



A STUDY ON THE COMMERCIAL DEVELOPMENT FOR HANDICRAFTS TO ENHANCE AND STRENGTHEN THE HANDICRAFT INDUSTRY IN (FUNAFUTI)

Tomu Paneta Hauma – FIRST DRAFT REPORT
SUSTAINABLE SUPPORT PHASE PROJECT

Introduction

This paper seeks to report on the work the local consultant, Mr. Tomu Paneta Hauma, who was commissioned by the Department of Trade (DoT) to do over a couple of weeks as part of the Sustainable Support Phase (SSP) Project. The work requires the local consultant to investigate the possibility of commercializing Tuvalu's handicraft industry in order to enhance and strengthen its national operation.

This is the local consultant's first attempt, and thus the first draft report of the study. Following the advice of the SSP Project, the local consultant focused on three key stakeholders, the Tuvalu National Council of Women (TNCW), the Tuvalu National Private Sector Organization (TNPSO), and the Tuvalu Association of Non-Governmental Organizations (TANGO), plus one additional stakeholder, the Funafuti Lagoon Hotel, in this first attempt. Given that many of their members/shareholders have direct connections to local artisans¹, the inclusion of these three (3), plus one (1), stakeholders in the study makes sense.

Due to the local consultant's many other consultancy commitments, there was no time in this first draft for the consultant to focus on reading and learning from policies and other relevant national documents to enrich this particular report. That will be the work of the second and final report, as the local consultant may have a large number of available times to dive into many of the relevant documents.

As a study assignment of how the handicraft industry can be promoted and developed commercially in-country and with possible attempts for an international enlargement in the longer term, the local consultant sets out to answer the following four key questions:

1. What is the current situation of the Handicraft Market in Tuvalu?
2. What are the existing successes of the handicraft market?
3. What are the existing challenges of the handicraft market?
4. What are the possible solutions for the promotion of the handicraft market in Tuvalu?

This first draft report is his first account to the SSP Project in order to inform the second attempt, which will ultimately entail a much broader consultation and an in-depth investigation into the details of how Tuvalu's handicraft industry can be commercially developed in order to be financially enhanced and strengthened.

Last but not least, it is important to note that the work that the consultant covered at this phase was entirely done here in Funafuti. Therefore, Funafuti was highlighted in the title of this document to emphasize this.

¹ Artisans: A skilled worker who practices some trade or handicraft (Source: WordWeb Dictionary)

Table of Contents

Introduction	1
About the Study	3
Purpose	3
Scope.....	3
Methodology	3
The Findings – In Sections.....	4
SECTION 1: The Current Situation of the Handicraft Market in Tuvalu.	4
SECTION 2: The Existing Opportunities of the Handicraft Industry in Tuvalu.	4
SECTION 3: The Existing Problems of the Handicraft Industry in Tuvalu.	5
SECTION 4: The Financially Beneficial Way Forward for Tuvalu.....	5
Conclusion.....	7
Annex 1 – List of Interviewees	9

About the Study

Purpose

The purpose of this study, as acknowledged in the *Introduction*, is to investigate the possibility of commercializing Tuvalu's handicraft industry in order to improve and strengthen its national operation.

Scope

The scope of the study as originally defined by the Enhanced Integrated Framework (EIF) – Sustainability Support Phase (SSP) Project was as follows:

1. Strengthen stakeholders' coordination (public and private) pertaining to handicraft and trade issues encountered
2. Develop a study on the commercial development of handicrafts
3. Examine the benefits that handicrafts can have for the country's trade
4. Identify the constraints for handicrafts that the TNCW is currently facing in its production in Tuvalu
5. Pinpoint the potential consumers of handicrafts for supplying by the TNCW and similar producers
6. Provide recommendations on the required actions on whether handicrafts can be developed commercially in Tuvalu and if not provide reasonable actions
7. Explain how handicrafts can maintain production sustainably for future years by the TNCW
8. Revise the valuing of handicraft products
9. Provide suggestions on which handicraft/s should be more focused for development commercially

Methodology

The study attempted to conduct it using the following two data collection methodologies:

1. Interviews with key stakeholders – list of interviewees is attached as **Annex 1**; and
2. Government policies – unfortunately, this was not fully utilized in this phase due to many other consultancy engagements of the local consultant who is conducting the study.

To ensure the accuracy of the data, the study attempted to gather as much information as possible from reliable sources. However, because it is critical to remember that every source of data has limitations, the local consultant cannot guarantee the data's authenticity.

The Findings – In Sections

The findings of the study are reported in four key sections as listed below:

SECTION 1: The Current Situation of the Handicraft Market in Tuvalu.

Most respondents indicated that the local handicraft industry in Tuvalu is still in its infancy compared to other businesses that sell imported products and/or provide services in the country.

The following are the top five handicraft markets in Tuvalu:

1. During flights in and out of the country, artisans sold their handicrafts, mostly local necklaces and some other local artifacts such as local earrings, around the air terminal area, and they were primarily sold to those leaving the country;
2. The Tuvalu National Council of Women (TNCW) headquarters is now storing with limited displaying of local necklaces and other artifacts such as canoes and long-term use garlands, to name a few;
3. Local artisans who would only create handicrafts when needed, such as preparing handicrafts for "Trade Fairs" and/or "Tau-Maketi." This would return a few dollars to artisans if customers attending these types of events purchased the handicrafts; otherwise, it would be a return of the same handicrafts to their homes with no monetary value gained from these events;
4. Local artisans who actually receive money from the government when for example government officials wanted to present ALOFA² to their overseas guests who came from abroad to attend meetings here in Funafuti. Despite these events were not frequent these are great ways of getting money for the artisans;
5. There is another way that handicrafts are being sold and bought in Tuvalu, and that is where individuals directly approach artisans to make them for example a local canoe (very small in size, the kind that is put on shelf inside houses to decorate rather than go fishing on it) or a local necklace, or a local fan. The artisan will get the guaranteed money from the person that made the order. This also include those cases where the buyer of the local handicraft is somebody residing abroad.

SECTION 2: The Existing Opportunities of the Handicraft Industry in Tuvalu.

When it comes to opportunities for artisans to improve and enrich their trade as handcrafters, they are most interested in what institutions and/or entities can provide them with financial and physical resources, such as raw materials for their handicrafts.

According to the majority of interviewees, neither the government nor any other institution is currently providing financial assistance to the preparation and/or manufacturing of local artisans' products. The Tuvalu National Council of Women (TNCW) offers its members (women's organizations/communities in Tuvalu) the opportunity to bring their local handicrafts to the TNCW office/centre and they will sell them at the centre for their members, but with a 10% commission.

Women selling their products at the air terminal's departure gate were mostly individual local women who were either not members of any women's organizations in the country or were members of the TNCW but wanted to supplement their income. Even these women receive

² ALOFA: traditional way of presenting gifts to special guests either from overseas or locally.

no financial assistance or free materials/resources from the government or any other organization in the country.

TNCW expressed their displeasure with the government's decision to demolish their handicraft center, which was located in the current air terminal location. Despite the government's good intentions in providing a new building for the TNCW, the new and current building does not serve the objectives and intentions of a handicraft center well. There was no space for displaying local necklaces and other local artifacts, as does the previously established handicraft center (and had already been demolished).

As such, it is safe to say that there are no existing opportunities for financial support for an enhanced and strong handicraft industry in Tuvalu. Individual artisans must find their own funds and "sweat" themselves out to absorb local materials and resources for the manufacturing of their handicrafts, and such activities are perceived as difficult to implement by local artisans.

SECTION 3: The Existing Problems of the Handicraft Industry in Tuvalu.

Aside from the limited to non-existent financial support from anywhere for the improvement and enhancement of the handicraft industry in Tuvalu, the major impediments to the enhancement and strengthening of the country's handicraft market are listed below:

1. The absence of a facility such as a handicraft center that could be used to bring artisans' handicrafts to it and make them available and accessible for sale to the general public. This was supported further by the TNCW who emphasized that when their handicraft center was demolished on the order of the department of aviation, that was the commencement of TNCW's problems on the sale of handicrafts;
2. Creating handicrafts is no easy task. A great amount of time and precision would need to go about making handicrafts on a consistent basis. This creates a not-so-convenient kind of chore for most people in Tuvalu, given the many other commitments that Tuvaluans face such as preparing "telee 'mafa" for community events;
3. From past experience, there is no guarantee that local handicrafts will be purchased on the spot or within a short period of time. This discourages many local artisans from working on the production of local handicrafts;
4. The restrictions imposed by the Funafuti Island community on the harvesting of trees and other raw materials required by non-Funafuti people. This creates one of the most significant barriers to non-Funafuti people producing local handicrafts. Even indigenous Funafuti artisans would only have to obtain raw materials from their own lands, and if their lands do not produce high-quality raw materials, it will be even more difficult for them to manufacture their artifacts.

SECTION 4: The Financially Beneficial Way Forward for Tuvalu.

Now that we know the current state of the handicraft industry, particularly on Funafuti, as well as the funding and other opportunities available to local artisans (at least on Funafuti), as well as the roadblocks and obstacles in the way of their success, we can now consider what artisans, particularly on Funafuti, and the government of Tuvalu, at least through the Ministry of Trade and Fisheries, can do to move the handicraft industry positively forward.

The majority of the interviewees recommended the following (from the most significant to the less significant one):

1. **Establish a physical market** – everyone who took part in the interviews believed that the absence of a physical place/building that could allow artisans to bring their local handicrafts to be sold there, possibly with a small commission payment that would go back to the management of the physical market, was the only solution to the issue of the handicraft market being stagnant. The demolition of Tuvalu's Handicraft Centre to make way for the new international airport, as echoed by TNCW, was one of the government's major mistakes. Their new office, a house vacated by a retired civil servant, does not completely meet their needs. For example, there is no appropriate room for displaying local handicrafts, which makes portraying the artifacts to the general public difficult. The Funafuti Lagoon Hotel is preparing for the opening of borders and is very optimistic about the future influx of working internationals. As a result, they are working on establishing a gift shop, where local handicrafts are one of the top items. This indicates the hotel management's support for the establishment of a physical market to facilitate the successful marketing of local artifacts.
2. **Provide appropriate support for the physical market** – with regards to the establishment of the market, everyone interviewed appears to believe that if such an establishment is successful, it will be necessary to provide it with as much support as Tuvalu's government and international donors can provide. The assistance could take the form of financial assistance and/or provision of materials/resources for the manufacturing of handicrafts. This will undoubtedly support the market and thus the industry in the long run.
3. **Provide marketing trainings to the market management staff members** – within the recommended establishment of the physical handicraft market, there should be not only financial and technical support in things like the provision of tips and ideas for better market management, but also training support to market staff in skills that get them to improve the attraction to their local artefacts from not only the general public (both artisans and buyers). How can the market attract customers if there are no products? Furthermore, it is critical for training to introduce to market staff all Tuvalu policies pertaining to everything that surrounds the creation, maintenance, and improvement of Tuvalu's handicraft industry.
4. **Introduce local handcrafting to schools (preschools, primary, secondary and tertiary)** – if have not been acquainted with schools in Tuvalu, the interviewees recommended an introduction of local handcrafting to all schools (i.e., preschools, primary, secondary and tertiary) in the country. This would help instill in all students in the country the familiarity with local handicrafts that would then assist in maintaining their interest and skills in their own local traditional values that portrayed by the handicraft they were exposed to at the outset and all throughout the duration of the formal education in Tuvalu.
5. **Running of national and/or respective island events that promotes the marketing of local handicrafts** – getting the general public's attention to local handicrafts may be difficult on its own, but events like "Trade Fair" and "Tau Maketi" are excellent ways of publicizing artisans' work. Even better, creating competitions between artisans increases the popularity of publicized handicrafts; however, some interviewees believe that the current practice of the "Tau Maketi," which requires people to vote on social media (particularly Facebook), is not the best approach in Tuvalu. The reason for this is that, regardless of the quality of the local handicrafts, the least one can be voted for when that artisan (expert or novice) has a large number of families/relatives who use the platform. A better approach can be considered in the upcoming "Tau Maketi" or "Trade Fair" events.

6. **Utilizing Electronic Commerce Strategy and other Similar Technologies** – online banking is not widely used in Tuvalu, but it is beginning to emerge thanks to initiatives from institutions such as the Development Bank of Tuvalu (DBT) and the Ministry of Fisheries and Trade (MFT E-Commerce)'s project. One of the interviewees stated that, while new technology is an excellent idea for Tuvalu, the DBT and/or MFT, or any other institution that wishes to introduce online banking or any other form of electronic technology, must be careful to implement a system that is compatible with the environment in which our people live. Creating an electronic platform in an environment like Tuvalu, where many artisans (mostly elderly people) do not have access to the platform, is a complete waste of time. Because most elderly people are unfamiliar with new technology, teaching them to access the internet is nearly impossible; it would be extremely difficult for most of them, making it difficult for those who attempt to teach them. However, the fact remains that the more we use new technology and similar initiatives such as the MFT's e-commerce project, the more our artisans can enter the international arena, and thus the greater the opportunity for Tuvalu's handicraft to be enhanced and strengthened.

Conclusion

In summary, the work and the findings for the whole study can be outlined as follows:

1. Despite the fact that the study was entirely conducted through interviews of prominent figures in the Funafuti handicraft industry, with little to no references from any existing and relevant document, a significant amount of information was extracted from all interviewees. The four (4) subtopics, (i) *The Current Situation of the Tuvaluan Handicraft Market*; (ii) *The Existing Opportunities of the Tuvaluan Handicraft Industry*; (iii) *The Existing Problems of the Tuvaluan Handicraft Industry*; and (iv) *The Financially Beneficial Way Forward for Tuvalu* were generated generically from the responses provided by the first two interviewees and then helped the formulation of the key interview questions for the rest of the participants;
2. The current state of the Tuvaluan handicraft industry (in fact, for this first phase, in Funafuti) revolves around five (5) major areas: *artisans selling their crafts at the air terminal for people leaving the country, TNCW displaying and selling their handicrafts at their new office (but currently at a critically minimal level), creations of artifacts only for events such as "Trade Fairs" and/or "Tau Maketi", creations of handicrafts for governments needed gifts for their guests, and lastly for individuals and groups of people (both in-country and abroad) who directly approached artisans to manufacture handicrafts for them*;
3. Local artisans seeking assistance from the government, other financial institutions, and elsewhere were unable to obtain it. As a result, they are at a disadvantage and must "sweat" for their own long-term survival, which is difficult in this local environment;
4. In addition to the lack of support, local artisans faced challenges such as *putting their artifacts in a place where they could be sold; their inability to cope with other local commitments such as responsibilities to their own families and contributions to their various local communities such as the provision of "telee 'mafa"; their artifacts being stacked in their homes due to the lack of guarantee that someone would purchase it on the spot; and, in the Funafuti case, the restrictions imposed on the artisans' ability to obtain materials from the land for their handicrafts*;
5. *Section 4 The Financially Beneficial Way Forward for Tuvalu* under the topic, *The Findings – In Sections*, addresses the issues that drags the enhancement and strong

advancement of the handicraft industry in Tuvalu. The interviewees recommend the following propositions:

- i. Start building a physical market;
- ii. When the market is established, provide adequate support for it;
- iii. In additions to financial and resource support for the market, appropriate trainings should be encouraged to its management staff members;
- iv. In terms of building a strong foundation to the growing population, focus on the education system;
- v. Running of national and/or respective island events that promotes the marketing of local handicrafts;
- vi. Utilizing Electronic Commerce Strategy and other Similar Technologies.

The above outline, particularly bullet point 5, lays out the recommended strategy implied by the participants' responses to the study's questions, which, if implemented, could aid in the Tuvalu Handicraft Industry's forward positive movement as well as its enhancement and strengthening.

Annex 1 – List of Interviewees

Tuvalu National Council of Women (TNCW)

1. Lilian Falealuga Tine – Acting Coordinator
2. Falealili Feagai – Council Member from Nanumea
3. Vasa Tuisiga – Council Member from Vaitupu
4. Elisa Kaitu – Council Member from Funafuti
5. Luifou Kokea – retired TNCW staff formerly positioned as the Handicraft Officer

Tuvalu National Private Sector Organisation (TNPSO)

1. Tilou Kofe – Chief Executive Officer

Tuvalu Association of Non-Governmental Organisations (TANGO)

1. Alisa Peneueta Taukave – President/Chairperson

Funafuti Lagoon Hotel (FLH)

1. Tagaloa Peiauni – General Manager