numbers are low, is how to achieve sales from tourism spend.

A key issue addressed in this study was whether there were additional cost effective initiatives that could be taken to enable the sector to realise this potential. Indecon's assessment is that the potential will only be realised if innovative measures are taken to help very small-scale craft businesses to overcome the barriers to development in addition to supporting the creation of a small number of larger craft enterprises. For most craft makers, however, the challenges are those inherent in operating micro businesses and the scale of the barriers to development should not be underestimated.

As part of our research we examined whether collaboration and clustering would be of assistance in realising the potential of the sector. Our analysis suggests that existing levels of collaboration among craft makers are low. Joint marketing, advertising and promotion appear to be one area of potential and there is also some potential for improvements to collaboration levels around training sessions, workshops and joint sales initiatives.

Clustering may also be of assistance in helping the sector expand. The majority of clustering initiatives in craft have taken place organically within the crafts sector, often with support from CCoI and local development agencies. In some cases such as in Kilkenny, clustering has occurred because of historical initiatives and in other instances clusters have emerged as a spin-off from larger craft businesses or near educational institutions. Indecon believes that there are benefits and synergies to be realised from wider and deeper cross-sectoral cooperation. However, we believe that in addition more fundamental initiatives are required to address the barriers to development facing the sector. Our recommendations for strategies needed to realise the potential of the sector are outlined in the next section.

6 Recommended Strategies to Secure the Potential of the Crafts Sector

6.1 Introduction

This section presents our detailed recommendations for consideration with a view to securing the potential of the craft businesses.

6.2 Recommended Strategies

Indecon believes that four main strategies are required to secure the potential of craft businesses in partner regions and nationally. These high-level strategies are presented below.

Box 1: Indecon's Four Main Strategies Required to Secure the Potential of Craft Businesses in the Five Partner Regions and Nationally

- ❑ **Measures to assist existing micro-craft businesses to achieve some of the benefits of economies of scale**
- ❑ **Programme to assist the development of a limited number of craft businesses of scale**
- ❑ **Attraction of high potential start-up craft enterprises**
- ❑ **Measures to support commercially focused new craft makers**

6.2.1 Measures to Assist Existing Micro-Craft Businesses to Achieve Some of the Benefits of Economies of Scale

The first of the four high level strategies recommended in this study relates to the need for actions to be taken to facilitate micro-enterprises in the crafts industry to realise some of the benefits of economies of scale. Evidence from the analysis in the preceding sections of this study indicates that the majority of craft operations in partner regions are micro-businesses that have limited resources to secure minimum economies of scale or to maximise sales potential. Feedback from respondents pointed to cost and funding challenges, restricted access to new technologies and barriers to penetrating markets.

A range of measures should be implemented to assist these craft makers to overcome some of these diseconomies of scale via collaboration and other supports. These challenges are not easily overcome but the specific actions recommended by Indecon in relation to this first high-level strategy are listed in the box below and elaborated on in the subsequent text.

Box 2: Specific Actions in Relation to Strategy (A) Assisting Micro-enterprises to Achieve Some Benefits from Economies of Scale in the Crafts Sector in the Five Partner Regions and Nationally

1. Creation of facilities to boost craft sales at key tourism attractions
2. Clustering based co-operation to improve efficiency, quality or market access
3. Support expanded supplier programme with selected retailers
4. Craft Enterprise Lounge
5. Develop virtual social networks amongst craft makers
6. Encourage more local collaboration with related sectors

Creation of Facilities to Boost Craft Sales at Key Tourism Attractions

The importance of the connection between the crafts sector and the tourism sector in Ireland was highlighted in this report. A key conclusion arising from the number of visitors engaging in cultural activities, visiting places of historical interest, museums and galleries was that craft makers who can avail of the opportunity to showcase their products at such locations are in an advantageous position to attract potential purchasers. The potential opportunities arising from the creation of facilities to boost crafts at key tourism attractions include (but are not limited to):

- Opportunities to display Craft and Makers' stories at venues which attract significant tourism numbers (at key tourist venues);
- Integration of craft stories with existing guides to facilities;
- Professional sales opportunity with high design standards; and
- Involvement of OPW, Museums and Art Galleries.

While Ireland does not have a design museum such as exists in Helsinki there would be potential to sell Irish crafts in state-funded museum and art gallery shops. There would also be potential in museums to exhibit outstanding pieces of living Irish designers, e.g., the National Museum in Dublin has a wonderful exhibition of Eileen Gray's crafts and designs and there could be merit in extending existing collections such as those in the National Museum by living craft makers to other venues nationally. This could involve craft sales at the National Gallery or the Chester Beatty Library, while a focus on key locations regionally should also be considered for example, Fota Park in Cork, the Rock of Cashel in Tipperary or the Hunt Museum in Limerick. This would require national support for the sector and a co-ordinated approach by different organisations and policymakers.

The local development companies who have participated in this study as well as the CCoI have played an active role in encouraging local tourism support for the crafts sector. The linkages between hotels and other tourism interests and craft workers is a mutually beneficial one as it makes the visitor experience more unique and from a craft perspective, hotels and other operators can help direct tourism spend towards genuine quality Irish crafts. There are many examples of such initiatives in Ireland including exhibitions in different hotels and other co-operative activities. At its most basic level hotels can also in their hotel guest directories refer to the quality of local craft. One example of this is the Cliff House Hotel who in their hotel guest directory, available in each room has indicated the following:

> *"There are many exquisite and imaginative hand crafted products in the city and county. Waterford's worldwide reputation for crafts has been helped by the quality and beauty of Waterford Crystal a leading lifestyle product which can be seen at the Waterford Crystal Visitors Centre…."*

In their directory they also refer to the Dyehouse Gallery and Waterford Pottery and indicate that it is the home of a most interesting art gallery and pottery works operated by the renowned Waterford potter, Liz McKay. Similar initiatives are evident in the various partner regions but there is merit in encouraging a consistent and active involvement of all the tourism interests with craft activities and in supporting local makers.

Cluster based co-operation to improve efficiency, quality or market access

Groups in the crafts industry can maximise the benefits of collaborative opportunities through coming together in a creative cluster to achieve common business objectives such as increasing sales, expanding market access, improved productivity or other benefits of economies of scale. Specific recommendations relating to these actions are listed below.

- Clustering should involve five or more craft businesses
- Clustering initiatives should be industry led and target specific actions. For example:
  - Joint Marketing/Branding
  - Facilitate outsourcing of any support functions where economies permit
  - Where appropriate, to provide training in useful technologies
  - To expose craft makers to on-line tools such as www.buxfer.com for easy on-line money management
- Assist in website development and support tools http://imcreator.com/about
- Role for development agencies in highlighting potential and in funding pilot initiatives
- CCoI JobBridge graduates with relevant skills could work with cluster group

Indecon believes that funding should be provided to support such industry-led clusters on a pilot basis.

Support expanded supplier programme with selected retailers

CCoI and others have undertaken much excellent work to assist craft makers secure a foothold in retail outlets. Indecon, however, believes that there is merit in supporting an expanded supplier programme by the retail sector.

- This could include national retail outlets and retailers in regional locations with the heaviest tourist traffic.
- A supplier programme could involve major retailers becoming more active in supporting craft makers with possible exhibitions of craft objects and promotion of makers' stories.
- This initiative could build on the recent craft installations in Arnotts and in Brown Thomas that was organised with the Crafts Council of Ireland and included designs by Simon O'Driscoll, Fergal O'Leary and other craft workers. Indecon believes there is strong merit in an expansion of such initiatives.
- It is also envisaged that the supplier programme could build on the type of supplier development initiatives implemented by some of the major supermarket groups to source Irish food products. This would involve a more developmental role by the retail sector.

Craft Enterprise Lounge

- It may be worth considering the feasibility of a craft enterprise lounge with bookable rooms for foreign craft retailers to view/handle craft objects, to efficiently schedule buyer meetings with Irish craft persons at a single location. One French retailer suggested such an initiative.
- This would be complimentary to the annual "Showcase" tradeshow in the RDS.
- This possibly could be organised with a major bank as sponsor (BOI have an executive enterprise lounge at the bottom of Grafton Street for business clients).

Develop Social Networks amongst Craft Makers

- Measures should be taken to facilitate the establishment of self-managing virtual social networks e.g. amongst craft makers, educators and students. Thematic private networks can be easily established on Facebook ("Groups" in Facebook language) for example.
- Also of potential interest is the website Etsy.com which is a community of artists as well as an on-line marketplace, on which groups can be established.

Encourage more Local Collaboration with Related Sectors

- This could involve links between craft, artisan food producers and tourist industry (Interesting examples of links between sectors are the Ballymaloe Literary Festival and Bloom in the Phoenix Park). There may also be potential collaboration with the 'Love Irish Food' initiative.
- Food and Craft Festivals with support from the Tourism Sector in selected regions could also enhance profile and sales.

None of the above initiatives on their own would be sufficient to facilitate a significant increase in sales for craft businesses but an intensive action programme comprising all of the above would help the sector overcome some of the diseconomies of scale inherent in micro-businesses.

6.2.2 Programme to assist development of limited number of craft businesses of scale

The development of craft businesses of scale is essential to enhance market reputation of Irish crafts both in Ireland and internationally and to expand employment opportunities. Enterprises of scale can directly overcome many of the barriers faced by micro businesses. Such craft businesses also have potential for spin-off benefits to other craft makers and to regional economies. What is envisaged is the application to the craft sector of initiatives for company development on a case-by-case basis. There may be a need to tailor these supports to the specific requirements of the crafts sector and to highlight their availability. Specific actions proposed are outlined below. Financial supports should be provided to appropriate existing craft businesses that have the potential to develop.

Box 3: Specific Actions in Relation to Strategy (B) Assisting the Development of a Limited Number of Craft Businesses of Scale in the Crafts Sector in the Five Partner Regions and Nationally
1. Support for recruitment and development of key management 2. Financial support for investment in technology and R+D 3. Significant branding/marketing supports

1. Support for recruitment and development of key management

There is a need to support the recruitment and development of key management in craft businesses that are potentially scalable. This could include management team supports and assistance with recruitment and management training.

2. Financial support for investment in technology and R+D

As part of the strategy to develop craft businesses of scale there is merit in providing company expansion packages. This could support investment in technology and R+D.

3. Significant branding/marketing supports

For craft businesses to develop their scale there is a need for significant investment in market entry and in increasing share in key markets. This requires significant branding/marketing supports. This could include market research and international support in overseas markets.

6.2.3 Attraction of high potential start-up craft enterprises

The attraction of high potential start-up craft enterprises could be encouraged from three sources. These include new start-ups from related sectors, entrepreneurs with existing business experience and craft makers located in other countries.

The establishment of new high potential start-up craft enterprises is important for innovation and product development in the sector. Such businesses could contribute to both reputation and have spin-off benefits for existing craft makers.

Box 4: Specific Actions in Relation to Strategy (C) the Attraction of High Potential Start-up Enterprises in the Crafts Sector in the Five Partner Regions and Nationally
1. Encouragement of new start-ups from related sectors 2. Support for craft entrepreneurs with existing business experience 3. Attraction of craft makers currently based in other countries

Encouragement of new start-ups

Supporting new start-up businesses with potential to create jobs and generate sales revenue of a certain scale is a key challenge for the crafts sector. Supporting new craft businesses as diversifications from related sectors could also benefit the sector. Possible new craft businesses could be encouraged from individuals who are trained as architects or interior designers.

Support for craft entrepreneurs with existing business expertise and a track record in marketing, retail or product development possibly working with specialist craft makers.

Further to the above recommended action of attracting new start-ups, craft makers and enterprises with the potential to develop an innovative product for sale on international markets and with the potential to create 10 jobs and €1 million in sales within three to four years of starting up should be supported in line with existing support from Enterprise Ireland.

Supports for craft businesses that need to get investor-ready should include:

- **HPSU Feasibility Grant** – new businesses can investigate the viability and potential of an innovative high-potential start-up and they can develop an "investor-ready" business plan
- **Mentor Grant** – supports the cost of a mentor assignment.
- **Innovation Voucher** – assists an entrepreneur/company to work with a registered college or knowledge provider to explore a business opportunity or technical problem.
- **New Frontiers Entrepreneur Development Programme** – national incubation programme (in conjunction with participating institutes of technology) that helps with business acceleration.

Attraction of Craft Makers currently based in other countries

In relation to the specific action of attracting craft makers currently based in other countries, the crafts sector could potentially benefit from participating in Connect Ireland, an existing part of the Irish Government's Action Plan for Jobs. This aims to attract smaller foreign companies that are expanding internationally to Ireland through a process of harnessing the global network of family, friends and contacts of the Irish diaspora who have contacts in companies that are expanding internationally.

We recommend that a focus on leading designers internationally might be advisable. The potential exists to facilitate senior executives of major successful crafts industries internationally to set up a business in Ireland. This could include established designers from for example the UK, Germany or the United States. It could also involve the attraction back to Ireland of craft designers and makers who are of Irish origin. Ireland has significant potential attractions for new overseas start-ups including skill base, state supports, improved competitiveness, low property prices, inspiring natural beauty, quality of life, etc.

There may also be potential for certain foreign-owned craft businesses to directly secure IDA assistance.

6.2.4 Measures to support commercially focused new craft makers

The continued inflow of new makers to the crafts sector is important for long-term sustainability of the industry. Ireland's education/training sector continues to produce high quality talent. It is important that new craft makers who are commercially focused are encouraged and supported to pursue their business ideas as well as building marketing skills throughout the sector.

Some specific suggested actions that should be implemented in order to support new craft makers are outlined in the box below.

Box 5: Specific Actions in Relation to Strategy (D) Supporting Craft Businesses who are Commercially Focused in the Crafts Sector in the Five Partner Regions and Nationally

1. Develop postgraduate course in Arts and Crafts Entrepreneurship
2. 'Corporate adoption' of new and talented craft makers by successful existing major companies in region
3. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school
4. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements, branding and marketing

Develop Postgraduate Course in Arts and Crafts Entrepreneurship

This reflects the need to ensure craft entrepreneurs have business as well as technical and designer skills. This skills gap in the sector was a prominent feature of the feedback from our primary research. One suggestion from a very commercially aware maker was that a postgraduate course should be developed and called “Art and Craft Entrepreneurship (ACE)”.

‘Corporate adoption’ of new and talented craft makers by successful existing major companies in region

Large existing Irish and multinational companies have exceptional skills in product development, manufacturing efficiency, marketing and branding and client contact internationally. A corporate adoption of new craft makers involving advice, mentoring, training, etc., could fit in to some corporate social responsibility programmes. The term ‘corporate adoption’ reflects the detailed involvement and support envisaged. While only a small number of companies might be willing to do this, it could have transformational benefits.

Scholarship scheme for craft graduate(s) to undertake MBA in leading business school

A full or part-time MBA could have benefits for some craft graduates in exposing them to the requirements to build businesses of scale. An additional spin-off benefit would be the long-term linkages with MBA classmates and other MBA cohorts.

Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing

What is envisaged is that mentors might come from leading companies with expertise in marketing, product development or retailing. It is also envisaged that large-scale craft enterprise executives might act as mentors to one or more exceptional start-up craft makers.

Conclusions

Indecon’s analysis suggests four main strategies are required if the potential of craft businesses in the partner regions and nationally are to be realised. The four key areas of action needed are as follows:

- Measures to assist micro-craft businesses to achieve some of the benefits of economies of scale;
- Programme to assist development of a limited number of craft businesses of scale;
- Attraction of high potential start-up craft enterprises; and
- Measures to support commercially focused new craft makers.

6.3 Summary of Recommendations

A summary of the Indecon proposed recommendations is presented in the below.

Box 6: Summary of Proposed Recommendations for Consideration

- **Measures to assist existing micro-craft businesses to achieve some of the benefits of economies of scale**

1. Creation of facilities to boost craft sales at key tourism attractions
2. Clustering based co-operation to improve efficiency, quality or market access
3. Support expanded supplier programme with selected retailers
4. Craft Enterprise Lounge
5. Develop virtual social networks amongst craft makers
6. Encourage more local collaboration with related sectors

- **Programme to assist the development of a limited number of craft businesses of scale**

7. Support for recruitment and development of key management
8. Financial support for investment in technology and R+D
9. Significant branding/marketing supports

- **Attraction of high potential start-up craft enterprises**

10. Encouragement of new start-ups from related sectors
11. Support for craft entrepreneurs with existing business experience
12. Attraction of craft makers currently based in other countries

- **Measures to support commercially focused new craft makers**

13. Develop postgraduate course in Arts and Craft Entrepreneurship
14. 'Corporate adoption' of new and talented craft makers by successful existing major companies in region
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing

Source: Indecon Analysis

6.4 Concluding Comments

Many of the current CCoI initiatives as well as those undertaken by the local development companies are already contributing to these strategic objectives. For each of the four high-level strategies, Indecon has proposed a number of specific additional targeted actions that would assist in realising the potential of the sector. We believe that if these measures are implemented the Crafts Sector has the ability to increase both domestic and export sales and critically to expand employment opportunities, aligned with the skill base of the Irish labour force.

CCoI and the five partner local development companies each have their own existing and on-going strategies. Details of the existing work by CCoI and by the five partnership companies are presented in Annex 1.

The recommendations are consistent with the existing strategies being implemented by CCoI and the five local development companies. However, effective implementation will require action by a range of other national and local organisations and support by individual craft makers and other businesses. It is essential that there is an appropriate resource allocation to support the recommendations. Indecon believes that 'the prize' which exists in terms of employment opportunities in this highly skilled intensive sector justifies a new co-ordinated national approach for this sector.

Annex 1 Work by CCoI and Five Partnership Companies

Crafts Council of Ireland (CCoI)

CCoI has a long history of promoting and developing the crafts sector in Ireland. The primary role of the CCoI is to foster the growth and commercial strength of the crafts industry in Ireland, communicating its unique identity and stimulating quality, design, innovation and competitiveness. The stated vision and mission of the CCoI is presented in the box below.

Box 7: Crafts Council of Ireland Stated Vision and Mission

Vision

"That Irish craft and design is recognised and valued worldwide for its excellence in craftsmanship, innovation and marketing"

Mission

"To promote and stimulate the creative and commercial potential of Irish craft and design and to work in collaboration with strategic partners in the on-going development and growth of the sector"

Source: CCoI Strategic Plan 2013-2015.

The CCoI Strategic Plan 2013-2015 contains five main themes:

- Developing the Market for Irish Craft and Design
- Developing Knowledge and Skills in Craft for Emerging and Existing Irish Craft Makers
- Raising Awareness, Understanding and Appreciation of Irish Craft and Design
- Supporting Membership Organisations in the Development of the Crafts Sector
- Developing the Innovation, Enterprise, and Design Capability of the Crafts Sector

Each of these in turn is broken down into a number of high-level actions and a range of programmes has been established accordingly. CCoI have taken a number of the high level actions that are required in order to develop the market for Irish craft and design. These include partnering with Fáilte Ireland and the tourism sector in Ireland to leverage the potential for Irish craft studios, further development of the National Craft Gallery and significant expansion of retail partners and outlets stocking craft nationally. Enhancing the standard of education provided to students in craft courses in Irish educational institutions (including its own ceramics and jewellery schools) is the key route through which CCoI can improve the quality of knowledge and skills in the sector. Raising awareness of crafts is an on-going priority of the CCoI and the sector in general. CCoI will continue promoting awareness through strategic partnerships with key organisations, supporting craft makers in their efforts to promote themselves and target their audience and exploit new online technologies that facilitate the effective promotion of the sector. The development of cluster networks, industry links and access to EU funding are all elements of CCoI action plan to further develop the innovation, enterprise and design capability of the crafts sector.

The strategic fit of the Indecon recommendations with the current CCoI strategy and links to existing CCoI programmes are presented in Annex 2.

Ballyhoura Development

The Organisational Vision for Ballyhoura Development Ltd is to make the Ballyhoura area a quality location in which to enjoy life and work and a favoured destination for investors, visitors, returning migrants and immigrants.

The overall aim of the Ballyhoura Rural Development Strategy is to facilitate the growth of a diversified rural-based economy whilst developing a knowledge-driven society to ensure superior quality of life opportunities in the Ballyhoura Development Area.

- **Economic Diversification Aim:** To facilitate the development of the enterprise, food and tourism sectors and stimulate employment in a manner that optimises their contribution to the rural economy on a sustainable basis. There are four measures; Enterprise, Food, Employment and Rural and Agri-Tourism.
- **Quality of Life Aim:** To facilitate all those living and working in the area in realising their social, cultural, environmental and recreational expectations.

In the context of the Rural Development Plan, Ballyhoura Development aims to encourage the implementation of integrated high-quality, original strategies for sustainable development designed to encourage experimentation. This includes enhancing the natural and cultural heritage; reinforcing the economic environment in order to contribute to job creation; and improving the organisational capability of the local economy.

Specific enterprise supports given that can apply equally to the crafts sector include:

- ❑ Start your own business, advice, guidance, support
- ❑ Relevant training programmes
- ❑ Ballyhoura mentoring programme
- ❑ Community enterprise supports
- ❑ Capital supports, marketing support
- ❑ Networking opportunities through various Ballyhoura Development enterprise networks and Ballyhoura Fáilte Tourism / Visit Ballyhoura networks and initiatives
- ❑ Availability of enterprise centre space throughout the area
- ❑ Linkages to Ballyhoura heritage, culture and environment initiatives (Villages of Tradition, Festivals and Events Initiatives and Heritage Centres)
- ❑ Linkages to local creative industries in drama, art, music & culture
- ❑ Link to Food Enterprise and the development of regional food brand “A Taste of Ballyhoura Country”
- ❑ Link to partnership with local authority to develop Cappamore Craft Centre.

In particular Ballyhoura recognises a ‘Complementary Attractions Cluster’ in terms of recreation and heritage. A coordinated approach to the development of the Ballyhoura tourism product with an emphasis on heritage and leisure can directly link to the crafts sector. Direct and co-operative marketing activities are intended as support for those heritage and leisure activities.

Kilkenny LEADER Partnership

Kilkenny LEADER Partnership leads and facilitates the creation of an integrated local development strategy to improve the economic, social and cultural quality of life of people, communities and small enterprises of all County Kilkenny. This is done under a number of headings:

- Realising sustainable tourism potential for rural areas. Specific objectives are: adding value to existing rural tourism products; further development of outdoor network trails; development of community tourism products; and support for the implementation of a development and marketing strategy for Kilkenny.
- Stimulating innovative rural business by supporting both start-ups and existing innovative rural enterprise and by encouraging female entrepreneurship.
- Encouraging and promoting small-scale food production by seeking to increase the number of producers, to develop integrated food production and retail food centres in the county, by linking quality food and tourism, and by supporting private and community-owned food business initiatives. Parallel initiatives and linkages can equally apply to the crafts sector.
- Arranging pertinent courses and training. These currently include:
  - Kickstart, a work placement programme linking the needs of local businesses to the skills of local people
  - Job search workshops
  - Introduction to textiles
  - Textiles/Crafts (FETAC 4 & 5)
  - Ferrybank sewing course

South Tipperary Development Company

South Tipperary Development Company in the context of the Rural Development programme aims to improve the social, socio-economic and economic circumstances of targeted individuals, groups and communities within the South Riding area through the implementation of a number of rural development and social inclusion programmes. Their aims are:

- To increase the level of economic activity in the rural economy
- To support the creation and development of **micro-enterprises** in the rural economy
- To encourage **rural tourism** based on the sustainable development of natural resources, the **cultural and natural heritage**
- To improve access to basic services for rural dwellers
- To regenerate rural villages by improving their economic prospects, community relations and quality of life
- To maintain, restore and upgrade the **natural and built heritage**

To achieve these aims, South Tipperary Development Company will provide funding for various types of activities and projects, many of which apply equally to the crafts sector, such as:

- Developing business start-up ideas or supporting expansion of established businesses
- Providing targeted education and training
- Giving community or group support
- Projects focusing on protection, both the conservation and upgrade, of local culture and heritage
- Encouraging tourism activities
- Fundamentally, by ensuring basic services for rural population

West Cork Development Partnership (WCDP)

Based on the objective of the Rural Development Programme and LEADER partnership, to improve the quality of life in rural areas and encourage diversification of the rural economy, the West Cork Development Partnership aims to:

- Support farming families diversify into non-agricultural activities
- Support the creation and development of micro-enterprises in the rural economy
- Encourage rural tourism based on the sustainable development of natural resources and the cultural and natural heritage
- Provide basic services for the rural economy and population
- Promote village and countryside renewal and development
- Conserve and upgrade the rural heritage

WCDP categorises some more specific objectives under a number of headings as follows:

- Enterprise creation and development through supporting micro-enterprises (<10 employees) in the following sectors: timber, wood energy and other renewables, digital and creative media, and crafts.
- Development of niche tourism such as crafts, food provision, ecotourism, genealogy, archaeology, etc.
- Provision of appropriate cultural and leisure facilities to local communities, not otherwise available to them:
  - Amenity and leisure facilities
  - Support for cultural activities
  - Certain art facilities
  - General community and recreational infrastructure
- Innovative activities in local communities (social and information networks).
- Build on the long established reputation for excellent craft in West Cork and Fuchsia branding.

The LEADER Programme rationale for working with the crafts sector is that craft makes a disproportionately high contribution to the area in terms of tourism appeal, visual cues, creative reputation and local identity. Over one hundred professional craft makers live and work in West Cork. This community of practitioners, with its formal and informal networks, is considered by WCDP to be an invaluable support to makers dedicated to reaching ever-higher standards in their chosen craft medium.

As such WCDP has been very active in supporting development in the crafts sector through capital and training supports. The West Cork "Fuchsia" brand is central to WCDP's interest in the crafts sector. The crafts sector makes a significant contribution to the "Fuchsia" brand just as the "Fuchsia" brand is seen as a valuable marketing support for many makers (although some makers prefer to remain independent). Significant LEADER funding for the development of the "Fuchsia" brand for regional marketing of craft has been provided by WCDP.

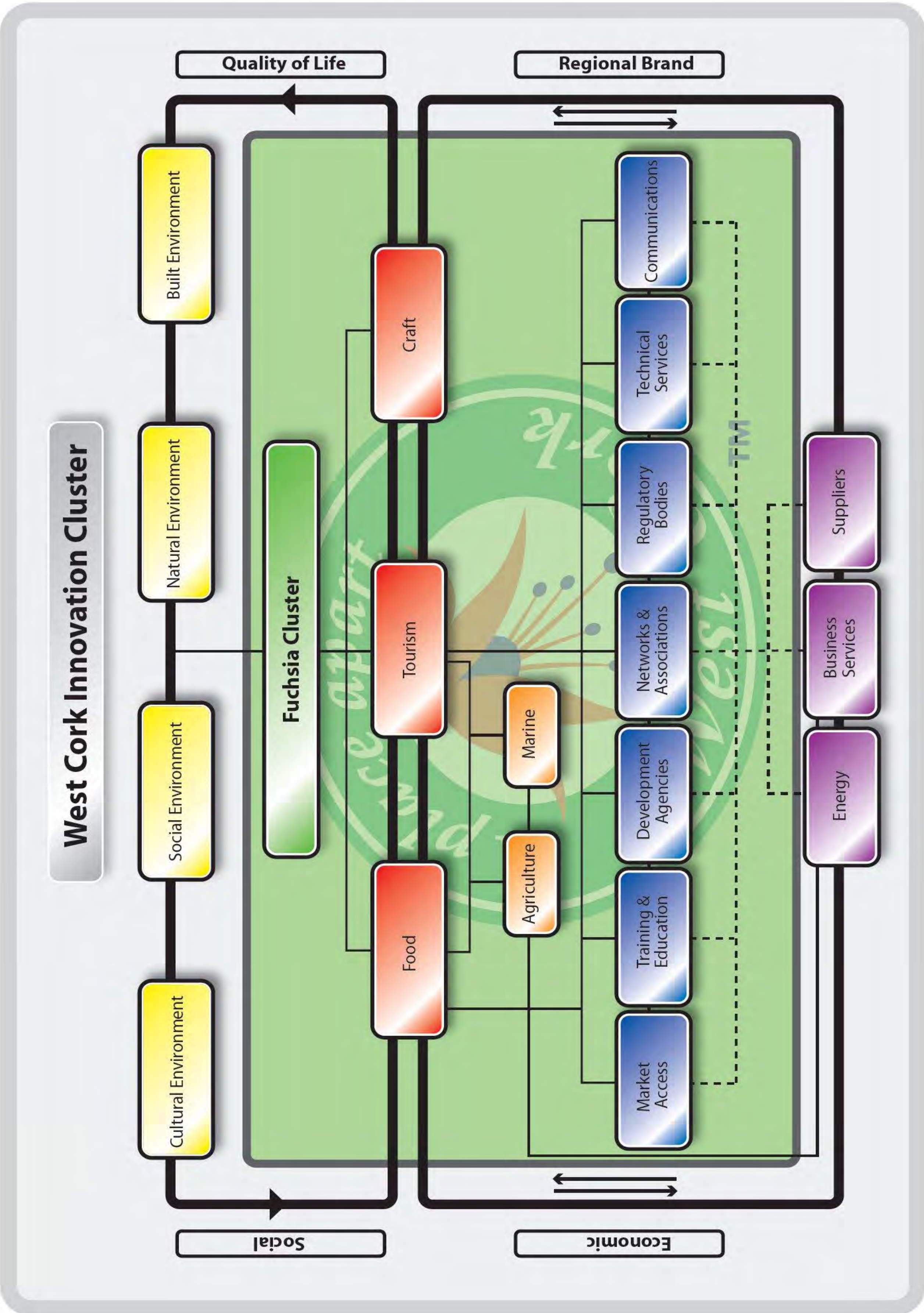
Other craft or crafts-related projects funded by LEADER through WCDP include:

- Fuchsia regional brand website development
- "West Cork Inspires" craft group London exhibition
- Craft marketing and research for "Cork Art and Design" group
- "West Cork Inspires" publication on local craft
- Web training for www.westcorkaplaceapart.com
- Motivational workshops for job seekers and would-be entrepreneurs
- A number of craft training programmes, mentoring and facilitation supports

In this context the needs of the crafts sector as identified by WCDP are:

- Improved access by craft makers to local retail
- Greater awareness of the crafts sector and better/new linkages to the initial point of tourist contact (i.e. tourism providers)
- Skills development, in particular business skills
- Presentation and marketing skills

With these needs in mind, the West Cork Cluster Model is designed to achieve and sustain regional competitiveness and community vibrancy by the aggregation and possible co-location of human capital and natural resources. The model is described by the following graphic that shows a number of strategic and inter-sectoral synergies, including craft:


West Cork Innovation Cluster
Quality of Life
Regional Brand
Social
Economic
Built Environment
Natural Environment
Social Environment
Cultural Environment
Fuchsia Cluster
Craft
Tourism
Food
Marine
Agriculture
Communications
Technical Services
Regulatory Bodies
Networks & Associations
Development Agencies
Training & Education
Market Access
Suppliers
Business Services
Energy
TM

As outlined by WCDP, the core principles and strategies of the Cluster Model related particularly to the crafts sector are:

- Use strong local resources in craft, tourism and other sectors as nodes for cluster development, thereby building on existing strengths.
- Create and increase penetration of the Fuchsia brand with enterprises in the craft, tourism and other sectors.
- Develop and exploit synergies arising from crafts and other sectors to enhance service sector capability and competitiveness.
- Develop market intelligence and information systems to assist the on-going development of crafts, tourism and food sectors.
- Create tangible visitor experience of West Cork through improved availability of local food produce and craft products.
- Support succession strategies to assist food, tourism and craft diversification.
- Facilitate broadening diversification opportunities for Fuchsia brand participants using proven skills, traditions and competencies to generate additional revenues (crafts leisure courses).
- Develop action-learning networks to facilitate cross-sectoral networking and product development for off-peak visitor packages (eco-tourism accommodation and activity, craft leisure).
- Support the development of a craft resource centre to raise profile, create linkages and deliver training and technical support.
- Training and technical support for new product development and design for craft enterprises.
- Support up-skilling, vocational training and continuous improvement in 220 Fuchsia brand accredited enterprises, 40 of which are craft.
- Support 12 diversification projects for Fuchsia brand participants using proven skills, traditions and competencies to generate additional revenues, including 6 craft and leisure courses.
- Enhance and upgrade marketing, promotional and product presentations for 65 enterprises including craft enterprises.
- Provide training and technical support for new product development and design for 6 craft enterprises.
- Introduce environmental auditing and monitoring for tourism, food and craft enterprises.

Wexford Local Development

Wexford Local Development under the aegis of the Rural Development Plan aim to promote economic activity and job creation, to generate additional alternative incomes in rural areas and to implement innovative approaches to rural development at local level. Particular focus is to be given to:

- Diversification into non-agricultural activities
- Business creation and development
- Encouragement of tourism activities
- Basic services for the economy and rural population
- Village renewal and development
- Conservation and upgrading of rural heritage
- Training and information

Certain enterprise supports to individuals interested in setting up their own business, including craft businesses, are available as follows: pre-enterprise supports and training, assistance with business planning, grant assistance, business skills training and information workshops.

The Wexford Local Development's aims and objectives specific to the crafts sector are:

Aim: To support development of existing craft businesses

Specific objectives in relation to this aim include:

- Training in essential business skills for craft businesses;
- Funding to enhance craft production facilities;
- Assistance for new craft product development investigations; and
- Marketing assistance for craft product promotion and brand building.

Aim: To aid the development of new craft businesses

Specific objectives in relation to this aim include:

- Training in new business development skills in new craft enterprises;
- Capital support for new craft businesses set-up and equipment costs; and
- Marketing support for promotion of new craft business products and product awareness raising campaigns.

Aim: To support networking activities in local crafts sector

Specific objectives in relation to this aim include:

- Provide group training to local crafts sector;
- Support collaborative craft marketing and other activities; and
- Assist group selling activities of local crafts.

Aim: To market and promote local crafts

Specific objectives in relation to this aim include:

- Develop a comprehensive guide to crafts in Wexford;
- Support online marketing activities by craft businesses;
- Provide training in ICT and other key marketing technologies to local crafts sector;
- To fund investment in innovative marketing equipment and tools for the local crafts sector; and
- Promote local crafts sector to younger population.

Aim: To develop flagship community craft initiatives

Specific objectives in relation to this aim include:

- Provide analysis and development support for development of community craft initiatives; and
- Deliver capital, training and marketing funds for the development of facilities and management capacity.

Aim: To support networking and cooperative activity in the small business sector

Specific objectives in relation to this aim include:

- To support participation in networking and cooperative activities in the small business sector in County Wexford.

Wexford Local Development has promoted a Wexford Craft Trail and established a training programme to up-skill individuals in website maintenance, e-commerce generally, social media and collective marketing techniques. The programme modules are:

- Maintain your website
- E-commerce
- Social media
- Developing an export market for your business
- Visitor requirements and managing a craft studio that is open to the public
- Forming a craft network
- Integrated branding and marketing
- Organising collective craft activities and events
- Craft display techniques and photographing craft exhibits

Annex 2 Details of the Strategic Fit of the Indecon Recommendations with Existing Work of CCoI

Table A2. 1: Indecon Recommendations' Linked to CCoI Strategy and Programmes	
RECOMMENDATIONS	**STRATEGIC FIT**
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.	
1. Creation of facilities to boost craft sales at key tourism attractions	Grow the market share of Irish craft and design within the retail channel in Ireland. Partner with Fáilte Ireland and Tourism Ireland to leverage the potential of Irish craft studios to deliver an excellent tourism product to inbound and domestic tourists.
2. Clustering based co-operation to improve efficiency, quality or market access	Develop a network of clusters with relevant partners to support growth and development of the craft and design sector
3. Support expanded supplier programme with selected retailers	Grow the market share of Irish craft and design within the retail channel in Ireland
4. Craft Enterprise Lounge	
5. Develop virtual social networks amongst craft makers	Empower clients to promote themselves and reach new audiences
6. Encourage more local collaboration with related sectors	Continue to develop direct selling opportunities for Irish Crafts people
B. Programme to assist development of limited number of craft businesses of scale	
7. Support for recruitment and development of key management	Work with Enterprise Ireland and other appropriate partners to develop the export capabilities of the craft and design sector
8. Financial support for investment in technology and R+D	Develop the sector's potential to access finance for research and development (R&D)
9. Significant branding/marketing supports	Grow the market share of Irish craft and design within the retail channel in Ireland.
C. Attraction of High Potential Start Up Enterprises	
10. Encouragement of new start-ups from related sectors	Develop links to industry and expertise that will foster the innovative development and potential of the crafts sector
11. Support for craft entrepreneurs with existing business experience	Develop a network of clusters with relevant partners to support growth and development of the craft and design sector
12. Attraction of craft makers/ companies currently based in other countries	Not currently part of CCoI strategy but has potential to drive and develop the sector significantly
D. Measures to support commercially focused new craft makers.	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	Consolidate the range of 3rd level training opportunities
14. 'Corporate adoption' of new talented and craft makers by successful existing major companies in region	Engage in partnerships with industry, 3rd level partners and organisations to develop cross sectoral projects
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school	Strengthen formal strategic alliances with third level colleges
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	Deliver a comprehensive CCoI mentoring service with emphasis on product design, scalability in craft terms, manufacturing, production and export
OTHER CONSIDERATIONS	
Education Clustering - There are some natural higher education clusters across Ireland, that are currently the subject of government rationalisation	Strengthen strategic relationships to influence craft related policy
E-Commerce strategy for development of the sector	Grow the market share of Irish craft and design within the retail channel in Ireland.
Source: Indecon	

Annex 3 Details of the Strategic Fit of the Indecon Recommendations with Existing Work of Five Partnership Companies

Table A3.1: Indecon Recommendations Linked to Ballyhoura Strategy

RECOMMENDATIONS	STRATEGIC FIT	LINK TO EXISTING PROGRAMME	ISSUES/ CONCERNS
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.			
1. Creation of facilities to boost craft sales at key tourism attractions	Plans to develop visitor facilities at Lough Gur, Doneraile and Ballyhoura Forest.	**RDP**	.
2. Clustering based co-operation to improve efficiency, quality or market access	There is ample enterprise space available throughout this area in enterprise centres located in Mitchelstown, Croom, Abington, Charleville, and Kilmallock. Plans to further develop the Furniture Making & Antique Restoration LTI in Doneraile. Linkages to Creative Limerick Initiative (extended to Kilmallock) and the development of Cappamore Craft Centre in partnership with the local Authority.	**RDP**	Need to engage with makers in the area in a more structured fashion.
3. Support expanded supplier programme with selected retailers	Long-term objective for BDL (Ballyhoura Development Ltd.)		
4. Craft Enterprise Lounge	Long-term objective for BDL.	**RDP**	
5. Develop virtual social networks among craft makers	Long-term objective for BDL.	**RDP**	
6. Encourage more local collaboration with related sectors	Plan to link the craft and food sector (A Taste of Ballyhoura Country regional food brand). Linkages with environment, historic and cultural initiatives as well as the building linkages with local festivals and events initiatives.	**RDP**	
B. Programme to assist development of limited number of craft businesses of scale		**RDP**	
7. Support for recruitment and development of key management	Long-term objective for BDL.	**RDP**	
8. Financial support for investment in technology and R+D	Availability of capital supports	**RDP**	
9. Significant branding/marketing supports	Linkages with Ballyhoura Fáilte/Visit Ballyhoura initiatives and food brand marketing initiatives.	**RDP**	
C. Attraction of High Potential Start Up Enterprises		**RDP**	
10. Encouragement of new start-ups from related sectors	Availability of dedicated community owned enterprise space. Link to creative strengths in the area (drama, art, culture, food, tourism, heritage)	**RDP**	
11. Support for craft entrepreneurs with existing business experience	Relevant training supports &mentoring programmes.	**RDP**	
12. Attraction of craft makers currently based in other countries	.	**RDP**	
D. Measures to support commercially focused new craft makers.		**RDP**	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	Link to LTI in Furniture Making & Antique restoration (Doneraile)	**RDP**	
14. 'Corporate adoption' of new talented and craft makers by successful existing major companies in region		**RDP**	
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school		**RDP**	
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	Ballyhoura Development Mentoring programme	**RDP**	

Source: Indecon

Table A3.2: Indecon Recommendations' Linked to Kilkenny Leader Partnership	
RECOMMENDATIONS	**STRATEGIC FIT AND LINK TO EXISTING PROGRAMME**
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.	
1. Creation of facilities to boost craft sales at key tourism attractions	Promote sustainable tourism potential of rural areas. Add value to existing rural tourism products. Development of niche tourism such as crafts, in order to enhance the visitor experience
2. Clustering based co-operation to improve efficiency, quality or market access	Further development of outdoor leisure and activity trails. Development of community tourism products.
3. Support expanded supplier programme with selected retailers	
4. Craft Enterprise Lounge	
5. Develop virtual social networks amongst craft makers	Create links via the Ireland Reaching Out programme.
6. Encourage more local collaboration with related sectors	Development of community tourism products. Development of niche tourism such as crafts in order to enhance the visitor experience. Support group marketing. Create links to Kilkenny Town of Food competition, Kilkenny heritage projects, the Ireland Reaching Out programme and leisure and activity trails. Arrange job search workshops.
B. Programme to assist development of limited number of craft businesses of scale	
7. Support for recruitment and development of key management	Supporting existing innovative rural enterprise to increase scale of production. Supporting female entrepreneurship.
8. Financial support for investment in technology and R+D	As above
9. Significant branding/marketing supports	Support for group marketing.
C. Attraction of High Potential Start Up Enterprises	
10. Encouragement of new start-ups from related sectors	Supporting start-up rural enterprise. Supporting female entrepreneurship. Provide training in textiles//crafts. (Ferrybank sewing course)
11. Support for craft entrepreneurs with existing business experience	Supporting start-up rural enterprise. Supporting female entrepreneurship.
12. Attraction of craft makers/ companies currently based in other countries	
D. Measures to support commercially focused new craft makers.	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	Kilkenny LCDP "Starting a Business" training
14. 'Corporate adoption' of new talented craft makers by successful existing major companies in region	Supporting start-up and existing innovative rural enterprise. Supporting female entrepreneurship.
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school	Supporting start-up and existing innovative rural enterprise. Supporting female entrepreneurship.
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	Kilkenny LCDP one-to-one support
Source: Indecon	

Table A3 3: Indecon Recommendations' Linked to South Tipperary Development Partnership	
RECOMMENDATIONS	**STRATEGIC FIT AND LINK TO EXISTING PROGRAMME**
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.	
1. Creation of facilities to boost craft sales at key tourism attractions	Increase economic activity in the rural economy. Encourage rural tourism activities based on the sustainable development of natural resources, the cultural and natural heritage.
2. Clustering based co-operation to improve efficiency, quality or market access	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life. Provide community or group support.
3. Support expanded supplier programme with selected retailers	
4. Craft Enterprise Lounge	
5. Develop virtual social networks amongst craft makers	Provide community or group support.
6. Encourage more local collaboration with related sectors	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life. Provide community or group support. Encourage tourism activities.
B. Programme to assist development of limited number of craft businesses of scale	
7. Support for recruitment and development of key management	Develop business expansions.
8. Financial support for investment in technology and R+D	Increase economic activity in the rural economy. Provide funding for development of start-ups and expansions.
9. Significant branding/marketing supports	Increase economic activity in the rural economy. Encourage tourism activities.
C. Attraction of High Potential Start Up Enterprises	
10. Encouragement of new start-ups from related sectors	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life. Support the creation and development of micro enterprises in the rural economy.
11. Support for craft entrepreneurs with existing business experience	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life. Provide funding for education and training.
12. Attraction of craft makers/ companies currently based in other countries	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life.
D. Measures to support commercially focused new craft makers.	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	Provide funding for education and training.
14. 'Corporate adoption' of new talented craft makers by successful existing major companies in region	Provide funding for business start-ups and expansions
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school	Provide funding for education and training.
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	Increase economic activity in the rural economy. Regenerate rural villages by improving economic prospects, community relations and quality of life. Support the creation and development of micro enterprises in the rural economy. Provide community or group support. Provide funding for education and training.
Source: Indecon	

Table A3.4: Indecon Recommendations' Linked to West Cork Development Partnership	
RECOMMENDATIONS	**STRATEGIC FIT AND LINK TO EXISTING PROGRAMME**
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.	
1. Creation of facilities to boost craft sales at key tourism attractions	Development of niche tourism such as crafts. Create tangible visitor experience of West Cork through improved availability of local crafts. Support development of a craft resource centre to raise profile.
2. Clustering based co-operation to improve efficiency, quality or market access	Use strong local crafts resources as nodes for cluster development. Provide appropriate cultural and leisure facilities to local communities including arts (and crafts) facilities e.g. craft resource centre, and social and information networks. Provide improved access to local retailers. Provide for training and technical support for new product design and development e.g. craft resource centre.
3. Support expanded supplier programme with selected retailers	Provide improved access to local retailers.
4. Craft Enterprise Lounge	
5. Develop virtual social networks among craft makers	Develop and exploit synergies arising across crafts and other sectors to enhance service sector capability and competitiveness. Develop action-learning networks to facilitate cross-sectoral networking.
6. Encourage more local collaboration with related sectors	RDP//LEADER objective to encourage rural tourism and diversify the rural economy. Promote greater awareness of the crafts sector and linkages from the initial point of contact with tourism providers. Develop action learning networks to facilitate cross-sectoral networking and product development of off-peak crafts leisure visitor packages.
B. Programme to assist development of limited number of craft businesses of scale	
7. Support for recruitment and development of key management	Provide training supports
8. Financial support for investment in technology and R+D	Provide capital supports.
9. Significant branding/marketing supports	Further develop Fuchsia brand - diversification opportunities e.g. 6 crafts leisure courses, and increased penetration of brand
C. Attraction of High Potential Start Up Enterprises	
10. Encouragement of new start-ups from related sectors	RDP//LEADER objective to encourage diversification of the rural economy e.g. by farming families diversifying into non-agricultural activities.
11. Support for craft entrepreneurs with existing business experience	Existing yearlong training programme for enterprises including business, market and product development.
12. Attraction of craft makers/ companies currently based in other countries	
D. Measures to support commercially focused new craft makers.	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	RDP//LEADER objective to diversify farming families into non-agricultural activities and to support the creation of micro enterprises in the rural economy. Support up-skilling and continuous improvement in Fuchsia-brand accredited enterprises.
14. 'Corporate adoption' of new talented craft makers by successful existing major companies in region	Development of business skills.
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school	Development of business skills.
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	RDP//LEADER objective to diversify farming families into non-agricultural activities and to support the creation of micro enterprises in the rural economy. Development of business skills. Development of presentation and marketing skills for marketing, promotional and product presentations.
Source: Indecon	

Table A3.5: Indecon Recommendations' Linked to Wexford Local Development Company	
RECOMMENDATIONS	**STRATEGIC FIT AND LINK TO EXISTING PROGRAMME**
A. Measures to assist existing micro craft businesses to achieve some of the benefits of economies of scale.	
1. Creation of facilities to boost craft sales at key tourism attractions	Encouragement of tourism activities.
2. Clustering based co-operation to improve efficiency, quality or market access	Wexford Craft Trail training programme to up-skill individuals in website maintenance, e-commerce, social media, collective marketing techniques, developing an export market, integrated branding and marketing, forming a craft network, craft display techniques and photography and organising crafts activities and events.
3. Support expanded supplier programme with selected retailers	
4. Craft Enterprise Lounge	
5. Develop virtual social networks amongst craft makers	Enterprise supports. Wexford Craft Trail training programme
6. Encourage more local collaboration with related sectors	RDP/LEADER objective to encourage diversification of the rural economy and implementation of innovative approaches at local level.
B. Programme to assist development of limited number of craft businesses of scale	
7. Support for recruitment and development of key management	Training and information
8. Financial support for investment in technology and R+D	Enterprise supports.
9. Significant branding/marketing supports	Enterprise supports. Wexford Craft Trail training programme.
C. Attraction of High Potential Start Up Enterprises	
10. Encouragement of new start-ups from related sectors	Enterprise support to individuals interested in setting up their own business. Pre-enterprise supports & training, assistance with business plan, grant assistance, business skills training and information workshops.
11. Support for craft entrepreneurs with existing business experience	Wexford Craft Trail training programme?
12. Attraction of craft makers/ companies currently based in other countries	
D. Measures to support commercially focused new craft makers.	
13. Develop post graduate course in Arts and Crafts Entrepreneurship	RDP/LEADER objective to encourage diversification of the rural economy and implementation of innovative approaches at local level. Training and information.
14. 'Corporate adoption' of new talented craft makers by successful existing major companies in region	
15. Scholarship scheme for craft graduate(s) to undertake MBA in leading business school	
16. Mentors guiding craft persons and enterprises in the establishment of businesses including pricing, designing products taking account of consumers and retail requirements and branding and marketing	RDP//LEADER objective to encourage diversification of the rural economy and implementation of innovative approaches at local level. Enterprise supports.
Source: Indecon	

Annex 4 Examples of Previous Craft Clustering Initiatives

If we view clustering in a broad sense as collaboration, and not simply geographical co-location, without attempting to be exhaustive, there are numerous examples of such initiatives in Ireland. Much of the work that has been done by CCoI amounts to facilitating collaboration in Ireland and abroad.

Examples are:

- CCoI Network Support Scheme
- CCoI GANS (groups, associations, networks and societies) are the representative member organisations of CCoI.
- National Crafts and Design Fair
- Showcase
- Bloom
- www.giveirishcraft.com
- www.craftinireland.com (CCoI website)
- IDEATE Craft and Design Festival
- "Culture Connects" installations in the Justus Lipsius Building in Brussels (in co-operation with the National Museum of Ireland, the Chester Beatty Library and the Royal Dublin Society).

Some examples of other Irish collaboration and clustering initiatives are:

- Ballinahown Irish Design Eco-Craft Village: Core Crafted Design (Offaly-Westmeath)
- An Ceardlann – Spiddal Crafts and Design Centre
- Donegal Craft Village
- The Craft Village – Derry/Londonderry
- Castlecomer Estate Yard
- Cork Craft and Design
- Cork Craft Month
- Project 51
- The Malthouse Design Centre, Dublin
- Print Block, Dublin
- Centre for Creative Practices, Dublin
- Workhouse Studios, Kilmacthomas
- Laois Craft Group
- Louth Craftmark (to 2012)
- Bridge Street Studios, Dundalk
- The Craft Granary, Cahir
- Potters' Market during the Galway Arts Festival
- Original Kerry and Kerry Craft Trails
- Craft Trail of South Wexford
- MADE in Kilkenny and Trail Kilkenny
- Limerick Craft Trail (in cooperation with The Hunt Museum)
- Absolutely Wicklow (website)

For example, the Cork Craftsman's Guild was formed in 1973. Their shop in Cork City was partly funded by the West Cork County Development Team. The Society of Cork Potters was formally established in 1981. (Source: *"West Cork Inspires"* by Alison Ospina) One anonymous observer noted that there is a more active community spirit and tradition of collaboration in the crafts sector in Ireland than is found in the arts. As such, craft clustering initiatives have fallen on fertile ground.