RESEARCH REPORT:

The Role of Cultural and Creative Industries in Regenerating Urban and Rural Space and Economies in South Africa.

A CASE STUDY APPROACH

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1. INTRODUCTION

Creativity, knowledge and innovation have become increasingly important factors in driving regional economic, social and cultural development (Selada et al., 2011). Both in academic literature and in several national and international policy documents, creativity is considered to predominantly be an urban phenomenon due to the fact that human, economic and institutional resources are generally concentrated in cities. The attraction and retention of talent, particularly Florida’s (2002) creative class, to small urban centres and rural areas can, however, be a solution to their economic revitalisation.

It should be noted that in South Africa there is a lack of standardisation regarding what constitutes the concept of ‘rural’ and ‘urban’ (Collinson et al., 2007). For the purpose of this report, the B1 to B4 classification system of local municipalities developed by the Palmer Development Group and adopted by the National Treasury in 2011 will be used (see Atkinson, 2014 for a discussion of this system).

The following report seeks to answer the following questions: What role do cultural and creative industries (CCIs) play in regenerating rural and urban space economies in South Africa? Can creativity and other aspects of the creative and cultural industries become driving forces in the development of urban centres or even rural areas?

The research approach is based on a case study methodology centred on the analysis of four South African examples of creative urban and rural environments. These include two urban settings: Port Elizabeth (Eastern Cape) and Cape Town (Western Cape) as well as two located in a rural setting: Hamburg and Nieu-Bethesda (both in the Eastern Cape). Several dimensions of analysis were then defined based on the existing theory, and then used to assess the respective case studies with the aim of identifying key lessons learnt.

The report begins by presenting a literature review of the theoretical underpinning of CCIs. This includes aspects such as the definitions of CCIs, cultural spillovers, networks and clusters. This review is intended to aid in the contextualisation of CCIs in rural and urban regeneration. Following from this is a description and comparison of the case studies based on the pre-defined analysis methodology. Finally, some conclusions are outlined emphasising the critical success factors in using CCIs to regenerate rural and urban space economies.

This investigation represents part of the on-going research conducted by the South African Cultural Observatory with the support of the National Department of Arts and Culture.
2. LITERATURE REVIEW

2.1 Understanding and Defining the CCIs

The Cultural and Creative Industries (CCIs) have become an increasingly popular sector at an international level due to the industries connectivity with new technologies. This view is strengthened by the United Nations Conference on Trade and Development’s (UNCTAD) position that CCIs can serve as an important source of innovation as well as a means of addressing the current global economic slowdown (UNCTAD, 2010). Other research (De- Miguel-Molina et al., 2012) has also shown that CCIs can play an important role in contributing to national wealth.

The innovative capacity of CCIs develops itself at a firm, network and cluster level, combining manufacturing, tourism services, and non-profit activities, as well as using information and communication technology (Lazzeretti and Capone, 2015). CCIs are also considered as a means of promoting a transition to a new model of sustainable economic development that is based on a green and smart economy (Lazzeretti and Capone, 2015). In addition to this CCIs are acknowledged as a crucial element in culturally-led local economic development (Sacco and Serge, 2009), the growth of employment (Power, 2011) and the support of innovations and the creation of new firms (Bakhshi, et al., 2009).

Despite this acknowledgment of the CCIs’ importance, there is still extensive debate on which activities have sufficient connection to the CCIs to be classified as such. Current research into the creative industries has reduced the number of sectors taken into consideration, placing increased focus on those industries that have a high degree of creative intensity (Lazzeretti & Capone, 2015). Other contributions have widened CCIs to include those activities relating to crafts (Bertacchini & Borrione, 2013), tourism (e.g. Richard, 2011; Salman, 2010), events, or the experience economy (Power, 2009; Cooke, 2013; Lorentzen, 2013) and digitisation of cultural assets (De Laurentis, 2006). Notable efforts, however, have been made by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to develop a formalised framework to define and measure CCIs.

In terms of cultural industries, UNESCO defines these as those industries that produce and distribute cultural goods or services ‘which, at the time they are considered as a specific attribute, use or purpose, embody or convey cultural expressions, irrespective of the commercial value they may have’ (UNESCO, 2005). Based on this definition, it is evident that some aspects of the cultural industries are intangible.

Since CCIs are based on ideas rather than physical capital, the creative economy spans a range of economic, political, social, cultural and technology issues and is at the intersection of the business, technology and the arts. This makes the industry unique in that, unlike conventional sectors that rely on finite resources, CCIs rely on an unlimited resource, human creativity. Development and growth strategies for CCIs therefore focus on harnessing the development potential of individuals and firms rather on optimising limited resources. (van der Pol, 2008).
An important aspect of the cultural industries, however, is that they are “central in promoting and maintaining cultural diversity and in ensuring democratic access to culture” (UNCTAD, 2011). This two-fold nature – combining the cultural and the economic – gives the cultural industries a distinctive profile.

In terms of the formal classification of CCIs set out by UNESCO’s Framework for Cultural Statistics (FCS) which is used for this report, cultural and creative industries are divided into a set of cultural domains. Cultural domains are defined by UNESCO (2009) as: “those industries that can be formally defined using existing international classifications.” Included in the measurement of a domain would include those social and informal activities that occur under the domains heading (UNESCO, 2009). An example of this would be the inclusion of attendance figures at an opera as well as the production (and associated costs) of the opera into the overall opera statistics. From the aforementioned example it is evident that domains have both an economic activity representation (i.e. the production of the opera as a cultural service) as well as a social representation (i.e. attending the opera as a cultural activity).

In order to measure the magnitude of a particular cultural domain it is therefore necessary to define which categories should be assigned to it. UNESCO (2009) indicates that in order to achieve this, the cultural domain’s sectoral breadth needs to be identified. This process entails grouping cultural activities, goods and services into a fixed set of domains (see Figure 1). The FCS identifies six sectoral domains namely:

- Cultural and Natural Heritage
- Performance and Celebration
- Visual Arts and Crafts
- Books and Press
- Audio-visual and Interactive Media
- Design and Creative Services

UNESCO (2009) also identifies Intangible Cultural Heritage as a Transversal Domain, which is linked to and manifests across all six of the sectoral domains. This Intangible Cultural heritage is defined by UNESCO (2003) as “practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage” As per UNESCO (2009) this includes:

- Oral traditions and expressions, including language as a vehicle of the intangible cultural heritage;
- Performing arts;
- Social practices, rituals and festive events;
- Knowledge and practices concerning nature and the universe; and
- Traditional craftsmanship.
Figure 1: Framework for Cultural Statistics Domains

A further three Transversal Domains are specified in the UNESCO FSC namely: Education and Training; Archiving and Preserving; and Equipment and Supporting Materials. Given the importance that activities, goods and services in these domains have on the transmission of culture across Sectoral Domains it is necessary to measure them as part of the overall framework (UNESCO, 2009). The presence of Transversal Domains, however, presents a double counting risk. In order to avoid this risk, each cultural activity can only be classified once within the framework, even when certain activities cross more than one domain. An example of this double counting risk would be evident in the music industry where music can be performed both live as well as listened to in a recorded format. Music therefore can be classified under both the 'Performance and Celebration' domain as well under the 'Audio-visual' domain. As a means of addressing this risk the FCS classifies such anomalies based on their subject rather than on the form in which the cultural content is presented. (UNESCO, 2009).

The final component of UNESCO’s FCS are those domains that are classified as ‘Related’. These include a range of social and economic activities that have a partial relationship to culture, recreation or leisure (UNESCO, 2009). The two most prominent such Related Domains are: Tourism and Sports and Recreation.

The Tourism Related Domain is particularly instructive given its acknowledged strategic importance to the South Africa economy. Unlike other cultural domains, tourism cannot be easily classified given that it is primarily a demand-driven, consumer defined activity (UNESCO, 2009). Furthermore, tourism is generally closely associated with a range of other domains within the cultural sector, as these domains contain a variety of activities that are regularly undertaken by tourists (UNESCO, 2009). UNESCO’s FCS generally refers to the cultural dimensions of tourism such as those activities associated with cultural tourism, spiritual tourism and eco-tourism.
Despite the inclusion of cultural tourism in the FCS, there is no universally accepted definition of the concept. Steinberg (2001) proposed the following definition for cultural tourism: “customised excursions into other cultures and places to learn about their people, lifestyle, heritage and arts in an informed way that genuinely represents their values and historical context including the experiencing of the difference.” This definition has subsequently been adopted by the FCS. Almost all of the activities associated with cultural tourism fall within the Cultural and Natural Heritage; Performance and Celebration; Visual Arts and Crafts or Intangible Cultural Heritage Domains (UNESCO, 2009).

Beyond defining CCIs, Galloway and Dunlop (2007) observes that a critical examination of the creative industries is essential if policy is to be made on a rational basis. Cunningham (2001) also notes that it is important to theoretically distinguish between the “cultural industries” and “creative industries” from both a measurement perspective but also from a policy implementation perspective. Where no clear distinction is present, policy interventions run the risk of becoming too technical and insufficiently responsive to the unique needs of either the cultural elements or the creative aspects of CCIs.

A clear distinction between the two is also important as the cultural industry and the creative industry may have different policy focuses. For example, UNESCO (2013) views policy interventions in the cultural industry as taking a more traditional and rural form. China meanwhile views the cultural industry and its associated policy as a means of building national solidarity thus spanning both the rural and urban forms (Ye, 2008).

Galloway and Dunlop (2007) further observes that placing cultural activities within the creative industries framework risks “burying” the cultural policy objectives of governments as well as downplays the important public benefits provided by culture. Galloway and Dunlop (2007:28) go further stating that: “Public support for culture simply recognises that it provides public benefits that cannot be captured through markets, and the currently fashionable way of viewing the cultural sector as part of the wider creative economy simply subsumes it within an economic agenda to which it is ill-suited.”

2.2 Existing theory in terms of CCIs

Despite the broad nature of the cultural and creative industries as outlined in academic literature, and international policy several common themes have emerged. These themes include aspects such as cultural spillovers, networks, as well as what role CCIs play in both urban and rural development with specific reference to cultural clusters and districts. The following section seeks to briefly explore each of these selected areas in greater detail.

2.2.1 Cultural Spillovers

Although there is no formal definition of ‘spillover’ in the CCI context, the concept of spillover is based on cluster theory and economic geography as articulated by authors such as Jacob (1960) and Porter (1990). According to Tom Fleming Creative Consultancy (2015), the spillover effects of the CCI has
been positioned as a means of capturing and expressing the indirect economic and social impacts of the industry. Bakshi et al. (2013), indicates that: “In addition to contributing directly to regional innovation processes through the innovative activities in which [CCIs] engage, [CCIs] could also do so indirectly, by generating spillovers that benefit the wider economies of the places where they are located.” Holden (2015) suggests that: “The notation of spillover defines a cultural ‘expressive’ core that is then commercialised through the creative industries.” Holden (2015) goes on to indicate that: “... no such division should be drawn – creativity and expression flourish throughout the cultural economy and can be exploited for economic gain anywhere within it.”

Utilising these principles Tom Fleming Creative Consultancy (2015) defines spillover(s) as: “The process by which an activity in one area has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital. Spillovers can take place over varying time frames and can be intentional or unintentional, planned or unplanned, direct or indirect, negative as well as positive.” Tom Fleming Creative Consultancy (2015) subsequently considers cultural and creative spillovers as all those spillover effects that arise as a direct or indirect “consequence of investment by public or private stakeholders in the arts, culture and creative industries.”

As part of their research Tom Fleming Creative Consultancy (2015) identified three broad thematic categories for CCI spillovers building on the works of Bakshi et al. (2008) and Chapain et al. (2010). These three thematic types are knowledge, industry and network spillovers.

Knowledge spillovers
These CCI spillovers are those that relate to externalities associated with new ideas, innovations and processes development amongst artist, arts organisation and creative businesses. Included in this category are those spillovers associated with the transfer of skills and training. Within the knowledge spillover category there are a number of sub-categories relating to the role CCIs play in stimulating creating and encouraging potential, its role in changing attitudes in participation and openness toward the arts and cultural-led innovation. (Tom Fleming Creative Consultancy, 2015).

Industry spillovers
Industry spillovers refer to those externalities associated with CCIs that incur benefits across the entire value chain, for example increased productivity and competitiveness. These spillovers are primarily driven by large or dominant businesses, arts organisations or an artistic event with a specific region or cluster (Tom Fleming Creative Consultancy, 2015). This spillover also considers what role CCIs play in simulating entrepreneurship, the property market, and private and foreign investment (Tom Fleming Creative Consultancy, 2015).

Network spillovers
These spillovers are those that occur as a result of a high concentration arts and/or creative industries in a specific area or location. When these spillovers are observed, they are frequently associated with CCI clusters. This is due to the fact that clusters serve as an ideal means by which agglomeration advantages can be realised, particularly in an urban setting (Combes et al., 2012). Despite the positive impact that CCIs networks spillovers can have, they are frequently associated with certain negative
externalities most notably gentrification (Donaldson et al. 2012). Tom Fleming Creative Consultancy (2015) identified a number of sub-categories of network spillovers including: social cohesion and community integration, city-branding and place-making, and urban development and infrastructure.

As noted in Tom Fleming Creative Consultancy (2015) determining how the aforementioned spillovers interrelate is a complex process. In line with Holden’s (2015) model of an ‘ecology of culture’ these spillovers should be seen as flows that occur in multiple directions, involving a diverse range of partners and collaborators. These spillovers thus play an important role in seeking to quantify the broader impact and associated externalities of CCIs on the broader social and economic environment.

### 2.2.2 Cultural Clusters and Networks

Most authors investigating the creative industries at a local or regional level have used some form of cluster analysis approach, based on the theory that clustering plays an important role in CCIs (Comunian, 2012). For example, Scott (2005) and Storper (1989) have used the concept of cultural clusters to understand the development of the film industry in Hollywood. Similar cluster-based techniques have been used to analyse other creative industries such as design and advertising (Grabher, 2001), software and new media (Christopherson, 2004), and music (Gibson, 2005).

The link between the clustering of firms and CCIs is explained in a number of different ways: from supply chain relation and product innovations, to access to specific knowledge resources and labour markets (Comunian, 2012). As noted by Comunian (2012) these cluster benefits are not merely derived from CCI firms being located in the same area, but rather from the collaborative networks that are developed as a result of this clustering.

As observed by Jeffcutt (2004), this clustering and associated embedding of CCIs in the production eco-system, has necessitated a move towards a social network markets analysis approach, further driven by the fact that CCIs are no longer sector or industry bound. There has also been increased interest in the way that social and cultural elements of CCIs are interconnected with sites of exchange and consumption as well as the value of production systems and supply-chains (Comunian, 2012).

Although there has been limited research on the structure and organisation of these networks, a number of studies have drawn conclusions based on sector-specific case studies (see for example Scott (2005), Lazzeretti (2003) and Pollard (2004). In many cases these analyses have been interconnected with urban cultural infrastructure through concepts such as cultural precincts/quarters or cultural milieu (Comunian, 2012). Brown et al. (2000) proposes specifically focusing on the role of the ‘cultural quarter’, to determine how the physical linkages associated with clusters are dependent on social linkages.

Much of the prevailing literature on clusters and networks relates to the urban setting, with literature such as Florida (2002) and DCMS (2006) suggesting that the emergence of creative clusters is only viable in large cities and metropolis. Despite this a number of countries have begun to develop approaches that utilise CCIs to drive development in low density urban areas. This supported by Wood
and Taylor (2004) who observe that smaller towns and cities in rural areas have a role to play in cultural regeneration.

ESPON (2006) notes that the attraction and retention of the creative class (see Florida, 2002) in low density urban areas depends largely on the quality of life and the quality of the place. People, and the creative class in particular, are increasingly looking for alternative lifestyles to those prevalent in cities, placing significant importance on the wellbeing associated with sports, healthy food, preservation of the environment and sustainability, and to the sense of community and local identity that characterise low density urban areas (Selada et al., 2011).

The presence of a variety of amenities therefore becomes a differentiating factor of the places sought by the creative class, due to their original atmosphere (Selada et al. 2011). These amenities range from natural (e.g. picturesque countryside with topographical diversity) to historical and culture (e.g. castles, churches, including intangible heritage such as local legends) as well as symbolic (e.g. community spirit) and built (e.g. museums, art galleries, studios, events).

There is, however, a marked difference between the “urban creative class” and the “rural creative class”. Granahan and Wojan (2007) observe that rural areas tend to attract mostly talented young families, midlife career changers and active retired people. Selada et al. (2011) goes on to note that the talent that lives in rural areas in the United States tends to be of a higher age-scale and to be married with children compared to their urban counterparts.

Through their case study approach of cultural clusters in low-density urban areas Selada et al. (2011) determined that proximity to an important urban centre and good physical accessibilities were important for the success of CCIs in low-density urban areas. This proximity permitted the rural creative class to easily access the relevant services in urban centers, while at the same time maintain their social, cultural and personal networks in larger cities. As noted by Selada et al. (2011) the development of ICT, the emergence of virtual networks, and the increased mobility of individuals (particularly the creative class), reinforces this phenomenon despite the importance of face-to-face contacts and local connections.

In analysing strategies that promote the development of CCI clusters, Mommaas (2004) observed that these strategies represent the ‘next stage’ in the use of culture and the arts to regenerate urban resources. Mommaas (2004) further noted that, historically, once major cities had developed their festivals, major museums and theatre complexes, attention tended to move to the creation of a milieu for cultural production. Furthermore, Mommaas (2004) determined that while some cultural clustering strategies were limited to artistic-cultural activities, most of them incorporate many other leisure and entertainment elements such as bars, health and fitnesscomplexes.

As part of their research into CCI clusters and regional economic development Comunian (2012) indicated that much of the research relating to the dynamics of network interactions stemmed from economic geography. In particular, Comunian (2012) identified four key dynamics, common to the broader economic geography literature as it relates to networks namely:
1. Interaction between networks and labour markets;
2. Networks as marketing/branding opportunity (access to market);
3. Networks as social/support and professional development;
4. Networks as funding structure/opportunity.

**Networks and labour markets**

One of the traditional arguments put forward by economic geography when discussing industry clusters is labour pool dynamics (see Juhász et al., 2012). Grabher (2004), Baines (1999) and Dex et al, (2000) analyse labour pool dynamics in the context of the creative economy, focusing specifically on the dynamics of project-based work and freelancing in the knowledge economy.

As observed in the Comunian (2012) study of the cultural networks in the creative economy in Newcastle-Gateshead and the North East of England, it was noted that: “lots of work goes to people who already know, so it is all about networking, what you are willing to do for free, what you are willing to do for cheap, lots of favors, it is an insular community, so you have to work hard to get any work at all [sic].”

**Networks as access to markets**

Many artists and crafters rely on networks to build a market for their products as well as a marketing strategy in itself. In a number of creative sectors (e.g. Design, Visual art, music), artists come together to create a critical mass that will jointly facilitate and promote their work, while at the same time establish an image or brand for their products or services. (Comunian, 2012).

Comunian (2012) also notes that networking is critical in order for artists to obtain commissions and sales. Given that the cultural sector frequently requires a product to be designed or commissioned before being sold, it is critically important for an artist to develop trust towards his work and name before incurring the risk of developing a product.

**Network as social and business support infrastructure**

Since the creative industries are largely characterised by small businesses and sole traders, the need for creative practitioners to establish a platform to share ideas becomes critical. Alongside this personal support, however, business support and direction is frequently provided in an informal manner through this network by means of mentoring.

**Networks as funding structures**

Comunian (2010) observed that many public sector organisations and funding agencies are frequently closely linked to practitioners in cultural networks. Comunian (2012) goes further by stating that integrating such public sector organisations and funding agencies into existing cultural networks would serve as a highly effective tool to support and sustain CCIs.

**2.2.3 Creative cities/districts**

The increasing focus on CCIs as a vehicle for urban regeneration has been brought about by a gradual shift in the understanding of what objectives and tools should be used in urban regeneration policies.
The current focus is on those polices that place greater emphasis on process-related and soft issues of stakeholder engagement, partnership formation, leadership development, ‘institutional capacity’ development, knowledge and learning (Magalhães, 2004).

This shift in the understanding of urban regeneration processes has led to the increased focus of concepts such as creativity, social capital, city branding, city image and place marketing (Neto & Serrano, 2011). Place marketing, in particular, involves undertaking a range of activities that create, maintain, or change knowledge, attitudes and/or behaviour towards particular places (Kotler, 1982) in order to successfully compete for tourists, conferences, sporting events, entrepreneurs, investor, industries, company headquarters and global capital (Neto, 2007).

Florida (2002) argues that the changes in the sociology of cities have resulted in the emergence of a new creative and mobile social class which has great influence on the rural life of the city as well as its development and regeneration. This further strengthens the position that cultural industries have an important role to play in the process.

There are a number of contributions about the role that CCIs can play in urban regeneration processes. Throsby (2001) introduced the idea that culture should be seen as part of the wealth of nations and cities. In his view, ‘cultural capital’ should be added to physical, human and natural capital as a value-creating asset on which regions could draw.

Wu (2005) explored the emergence of and relevance of creative clusters in the urban environment focusing on the relationship between CCIs and universities in cities. Closely related to the idea of creative clusters are concepts such as entrepreneurial cities (Hall and Hubbard, 1998), creative cities (Landry, 2000) and intelligent cities (Komninos, 2002). Verwijnen (1999) observes that the creative city concept has drawn greater attention, that cities are moving away traditional forms of urban renewal and urban regeneration, and instead showing greater interest in creating districts that are imbued with a climate of creativity and innovation.

The utilisation of cultural districts as a means of urban regeneration and renewal has been particularly popular in Australia (Hobart, Adelaide, Perth) and the United States (e.g. Pittsburgh, Indianapolis) Stern and Seifert’s (2010) investigation of cultural districts in Philadelphia found that: “cultural clusters spur civic engagement; cultural participants tend to be involved in other community activities, and neighbourhoods with many cultural organizations also have concentrations of other social organizations.”

A number of case studies have also indicated that the inclusion of local artists, historical or symbolic resources, local skill sets, and even local business entrepreneurs and suppliers have a marked and positive impact on the success of cultural districts (Chapple, Jackson & Martin, 2011; Mommaas, 2004; Sacco & Tavano 2007; Pozini & Rossi, 2010). The inclusion of these elements have been shown to have lasting benefits on local capacity, cohesion and equitable distribution of economic gains.
Some researchers (see Kong, 2009; Jakob, 2011; Lin & Hsing, 2009) have found that cultural districts that have focused on attracting outside artists, cultural assets and investment have had detrimental impacts on local residents, artists, and small businesses with these districts tending to be less stable.

Locations that started as bottom-up, organic, or natural cultural districts, were found by Borrup (2014) to have evolved as forces such as city planners and and/or major institutional partners begin to take an active role in the development of districts. Borrup (2014) further observed that some situations allow artists and locally generated cultural activity to remain in place and contribute to life conditions for a community at large. At early stages of growth and/or under conditions where upward real estate pressures are not driving development, artists and local art activity can remain relatively stable and thrive. When market conditions begin to become the dominant driver of development (e.g. rising property prices), however, many artists and local cultural activity may need to seek other places to live, work, and operate (Borrup, 2014). This can lead to the gentrification of cultural districts and increased economic segregation.

2.2.4 Conclusion

The following chapter sought to explore a select number of the key themes relating to the cultural and creative industries. These themes included elements such as spillovers, networks, clusters, creative cities and cultural districts. In addition, these themes were explored in the context of what role they could play in promoting rural and urban regeneration.

The literature considered suggested that while many of the aforementioned themes had been extensively reviewed in an urban setting, including what role some of these themes play in urban regeneration, there was very little literature relating to CCIs in a rural environment.

Selada et al. (2011) indicated that rural areas exhibit an abundance of natural, historical, cultural, symbolic and build amenities that make them highly attractive destinations for Florida’s (2002) creative classes. There is, however, a marked difference in the demographic profile of the urban and rural creative classes, with the rural creative class tending to be older. Selada et al. (2011) also observe that the success of many rural CCI clusters is, in part, due to their proximity to larger urban centres. Advances in technology, according to Selada et al. (2011), will have a positive impact on rural areas, by making them more attractive to the creative classes.

2.3 Understanding Rural and Urban Regeneration

Before investigating how various countries have used CCIs to support rural and urban regeneration it is necessary develop a common understanding of the concepts and principles associated with urban and rural regeneration. The following section seeks to explore each of these concepts in turn.

2.3.1 Urban Regeneration

According to Mehdipour and Nia (2013), urban regeneration is a process that focuses on all the elements of an area and how these elements not only contribute to the creation of a more
environmentally friendly city, but how such elements can contribute to economic growth and social equity. Through holistically focusing on all the elements of a city, urban regeneration is able to create a more sustainable urban environment.

Couch (1990) suggests that: “Urban Regeneration moves beyond the aims, aspirations, and achievements of urban renewal, which is seen as a process of essentially physical change, urban development (or redevelopment), with its general mission and less well-defined purpose, and urban revitalization (or rehabilitation) which whilst suggests the need for action, fails to specify a precise method of approach.” The concept of urban regeneration according to Couch (1990) is therefore not limited to the action of renewing, but is rather seen as a comprehensive development process that, while considering the alteration of the physical urban environment, also considers the social and economic context of these alterations.

Lichfield (1992) suggests that the objective of urban regeneration is to better understand the processes of decline, and obtain agreement on what is trying to be achieved and how this can be accomplished. Donnison and Soto (1990) in contrast, see urban regeneration as a means for addressing a city’s problems in new, coordinated manner that targets those areas where the greatest problems are concentrated.

Roberts and Sykes (2000) see urban regeneration as: “comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change.”

The underlying purpose of urban regeneration according to Tashman Johnson LLC (2005) is to improve specific areas of a city that are either undeveloped or poorly developed. In many cases the areas targeted for urban regeneration lack basic infrastructure thus causing bad streets and bad areas. Urban regeneration can therefore be seen as changes to the physical city, where dysfunctional buildings, facilities and over time whole areas are altered because of economic and social changes (Steenkamp, 2005).

2.3.2 Rural Development/Regeneration

Rural development is a comparably new term and represents a complex phenomenon involving the interaction of a number of economic, social, political and cultural factors. According to Acharya (2008), rural development is a multidisciplinary process of development which seeks to transform society from a traditional to a modern nature. This is echoed by Archary (2011) who states that, in the South African context, rural development is: “a cross cutting mandate that requires significant coordination for maximum impact.”

Singh (1999) suggests that the term rural development focuses on improving the quality of life of all rural people. Rural development thus seeks to alleviate poverty, increase the utilisation of resources, promote the commercialisation of agriculture, ensure food security, create opportunities, develop
infrastructure and modernise the overall society (Acharya, 2008). These are pursued in order to address the pressing development challenges of rural areas.

As a means of addressing these complex challenges, the Comprehensive Rural Development Programme (CRDP) was launched by the South African government. The CRDP viewed rural development as a situation where rural communities are vibrant, sustainable and equitable and where there is food security for all (Rogerson, 2014). At the same time job creation should be deepened and economic livelihoods created (Swartz, 2011).

According to Archary (2011) the major challenges facing rural areas are considered to be the poor or lack of access to socio-economic infrastructure and services, public amenities and government services coupled with lack of access to water or lack of water sources for both household and agricultural development.

Acharya (2008) therefore believes that rural development should, at a minimum, be focused on the provision of physical and social infrastructure, livelihood opportunities, economic activities related to rural community, environmental vulnerability, demographic change, food security, house and land, social adjustment, empowerment and development of social capabilities and inclusion.

Rural development is thus a more inclusive approach to development that focuses on a range of development goals rather than merely creating incentives for agricultural or resource based businesses (Rowley et al., 1996). Rowley et al. (1996) further notes that aspects such as entrepreneurship, physical and social infrastructure play a critical role in promoting the development of rural areas.

Sony (2012) notes that, since individuals outside of rural areas frequently lack an understanding of the local setting, culture and language, rural development initiatives need to be driven by the local inhabitants following a bottom-up developmental approach. Rogerson (2002) suggests that such bottom-up, pro-poor approaches to development have provide to be successful when it comes to implementing Local Economic Development (LED) in South African rural areas.

2.4 International Best Practice: Supporting of CCIs (rural and urban)

Several efforts have been made recently to measure the quantitative importance of CCIs as a whole in different countries. The objectives of these assessments have been two-fold; firstly, they seek to quantify the size and scale of CCIs in the selected countries; and secondly to obtain best-practice models for the support and development of CCIs in the targeted country.

As highlighted, these best practice assessments and research have focused primarily on an urban setting, with cities being seen as the key vehicle for CCI development. Interventions that support CCIs in a city context, however, depend largely on the overall policy goals of the respective city. These goals, in turn, are shaped by the respective problems faced by the city as well as the inherent possibilities of the city in a CCIs context.
Haselbach et al. (2010) identifies four potential goals that cities could seek to pursue in their efforts to support CCIs. These goals are as follows:

- **The organisation and provision of space.** In many cities, suitable and affordable space is scarce making it difficult for the creative class and CCI businesses to find premises and spaces in which to produce and present their work.
- **Employment.** Where cities exhibit high levels of unemployment, they can explore the potential of using CCIs as a source of jobs either by means of self-employment or by means of regular employment.
- **To make the city more visible.** CCIs have the potential to raise the profile of the city. Where this is the stated aim, preference can be given to initiatives or firms that are visible and of some interest to the wider public.
- **The use of creative industries as pioneers in city development.** Some city districts (often older and run-down areas, former industrial sites and such like) require development, and CCIs are seen as key drivers in a deliberate attempt to gentrify.

It is important to note that, while Haselbach et al. (2010) identified these goals in an urban context, they can readily be transposed into a rural setting given that many of the aforementioned factors also characterise the rural landscape. Atterton & Ward (2007) suggest that in addition to the above goals, the support of CCIs in a rural context could also be used to address the decline in traditional rural industries such as farming, hunting and forestry.

The following section seeks to explore some of the strategies pursued by various countries when it comes to utilising CCIs to regenerate urban and rural economies.

### 2.4.1 Key Lessons Learnt – Urban

**The role CCIs in enhancing the attractiveness of cities**

In many cases, developing CCIs in an urban context requires supporting a broad approach to creativity and encouraging creativity in a range of different spheres of life. The term creativity has been seen as a key means of enhancing a city’s attractiveness and enabling successful solutions (Aňová & Miškovičová, 2014).

Given the broad nature of CCIs, they are inherently interdisciplinary involving a wide range of fields and activities. Supporting these different spheres is accordingly at the centre of the development of CCIs, with such interdisciplinarity offering a variety of possibilities for supporting innovative solutions for urban regeneration.

Haselbach et al. (2010) research highlights that Berlin effectively achieved this by combining IT solutions, marketing and creativity in an innovative way to create a 3D mirror world called Twinity which was used to promote the city. Close ties to local institutions and partly state-funded networks helped developers in Berlin to connect rapidly with local creative businesses and find partners to drive the project forward.
The Copernicus Science Centre in Warsaw was also an example of how CCIs were used to enhance the attractiveness of cities. A key factor of the successful implementation of this project was the vision and strong leadership exhibited by the various partners as well as the cooperation of these partners.

**Developing cultural districts using CCIs**

Cultural districts can be used to integrate a cities living environment, education, businesses and leisure activities. Haselbach et al. (2010) case study approach of developments in Barcelona (Spain), Stockholm (Sweden) and Helsinki (Finland) identified how cultural heritage and creative industries can link the local environment and the international economy while at the same time improving suburban areas and actively engaging entrepreneurs and inhabitants in urban policy.

In Barcelona, this cultural district approach was used to create an environment where different facilities (e.g. state-subsidised buildings, green space etc.) coexist and a scientific, technologic and cultural platform was created. Haselbach et al. (2010) noted that one of the key success of this project was the ability to create multidisciplinary networks.

The Cultural Infrastructure Kista (CIK) in Stockholm actively sought innovative ways to engage and use existing networks, structures and places to develop a cultural district. The following factors were identified by Haselbach et al. (2010) as being critical success factors for the CIK development:

- Creating a policy that benefited all actors and which was sustainable over the long term
- Engage with affected firms to ensure their commitment to the concept
- Ensuring that the various parts of the city administration cooperated while at the same time encouraging them to try new working methods
- Receiving sufficient initial funding to ensure the programme could be quickly established.

The development of the Arabianranta suburb of Helsinki as a cultural district aimed to construct an area where different groups of citizens could live together in a historical and creative atmosphere (KPR, n.d). Haselbach et al. (2010) noted that local planners felt that having works of art in the surrounding area as well as living in an area with a variety of art forms would increase the satisfaction and commitment of those citizens who are not artists themselves.

**CCIs as a means of urban regeneration**

Urban regeneration as noted by Landry et al. (1996) is unique as the places in which it occurs. Importantly, what is considered urban regeneration in one city can be viewed very differently in another city. Accordingly, urban regeneration can be highly place specific. Landry et al. (1996) also developed a typology of culture-led regeneration and used this typology to assess how cultural activities were used to facilitate urban regeneration in a number of cities.

In Boston, the Brickbottom Artists Co-operative was used as a vehicle to prevent the adverse impacts of urban gentrification, particularly high property prices forcing the creative class out of the area. The project benefited from a responsive mayor, who saw the potential for regenerating an area at no expense to the city, and who altered conventional planning regulations, so as to benefit the artist’s
co-operative and the town as a whole (Landry et al., 1996). By underwriting their scheme through the private property market, artists were able to ensure a stable future for themselves.

Newcastle-Gateshead development in the United Kingdom used cultural facilities as the central tool for urban regeneration, and redressing the areas deprived reputation (Van der Graaf, 2009). Van der Graaf (2009) observed that the Newcastle-Gateshead development showed that public art can be a valuable participatory tool for increasing the emotional ties of citizens to an area, provided that this art connects to their local identity. The public art therefore not only strengthened local identity, but also increased the attractiveness of the area for outside investors and visitors. According to Van der Graaf (2009) the culture-led approach of Newcastle-Gateshead was particularly successful, because the redevelopment was not underpinned by economic imperatives, but rather by a cultural demand for more and better facilities.

2.4.2 Key Lessons Learnt – Rural

Rural areas are often noted as providing an enhanced quality of life and being home to a region’s most unique and valuable cultural assets (NGA, 2005). These areas, however, generally face a number of economic development challenges including: geographic isolation from urban areas; inadequate infrastructure; poor linkages with urban areas and international markets; and the outward migration of skilled workers to urban areas (NGA, 2005).

NGA (2005) observes that the CCI economy can aid regions in diversifying rural economies, improving the quality of life, attracting visitors and investment, and addressing some of the challenges currently facing rural areas.

Many countries have implemented initiatives and programmes that are intended to harness the creative assets in rural areas in order to revitalise rural regions while at the same time improving these areas ability to compete in the new economy. The following section identifies key lessons learnt from a several international case studies focusing on the use of CCIs in a rural setting.

Creating a good dialogue between all CCI role-players

The Lancashire Witches 400 project in Melling (United Kingdom) focused on creating a unique cultural product to celebrate a particular event. Pickering (2013) identified several factors that contributed to the success of the project including: 1) clear communication through regular face-to-face meetings which helped to build trust amongst all participants; 2) collaboration but with clear curatorial direction and vision; while freedom was welcomed by artists it was acknowledged that too much freedom could lead to uncertainty, isolation and misunderstanding; 3) establishing clear time frames, deadlines and milestones with the acknowledgment that participants may be working on other projects and priorities and thus may have limited flexibility; 4) creating a clear identity and brand for the project.

Local CCIs taking ownership of the project

Dunphy (2009) investigation of the Garma Festival of Indigenous Culture, in Arnhem Land (Australia) showed how CCIs, in the form of indigenous knowledge, traditions and practices, could be used to promote rural development. Slater (2006) further notes that the festival: “help foster anticolonial
thinking: moving beyond assimilationist logic by conceptualising spaces of recognition and exchange that encourage the maintenance of difference.” The success of the festival has been attributed to a number of factors including: strong leadership; the fact that the event is ‘owned’ by indigenous people; the long-standing tradition of cross-cultural artistic experiences; and the use of talented local artists.

**Linking CCIs to other sectors in order to promote development**

In the town of Ranfurly in rural New Zealand it was observed how the local built environment particularly the town’s Art Deco buildings, was used in conjunction with new events and activities to attract visitors and tourists to the town (Dunphy, 2009). The upgrading of Ranfurly’s Art Deco buildings helped to revitalise this rural town’s economy through leveraging its cultural built environment, to attract greater number of tourists.

**2.4.3 Key Lessons Learnt – Cross Cutting**

The main focus of the international case study approach was to address the question of whether it was possible to identify preconditions for the successful use of CCIs to regenerate urban and rural economies. Furthermore, the assessment sought to identify what factors helped to contribute to the success of each of best practice examples. Based on this assessment a number of factors were identified that cut across both the rural and urban space economies. These include:

- A comprehensive and **detailed understanding of the CCI environment in the area** including the main activities, products and role players. Such an understanding helped to rapidly identify unique activities and products, which can serve as a catalyst for the revitalisation process.
- In most cases, particularly in the urban context, there was a **clear strategic outline** of how CCIs were to be used to facilitate regeneration and revitalisation. This took the form of a strategic document and/or a unique brand.
- **Visionary and innovative leadership** on the part of a single individual or group that was able to identify a unique CCI related activity and/or product that could be exploited.
- A **key committed driver** for the particular CCI development. In the urban context these drivers tended to be groups of people or institutions (e.g. universities, co-operatives) while in the rural context drivers tended to be individuals.
- The **involvement of a wide and diverse range of stakeholders** including both public (e.g. artists, NGOs etc.) and private representatives spanning a range of CCIs. These individuals should be actively and continuously engaged and involved throughout the revitalisation process. All engagements should happen in a transparent manner.
- The implementers of the revitalisation process should **pay close attention to all details of the project** through regular monitoring exercises.
- Successful uses of CCIs to revitalise urban and rural economies were generally dependant on the **availability of a wide range of natural and built amenities** for their success. Where such amenities are not present the revitalisation process should focus on **creating an environment where a range of different facilities are available** (e.g. state-subsidised buildings, green space etc.)
• **Receiving sufficient initial funding** to ensure the urban and rural revitalisation programmes can be rapidly established, reducing the time lay between identification and implementation.

• **Linking CCIs with other industries** including tourism, ICT and knowledge economy. The active involvement of the tourism industry proved to be particularly important for the success of CCIs in urban and rural revitalisation, with a close symbiotic relationship being exhibited.

### 2.5 Current South African Policy Environment of CCIs

The National Department of Arts and Culture (DAC) (2011) acknowledges that the arts, culture and heritage environment in South Africa has both a tangible and intangible value to the country. Accordingly, national government, together with civil society and the broader community has a responsibly to conserve and protect South Africa’s culture and heritage for both the current and future generations. In addition to protecting and conserving South Africa’s culture and heritage, the DAC (2011) observes that both the public and private sectors also have a reasonability to utilise the country’s cultural and heritage assets for social and economic development. These two aspects are integrally linked, with South Africa’s cultural and heritage assets being an import component of nation building and social cohesion, while at the same time being important factors in creating an environment of social stability and economic growth.

The DAC’s *Mzansi’s Golden Economy* strategy seeks to address these twin considerations, recognising that: “the arts, culture and heritage sector is innovative and creative and that the role of government is to create the enabling environment and support the sector to perform optimally.” The *Mzansi’s Golden Economy* strategy is intended to serve as a guiding document for CCI development in South Africa as well as complement other government programmes relating to social cohesion and the protection, development and presentation of South Africa’s heritage assets.

The DAC’s *Mzansi’s Golden Economy* strategy was informed by the 1996 White Paper on Arts, Culture and Heritage which set out to: “realise the full potential of arts, culture, science and technology in social and economic development, nurture creativity and innovation, and promote the diverse heritage of our nation (DACST, 1996).” Efforts have been made to update the 1996 White Paper. This resulted in the release of a revised White Paper by the DAC in 2013. The revised 2013 White Paper on Arts, Culture and Heritage, which has subsequently been withdrawn, noted that there was a sharp difference between rural and urban areas when it came to the provision of, and access to, arts, culture and heritage. One of the key thrusts of the White Paper was thus on using CCIs as a key vehicle for economic and social development, particularly in disadvantaged urban areas and undeveloped rural areas.

In the broader policy context, both the *Mzansi’s Golden Economy* strategy and the 1996 White Paper on Arts, Culture and Heritage are anchored in to the National Development Plan (NDP) which notes that CCIs can contribute substantially to small business development, job creation, as well as urban development and renewal (NPC, 2012). In a rural context, the NDP makes express mention of how CCIs specifically local craft can be used as a vehicle for rural economic development.
The NDP (NPC, 2012) further indicates that artistic endeavour and expression can foster values, facilitate healing and restore national pride. This feeds into the NDPs focus on social cohesion and how culture and heritage can be used to foster greater dialogue between South Africans. Both the government and society, however, have to take active steps in order to ensure that this occurs. For example, the government should fund arts and culture programmes that seek to promote South Africans’ knowledge and understanding of one another’s cultures.

The NDP also views cultural activities and art as playing an important role in facilitating the sharing of common spaces (NPC, 2012). In addition, art can foster values and facilitate dialogue and healing, thus restoring pride across all South Africa’s racial groupings. This can only occur if all South Africans support and encourages the production of stories that facilitate healing, nation building and dialogue, as well as tell the histories and stories of the country.

As one of the implementing arms of the NDP, the Department of Trade and Industry’s (dti) Industrial Policy Action Plan (IPAP) acts as a critical vehicle for achieving these outcomes. The 2014/15 to 2016/17 iteration of this document specifically identified CCIs as a key sector focus area for IPAP, identifying various interventions in the craft, music, mineral beneficiation (i.e. jewellery), clothing, textiles, footwear and leather industries. The most recent iteration of IPAP, covering the 2016/17 to 2018/19 period, however, no longer identifies CCIs as a key sector focus area (dti, 2016). Despite the removal of CCIs as a key focus area, the 2016/17 to 2018/19 IPAP still includes support programmes that target the clothing, textile industry.

In addition to these various policies and their associated programmes there are a number of different organisations that support CCIs in South Africa. These organisations provide a range of services that include funding (National Arts Council of South Africa), research (SA Cultural Observatory), training (Culture, Sport, Tourism and Hospitality Sector Training Authority; National Film and Video Foundation), networking (Business and Arts South Africa, BASA) etc.

As observed in the mandates of these organisations, there is a strong bias towards urban areas. This was highlighted by the National Arts Council (NAC) in an impact assessment of its various funded projects between 2006 and 2009. This assessment revealed that CCI funded projects in urban areas accounted for 87% of the total sample and R 30.8 million of the R 33.2 million total grant funding over the period (NAC, 2010).

Although many of these CCI support organisations observed the importance of supporting CCIs in non-urban areas, many either lacked the resources, or had experienced several difficulties when seeking to expand their services outside of major towns and cities (VANSA, 2015).
3. CASE STUDIES

Based on the insights provided in the literature review and the international case studies, the following chapter undertakes a case study assessment of two rural areas namely Hamburg and Nieu-Bethesda and two urban areas, Port Elizabeth and Cape Town (see Figure 2).

Figure 2: Locality of Selected Case Studies

The methodology used for this case study research can be broken down into the following phases: understating the theoretical underpinning, establishing a set of dimensions for the analysis of the case studies and drawing conclusions. Empirical evidence for the case studies was gathered through:

- A review of existing secondary research for each of the case studies obtained from various sources such as journals, books, academic databases and the internet.
- Direct observation of the respective towns and projects.
- The development of two structured surveys namely a Development Agency/Route Organiser/LTO survey questionnaire a CCI Business/Stakeholder questionnaire. The questionnaire looked at general questions as to the organisation and the impact that CCI have had in terms of spillovers.
- Field interviews for each of the four case studies. During these interviews the structured survey was administered. A list of interviewees can be found in the reference list.
Based on the theoretical insights obtained from the literature review into how CCIs can be used to regenerate urban and rural economies, several dimensions of analysis were identified for use in the case study namely:

- How CCIs contribute to regeneration, focusing on both their direct contribution as well as their spillovers.
- The role that partnership development and network creation contributes to the success of CCIs.
- What aspects have made the town’s CCI led development a success or failure.
- What problems do CCIs face in the area and how can sustainability be incorporated into CCIs.

This methodology supports the development of benchmarks by comparing the outcomes of the case studies with international best practices. In addition, the case study approach seeks to identify key lessons learnt, as well as, in a tentative manner, identify possible factors that help CCIs contribute to urban and rural regeneration.

In this context, it is important to underline the limitations of the present methodology regarding the limited number of case studies analysed and the lack of collection and interpretation of quantitative data.

3.1 DONKIN RESERVE AND ROUTE 67

3.1.1 History

Like many CBDs around the world, Port Elizabeth has experienced urban decay as businesses and residents migrate out of the city to outlying suburbs where there is a perception of greater security, less congestion and easier access. This exodus led to high building vacancy rates, absentee landlords, derelict buildings, increased crime levels, lack of building maintenance and increased levels of pollution and rubbish both in the CBD and the surrounding suburb of Central.

In the heart of this environment is the Donkin Reserve – a national heritage asset. The reserve itself comprises 4 hectares of open space, a lighthouse which was originally built in 1861, and a pyramid which serves as a memorial to the deceased wife of the late governor of the Cape, Sir Rufane Donkin. Upon his death, Sir Rufane Donkin bequeathed the urban space that comprised the Donkin Reserve, pyramid and lighthouse to the people of Port Elizabeth in perpetuity to be used for recreation.

This large public open space is also historically significant as it is adjacent to, or in close proximity to several important local buildings including the King Edward Hotel, Old Grey Institute, Grand Hotel, Port Elizabeth Opera House, the historic 1820 Settlers’ cottages in Donkin Street, Campanile and Port Elizabeth Main Library.

Despite the abundance of cultural and heritage assets, the Donkin Reserve had, up until 2011, remained largely undeveloped. Furthermore, the history of the reserve is strongly associated with
colonial heritage, and dominated by European settler symbolism. This created an environment that was viewed as inaccessible to the majority of the citizens of Port Elizabeth. Apart from its perceived exclusionary nature, the Donkin Reserve’s location in the heart of the Port Elizabeth’s CBD, subjected it to the adverse impacts associated with urban decay. In Grobler’s (2005) analysis of the Donkin Reserve it was noted that users of the reserve expressed no need or want to stay or spend time in the area as there was no “informal activity, entertainment, or reason to linger otherwise.” Grobler (2005) also noted that users seated on the reserve, had not specifically chosen the location due to the quality of the place. It was further noted that the site was “barren and featureless and does not provide variety for the users” (Grobler, 2005).

In addition, Voges (2013) stated that the Donkin Reserve was underutilised; has little sense of “being in South Africa”; lacked a focal point as well as access to public transport; was surrounded by buildings that were in poor condition; and was dangerous due to its lack of security. In summation, the Donkin Reserve failed to be a “great place” (Voges, 2013)

Figure 3: Donkin Reserve and surrounds

3.1.2 Upgrade of Donkin Reserve and development of Route67

In order to address these issues, the Mandela Bay Development Agency (MBDA) – a special purpose vehicle of the Nelson Mandela Bay Metro (NMBM) whose mandate is to drive development through catalytic infrastructure and capital projects that stimulate private sector (re)investment –
commissioned a plan in 2008 for the regeneration of the Donkin Reserve (MBDA, 2010). The plan required a conceptual as well as spatial framework that would: achieve a space that is used and “owned” by all the people of the Metro; provide cultural, heritage, social and economic benefits to the Metro, its people and its visitors; serve as a catalyst for transforming of the face of the city through creating a new heritage for all citizens; and contribute to the branding and Nelson Mandela Bay in national and international consciousness. Arts and culture (particularly the visual arts) and urban design were seen as the key agents for delivering, defining and storytelling within this place making project (MBDA, 2010).

Route 67, which linked closely with the upgrading of the Donkin Reserve, was developed as a journey that would “knit the inner city together”, linking heritage sties, open spaces, civic squares, entertainment and catering areas, and major cultural venues (MBDA, 2010). The Route 67 journey starts at the Campanile (see Figure 3), and enables people to walk from this attraction through Jetty Street into Vuyisile Mini Square, past the Port Elizabeth Main Library, up St. Mary’s Terrace and onto the Donkin Reserve. The route comprises 67 giant steps, 67 pieces of locally commissioned public art and 67 artists of which only five were established, commemorating the 67 years of Nelson Mandela’s political life (MBDA, 2010). Route 67 is also intended to celebrate the role of the international community, civil
society as well as governments in transforming the metro as well as all those who made sacrifices through the cultural and sporting boycotts. Sapere (2016) however, noted that, despite these stated objectives, the focus of Route 67 was on “activating the Donkin Reserve as a tourism space for the FIFA 2010 Soccer World Cup, and not initially about bringing people back into the area.”

The upgrade of the Donkin Reserve and the development of Route 67 was initially conceived of in three phases, with the project anticipated to be completed in time for the 2010 FIFA World Cup. Work of the project, however, only officially began in January 2010. Phases 1 and 2 of the upgrades of the Donkin Reserve ran concurrently and were completed in November 2010 with the final phase of the project being completed on the 9th of September 2011 at a total cost of R 58 million. The development of Route 67 and the various art works cost a further R 8 million (MBDA, 2013). These costs were covered primarily through the National Lottery Distribution Trust Fund (NLDTF), as well as additional funding provided by the MBDA. The project was officially handed over to the public on the 24th of September 2011 (Heritage Day).

Parallel to this process was the upgrading of the Athenaeum Building and Little Theatre in Belmont Terrace by the MBDA. The aim of this upgrade was to develop an arts and crafts precinct that attracted residents and tourists to it as well as to the surrounding areas. This upgrade was funded by means of a R 4 million grant from the NLDTF secured by the MBDA.

Following from the success of these projects the MBDA expanded its interventions in the area in 2012, focusing on Belmont Terrace/Bird Street. The precinct is considered by the MBDA as a main artery linking various arts, heritage and culture nodes, as well as a thriving legal services quarter (MBDA, 2015). The focus of the MBDA’s upgrade of the area included the rehabilitation of Trinder Square, a city park now used by a local soccer team and children, and the introduction of new infrastructure. The aim was to develop the area into a cultural neighbourhood and precinct that would harmonise with Route 67.

The MBDA (2015) cite this investment and the area’s growing cultural focus, as the motivation for the Nelson Mandela Metropolitan University (NMMU) to retain its Bird Street Campus and make this campus the site for its School of Music, Art and Design (SoMAD). The United States of America’s Embassy has also established an American Corner, in the area which acts as a cultural node for sharing information about the country with locals (MBDA, 2015). This, and other developments around the area, strengthens the MBDA’s vision of the node as a hub for economic development that fosters heritage, cultural and creative capital to attract private investment.
These upgrades have collectively enabled the MBDA to achieve their core objectives in terms of infrastructure improvement, tourism product development, support of the creative industries and job creation (MBDA, 2015).

3.1.3 Stakeholders and partnership development

Sapere (2016) indicated that the Donkin Reserve upgrades, the establishment of Route 67 and the other urban regeneration projects undertaken by the MBDA were “led by people”. Voges (2013) further notes that the MBDA’s approach to urban regeneration is bottom-up and that, central to its actions, are the needs and requirements of people in the area – residents, investors, businesses and visitors.

Levels of scepticism and negativity in the community were, however, high and proved to be significant hurdles for most of the MBDA’s urban renewal projects including the Donkin Reserve and Route 67 (Oranje and Voges, 2014). As is the case with many urban renewal projects, the list of important stakeholders involved in taking a project to completion is very long. Such a lengthy stakeholder list adds significantly to the risk profile of a project, given that the lack of trust or confidence by only one of these stakeholders could completely derail the development process (Oranje and Voges, 2014).

As the basis for its urban regeneration plans and actions, the MBDA tried to include channels for listening to people and receiving their feedback so as to establish what was most important to them and what they wanted for the area. In order to achieve this the MBDA used an “ideas forum concept”, setting up a special body, the “Development Forum” (Voges, 2013). This forum, with its open, “idea-generating nature”, made all stakeholders including politicians, officials, business owners, workers, community members and young people, feel part of urban regeneration through the public participation processes (Voges, 2013). Oranje and Voges (2014), note that despite this ‘forum and ideas factory model’ taking a longer time to reach a decision, the cost of a longer planning timeframe is much less than that of the projects failing, or even starting, due to public opposition.

Accordingly, Sapere (2016) noted that the MBDA followed a highly consultative process in all its urban regeneration projects, seeking to involve as large and diverse a group of stakeholders as possible. Sapere (2016) notes that this “forum and ideas factory model” was used extensively in both the Donkin Reserve and Route 67 projects, as the aim of both projects was to transform the space and ensure ownership by the broader community, rather than by a select few.

Sapere (2016) stated that, in addition to the MBDA traditional engagements with residents and businesses in the area, the Donkin Reserve and Route 67 projects also involved several non-traditional MBDA stakeholders including: NMMU, private art galleries, the National Arts Festival, Nelson Mandela Metropolitan Art Museum, National Lottery, BASA, local schools and the Nelson Mandela Foundation. The scale and magnitude of these stakeholder’s involvement in the Donkin Reserve and Route 67 projects varied considerably. For example, the MBDA was required to obtain permission from the Nelson Mandela Bay Foundation to use Nelson Mandela’s image and his name for the route. In the end the MBDA reached an agreement with the Foundation not to directly use the name of Nelson
Mandela but rather to incorporate his 67 years of political service into the journey. The MBDA was then given the rights to make use of Nelson Mandela's image on the Donkin Reserve within one of the pieces of art namely The Voting Line (Sapere, 2016).

The National Arts Festival's (NAF) involvement, in comparison, was more direct. This involvement entailed the use of Athenaeum Building and Little Theatre to host several performances during the 2014 festival. Thus parallel events were held in Port Elizabeth during 2014 whilst the festival took place in Grahamstown which were marketed as part of the festival programme. In addition, several of the galleries in the Belmont Terrace/Bird Street precinct, such as Art EC and the Nelson Mandela Metropolitan Art Gallery, hosted NAF exhibits. Sapere (2016) notes, despite this partnership only occurring once, the MBDA's views its relationship with the NAF is important, and one that the agency is actively seeking to develop and grow.

3.1.4 Impact of Donkin Reserve Upgrade and Route 67

As a means of assessing what impact that the Donkin Reserve and Route 67 projects have had on urban regeneration in Port Elizabeth, the three spillovers identified in Tom Fleming’s Creative Consultancy (2015) namely Knowledge, Industry and Network, are used. The following section explores each of these spillovers in turn.

Knowledge spillovers
One of the main focus areas of the Route 67 development was on promoting multi-sectoral skills development and building knowledge and understanding about the arts (Sapere, 2016). Through the innovative use of Route 67, the Donkin Reserve and the Athenaeum the MBDA was able to implement a number of programmes that encouraged knowledge spillovers including:

**Visual Arts Programme**
The initial aim of this programme was to facilitate opportunities for 40 unemployed visual artists and crafters, who had previously been trained by the MBDA or participated in the implementation of Route 67. The project further aimed to demonstrate the job creation potential of the visual arts as reflected in the DAC Mzansi Golden Economy policy as well as the transformative power that visual artists could bring to urban renewal projects (MBDA, 2015). The final programme comprised three components, all of which are based in the Athenaeum namely:

- **The beaded collective**: A group of 31 beaders who had previously produced 67 quotes from Nelson Mandela, one of the 67 pieces of public art included in Route 67. The intention was to develop tourism products in the form of beaded quotes which can be sold to tourists. While still operational, only 12 of the initial group still remained in 2016.
- **The felters**: A group of six women who were trained in felting skills in order to develop unique hand-made items out of felt. The felt items showcase the local wool industry, a major export out of Port Elizabeth, and develop unique niche market products for sale domestically or internationally. This group, as of 2016 continues to operate.
- **The visual artists**: Nine visual artists produced works which were exhibited and sold from the MBDA precincts. These included five mural artists, two glass artists, a portrait artist working...
with charcoal and a sculptor working with scrap metal. Although no longer all based in the Athenaeum, these visual artists were still all operating in 2016.

*Conversations with the Queen*

“Conversations with the Queen” was a temporary conversation piece, created by a sculpture collective of students and lecturers from NMMU. The pieces represent the full-body likeness of 12 apartheid activists, including Nelson Mandela, Raymond Mhlaba and Govan Mbeki, “in conversation” with a colonial statue of the British Queen Victoria in front of the main library in Port Elizabeth. The intention is to move these pieces to Vuyisile Mini Square in front of the Port Elizabeth City Hall in order elicit public comment and participation on what public art pieces for the square should be. The casting of the final artworks was done in 2014/2015 by 10 artists collaborating together in a workshop, as opposed to being commissioned individually, in order to promote collective empowerment (MBDA, 2015).

*Promoting Graffiti Art*

Given the urban nature of the MBDA’s work, graffiti artwork – and its ability to stimulate social commentary while also beautifying inner city spaces – is seen as a natural fit for the MBDA’s urban regeneration activities. The aim behind this ongoing graffiti intervention project is to: “disrupt stereotypes about what essentially is a professional skill and under-acknowledged art form, with the potential for communication, community education and also aesthetic upliftment” (MBDA, 2015). This initiative was coupled with workshops for local graffiti artists, and included the opportunity to create works on degraded buildings in order to transform them into works of art.

*Capacity Building and Facilitation*

Trinity Session, a specialist arts development firm, was appointed by the MBDA to assist in providing project management services during the development of Route 67. In addition to this, Trinity Session was tasked with assisting the MBDA in building capacity amongst local artists. Trinity Session was also activity involved in the MBDA roll-out of the Route 67 project to various schools in the area. This programme included: bringing local school children to visit the Donkin Reserve and Route 67, workshops and learning sessions in which school children were taught about the importance of art, what it meant to be an artist, and the potential for choosing art as a career. Sapere (2016) estimates in excess of 5000 school children from over 7 schools in the Port Elizabeth area have benefited from this programme.

*Other Programmes*

Sapere (2016) indicated that a number of smaller programmes were also conducted as part of the Donkin Reserve, Route 67 and Athenaeum developments. These included: the creation of a cellphone ‘app’ to be used by visitors to the Donkin Reserve and Route 67 to learn more about the area and the various art works where users scan a barcode to unlock information on each art work; the creation of a book detailing the stories and works of 200 artists in the Port Elizabeth area; and a range of skills development and training programmes for local artists.
Industry Spillovers

In an effort to quantify the impact that the MBDA’s various urban regeneration projects have had on the local economy, the agency commissioned a multi-year, impact assessment report. This report sought to quantify both the quantitative and qualitative aspects of the upgrades. Table 1 indicates the direct, indirect and induced impact of the MBDA’s investment in the Donkin Reserve on production (i.e. new business sales), employment and GDP.

### Table 1: Economic impact of capital expenditure on Donkin Reserve during 2011 (in millions, R)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect</th>
<th>Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>R 37.9</td>
<td>R 30.7</td>
<td>R 22.0</td>
<td>R 90.6</td>
</tr>
<tr>
<td><strong>GDP</strong></td>
<td>R 11.3</td>
<td>R 10.7</td>
<td>R 8.3</td>
<td>R 30.3</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>139</td>
<td>76</td>
<td>56</td>
<td>271</td>
</tr>
</tbody>
</table>

Source: MBDA, 2012

These new business sales, job opportunities and increases in GDP all arose from the direct, indirect and induced effects of the upgrades of the Donkin Reserve. In addition, MBDA (2016) indicated that in 2011, the year in which the Donkin Reserve upgrades were completed, 53% of businesses surveyed in Central made improvements to their properties, compared to only 27% in 2015. Of these 53% of businesses that made improvements in 2011, 10% indicated that they were as a direct result of the MBDA’s investments in the area. The comparable figure for 2015 increased to 20% (MBDA, 2016). Voges (2013) notes that this private sector investment can therefore, at least in part, be attributed to the public sector investment undertaken by the MBDA.

A number of other major private sector driven upgrades have occurred either during or following the development of the Donkin Reserve and Route 67. These include upgrades to the: Kind Edward Hotel, Grand Hotel, Belmont Terrace, Port Elizabeth St Georges Club, NMMU 2nd Avenue Campus, Donkin Cottages and the Donkin Village. These private sector driven upgrades have also had a positive impact on the regeneration of the area.

In addition to these private sector investment, Sapere (2016) states that Route 67 has, not only revitalised the Donkin Reserve and the suburb of Central, but also helped to create a major tourism product for Port Elizabeth. The 60-metre-tall flag pole, in particular, has become iconic, and is featured extensively in television coverage of Port Elizabeth and in graphical representations of the city.

Network Spillovers

Despite the Donkin Reserve and Route 67 still being comparably new developments Sapere (2016) notes that there is early evidence of a more established CCI cluster beginning to form. Since the upgrades, new art galleries have opened; the Athenaeum has been “activated”; artists have begun establishing themselves in the area; the Port Elizabeth Opera House and High Court have been, or are in the process of being, upgraded; and there has been an increase of locals and tourists visiting the Donkin (Sapere, 2016). Positively, the adverse externalities frequently associated with CCI clusters,

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\(^1\) Note that employment is not reflected in millions.
such as gentrification, have not manifested. Sapere (2016) was also of the opinion that Route 67 has had a positive impact on city-branding and place-making.

In terms of Tom Fleming Creative Consultancy (2015) social cohesion and community integration network spillovers sub-categories, the MBDA’s multi-year research report is instructive. This report asked respondents in Central a range of questions relating to Route 67 including: whether or not they were aware of the route, if they felt it had a positive impact on the area; whether it showcased the city’s diverse heritage; and whether they would now live, work or visit the area following the establishment of the route. Table 2 illustrates the outcomes for businesses and residents located in Central, while Table 3 illustrates the outcomes for residents living outside of Central.

**Table 2: Perceptions of Route 67 amongst businesses and residents in Central**

<table>
<thead>
<tr>
<th>Survey Question</th>
<th>Year of Survey</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of Route 67</td>
<td></td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>I agree that Route 67 had a positive impact on the area</td>
<td></td>
<td>74%</td>
<td>81%</td>
</tr>
<tr>
<td>I agree that Route 67 showcases Port Elizabeth’s diverse heritage</td>
<td></td>
<td>49%</td>
<td>57%</td>
</tr>
<tr>
<td>As a result of Route 67 I would:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live in the area</td>
<td></td>
<td>83%</td>
<td>66%</td>
</tr>
<tr>
<td>Work in the area</td>
<td></td>
<td>90%</td>
<td>78%</td>
</tr>
<tr>
<td>Visit the area</td>
<td></td>
<td>81%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Source: MBDA, 2016

Table 2 and 3 show a marked difference in the perceptions of Route 67 between individuals staying in Central versus those who live outside of the area. Fewer business and residential respondents in 2015 felt that Route 67 had a positive impact on the area, suggesting that the project has only had a limited impact on addressing the core challenges faced by Central (MBDA, 2016).

**Table 3: Perceptions of Route 67 amongst residents living outside of Central**

<table>
<thead>
<tr>
<th>Survey Question</th>
<th>Year of Survey</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of Route 67</td>
<td></td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>I agree that Route 67 had a positive impact on the area</td>
<td></td>
<td>75%</td>
<td>84%</td>
</tr>
<tr>
<td>I agree that Route 67 showcases Port Elizabeth’s diverse heritage</td>
<td></td>
<td>80%</td>
<td>86%</td>
</tr>
<tr>
<td>As a result of Route 67 I would:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live in the area</td>
<td></td>
<td>3%</td>
<td>27%</td>
</tr>
<tr>
<td>Work in the area</td>
<td></td>
<td>20%</td>
<td>71%</td>
</tr>
<tr>
<td>Visit the area</td>
<td></td>
<td>88%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: MBDA, 2016

Despite Sapere (2016) and Voges (2013) assertion that people living outside of the area are now more willing to live and work in Central and the Donkin Reserve as a result of Route 67, Table 3 suggests a different scenario. While, the 33% of respondents who were aware of Route 67 indicated that it had a positive impact on the area (84%), showcased Port Elizabeth’s diverse heritage (86%), would
encourage them to live (27%), work (71%) or visit the area (84%), the overwhelming majority of respondents living outside of Central (67%) were still unaware of the existence of Route 67.

3.1.5 Challenges

One of the issues raised by both Sapere (2016) as well as Oranje and Voges (2014) relates to how the mandate of the MBDA impacts the Donkin Reserve and Route 67 projects. In terms of its mandate, the MBDA is tasked with driving development through catalytic infrastructure and capital projects. Once these projects are completed, they are handed over to the responsible authority, in most cases the NMBM. This authority is then responsible for the ongoing maintenance of the respective project. In many cases, the MBDA has experienced situations where the responsible authority has insufficient funds to meet the ongoing maintenance requirements of the project. This in turn, leads to a deterioration in the provided infrastructure, with the MBDA unable to intervene due to its mandate.

This is linked to the observation by Sapere (2016) that several activities undertaken by stakeholders in the broader redevelopment of the Donkin Reserve and surrounding area occurred “in silos”. Despite the MBDA establishing an engagement model, and pursuing a highly participatory approach during the development phase of the two projects, this tool has not been effectively utilised by other public and private sector partners. Subsequently, new developments have occurred in the area that do not effectively complement the MBDA's cultural precinct vision.

Sapere (2016) also noted that there was a very conservative view of heritage management. Initially this somewhat inhibited the creative flexibility required for the development of the Donkin Reserve and Route 67. Through active lobby on the part of the MBDA, and the inclusion of various heritage authorities at all stages of the respective projects, the MBDA was able to galvanise decision makers around a shared concept for the Donkin Reserve.

As observed by Pickering (2013), while freedom is critical to the creative process of artists, too much freedom tends to lead to uncertainty, misunderstanding and a failure to meet time frames, deadline and project milestones. Sapere (2016) indicated that a similar situation occurred during the development of Route 67, that definitive timeframes were a major challenge for many artists.

Sapere (2016) stated that the funding and reporting framework that the MBDA works under can be very prescriptive and leave little room for overrun on timeframes. This was also likely to become an increasing issue when incorporating CCIs into development projects as a new reporting and monitoring framework is set to be introduced.

3.1.6 Lessons Learnt

A number of factors contributed to the success of the redevelopment of the Donkin Reserve and the establishment of Route 67. These include:
Focused planning, targeting place-making

One of the key success factors of the Donkin Reserve and Route 67 was ensuring that, from the onset, these projects were tied into both the development objectives and planning system of the NMBM. This permitted construction on the projects to begin immediately. The development of a detailed plan for the Donkin Reserve and the surrounding area also served as an integral tool for subsequent interventions in the area.

The focus on the Donkin Reserve as a specific node, before moving on to other projects in the area, also provided an opportunity to develop, implement and test potential urban renewal models, which could then be amended and/or replicated in other models. Oranje and Voges (2014) suggested that attending to all decaying areas in Central at the onset, would likely have led to a lack of focus and a failure to achieve positive development outcomes for the affected area.

Stakeholder driven process anchored in relationship building

The Donkin Reserve upgrade and Route 67 development was an integrated project involving a diverse range of stakeholders. Sapere (201) identified that, when building both relationships and capacity amongst stakeholders, the MBDA invested in people and that it was imperative to not invest in a single person but rather a group of individuals. The MBDA’s Development Forum proved to be a highly effective model to, not only address this matter, but also as a means of bringing these diverse stakeholders together in a mutually beneficial and collaborative way.

In order to widen inclusivity and deepen capacity of this forum, members were drawn from a range of interest groups and areas of expertise, including engineering, market assessment, quantity surveying, architecture, urban design, finance and property development, and included the NMBM Housing and Land Directorate. This was particularly beneficial for the NMBM Housing and Land Directorate which subsequently had access to a range of local expertise, not ordinarily available to the organisation.

Initially, this forum exhibited a low level of trust between participants, particularly municipal planners and developers. This was mainly due to developers being of the view that the NMBM’s response to development and zoning applications was slow, coupled with the failure of NMBM planners to either appreciate, or understand, the entrepreneurial spirit of developers (Voges, 2013).

As part of the relationship building process, one of the key factors was ensuring both political stability as well as buy-in. This proved to be a particular challenge for the MBDA when implementing the Donkin Reserve and Route 67 projects, as urban decay was not seen as a priority issue. Likewise, administrative personnel changes in the NMBM, required ongoing engagement to ensure municipal buy-in for the projects was retained.

CCI, urban regeneration and tourism synergies

The Donkin Reserve and Route 67 helped to highlight the synergies between CCIs, urban regeneration and tourism. While the Donkin Reserve upgrade spurred other private sector driven regeneration efforts (e.g. Donkin Village), Route 67 helped to create a unique tourist asset that made use of CCIs. This asset, in turn, attracted tourists and visitors to the area, spurring further urban regeneration
efforts. Subsequent CCI investment in the Central area by the MBDA (e.g. Bird Street) has helped to increase both investment and positive CCI related spillovers.

3.2 CAPE TOWN, WESTERN CAPE

3.2.1 Background

The City of Cape Town (CoCT)\(^2\) is the second largest municipal economy in the country, home to 3.7 million people and is widely regarded as one of South Africa’s most creative cities. It is home to a number of well-known artists and designers. The city is one of contrasts, a city of both extreme poverty and extreme wealth. Over a third of all Cape Town households live below the poverty line (35%) of less than R 3 500 per month. Though Cape Town is the second-most-important contributor to the national employment, its youth unemployment rate is high at 50%; as a result, there is a notable demand for youth employment opportunities in the city (EPIC, 2016; StatsSA, 2011).

Figure 7: Cape Town City Centre Locality and Facilities

Cape Town is a city that stills exhibits spatial segregation in its urban form that was instituted under Apartheid. A city that must balance the modern such as the demand highly skilled labour, developing

\(^2\) The City of Cape refers to the Metropolitan Municipality encompassing areas such as Somerset West etc. When reference is made to City of Cape Town this refers to the municipal administration or the metropolitan area. When referring to Cape Town this refers to the city itself.
world class facilities and land for commercial development against social needs of its residents for affordable housing located within the city, employment opportunities, basic services and rebuilding communities separated by Apartheid. Cape Town is a city that through the 2014 World Design Capital (WDC) positioned itself as one the international capitals of design.

The province and city’s role in design is notable, with the Western Cape Department of Economic Development and Tourism (DEDT) (2012) indicating that between 56 000 and 80 000 people were employed in design-related careers, such as graphic, industrial, systems, interactive, fashion, jewellery, furniture, textile and product design, as well as in architecture, urban planning, civil engineering and transport planning in the province. In addition, the Cape Town is becoming the top hiring hub for the Tech industry where 50% of the start-up jobs in the country are advertised in the city (CoCT, 2015).

In 2012 the Western Cape design sector was estimated to have contributed R 13.4 billion to national GDP (CoCT, 2013). Figure 7 provides a spatial context to Cape Town and identified some of the main CCIs sites in the CBD mentioned in this report.

**Figure 8: Cape Town’s CCI Sub-Sectors**

The Cape Town creative economy is associated with a high level of diversification, with the share of CCIs quite evenly shared across sectors. The creative economy of Cape Town was categorised into 20 sub-sectors by the WDC Bid organisers (Wesgro, 2013). Figure 8 depicts the percentage composition...
of businesses in the various sub-sectors comprising the creative economy in the City of Cape Town. The main share of contributions to the city’s economy are: design, film, visual arts, fashion, music and architecture (Wesgro, 2013).

The City of Cape Town adopted the Arts, Culture and Creative Industries Policy (ACCIP) in December 2014. The ACCIP (2014), involved a participation process which took a year and involved internal CoCT departments as well as external stakeholders. The policy was unique in South Africa as it was the first municipality to develop a policy to guide the development of the creative industries. The ACCIP’s problem statement identified the following challenges for the creative industries in Cape Town:

1) The city was affected by huge social, economic and spatial challenges
2) Lack of exposure of Cape Town as an urban or cultural destination with the more emphasis being placed on the city as a leisure destination
3) The cultural industry:
   a. Products required improvement to meet market standards
   b. Marketing was seasonal
   c. Cape Town's story was unclear
4) Cape Town’s Creative Industry:
   a. Had poor access to bandwidth;
   b. Legislation both local and countrywide regulating the usage of public space for artistic expression obstructed creativity and market access;
   c. Had limited funding incentives that support the growth of arts, culture and creative industries forms a perennial problem for developing the cultural ecosystem;
   d. Had restrictive by-laws and law enforcement practices;
   e. Lack of coordination between local and provincial government to remove these barriers.
5) There was a lack of relevant cultural spaces for the professional and social cultural practice of artistic endeavour for developing, showcasing and educational purposes are available to the public
6) The Creative Industries were viable but in general breakthrough was challenging for entrepreneurs
7) Cape Town’s numerous historically and culturally significant architecture, memorials and monuments require increased maintenance, with necessary funding allocation and supervision needed to ensure their continued existence
8) An appreciation of the historically and culturally significant aspects of Cape Town’s society would help them understand each other and so build social cohesion (CoCT, 2014a).

The City of Cape Town took a decision in 1999 to make use of SPVs to drive key sectors and industries as well development in the Cape Town CBD. The Cape Craft and Design Institute (CCDI) is an example of one of these SPVs. The mandate of the CCDI is: “to develop capable people and build responsible creative enterprises trading within local and international markets” (CCDI, 2016). In pursuit of this mandate the CCDI offers services in product, business and market support. Elk (2016) indicated that of all the programmes undertaken by the CCDI the most important was market access as that offered a platform for both emerging and established artists. Elk (2016) also indicated that interventions
needed to be market driven as this was the means by which to bring marginalised communities into the mainstream design economy.

3.2.2 The History of Development in Cape Town’s CBD

The spatial layout and the identity of Cape Town has been shaped by its colonial and apartheid history. The context of apartheid spatial planning and especially the Group Areas Act moved non-white communities from within the inner city out to strategically located areas, far from economic activity, transportation and the services of the city. Even before Apartheid, colonial regulations saw Black Africans in the city as temporary sojourners whose residence was not in the city but in distant homelands. This meant that areas for black residents were designated outside the city in under-serviced townships on the periphery and there were strict controls of movements into the city through the pass laws.

With Apartheid and National Party rule, the Group Areas Act brought a degree of efficiency to the racialisation of the urban fabric, bringing political doctrine into the homes of ordinary South Africans. One such example in Cape Town was District Six; a mixed, mainly coloured community resided in close proximity to the harbour, the CBD and Table Mountain. This community was impoverished and accounts describe the area as having poverty, overcrowding, crime and dilapidation. It was also a diverse community, with a strong cultural capital, deep social networks, located near businesses, employment and transport. The land was also of great value and thus the area was targeted by Apartheid planners who demarcated it a white area of Zonnebloem. Despite domestic and international opposition 55 000 people were relocated from District Six to the distant Cape Flats. “The geography of forced removals is marked partly by the splintering of society and the severing of bonds between individuals and their environment.” (Hart, 1988: 605). This large tract of open valuable land within the CBD has never been successfully redeveloped although the Cape University of Technology did take a large component of the land for a new campus. The Apartheid state “demonstrated its extraordinary ability to destroy and create urban landscapes at all geographical scales. In so remolding urban places, it has profoundly affected the identities and lifestyles of people in the targeted communities.” (Hart, 1988:625).

Another set of property trends were developing in the CBD in the early nineties as urban decay set in, namely the construction of the V&A waterfront and decentralised business areas attracting retail tenants away from the city centre. In addition, the city council had not undertaken a property valuation between 1979 and 2000 of the CBD buildings. Thus property rates were not aligned to market values of the time. Tenants moved away to decentralised business sites throughout Cape Town and the CBD was hit with urban flight (CTP, 2009a). After 1994 city budgets were reallocated to help bring services to impoverished areas of Cape Town this meant that the CBD lost much of its budget. The CBD became associated with litter, grime, homelessness, vacancies and crime. There was an increasing need for a public private partnership to help resource municipal services to the CBD.

In 1995, public and private stakeholders formed a partnership called the Cape Town CBD Business Caucus which aimed at finding ways to reclaim and regenerate the city’s CBD. The CBD Business Caucus wrote a proposal for the city council focused on reclaiming the CBD by improving: security,
cleaning and informal trading (CTP, 2009a). By 1999 a non-profit organisation was founded, by the City of Cape Town, the South African Property Owners Association and the Cape Town Regional Chamber of Commerce and Industry under the name of Cape Town Partnership (CTP). The Central City Improvement District (CCID) was established in 2000 by the Cape Town Partnership and CBD property owners. CCID provides complementary services to those offered by the City of Cape Town. The CCID mainly focuses on attracting private and public sector investment by addressing the impact of urban decay, capital flight and the crime in Cape Town’s CBD (CTP, 2009b).

CTP worked with the City of Cape Town, business leaders and other stakeholders on the Central City Development Strategy (CCDS) a 10-year development strategy for the CBD. The CCDS looked at restoring the historical connections of the City to the sea, the mountain and to water. The introduction of the MyCiTi bus network and the redevelopment of the Cape Town Station Precinct helped to provide space for future growth. The strategy looked at improved integration of key neighbourhoods such as District Six, Woodstock, the Foreshore and Culemborg and the division of the Central City into 20 neighbourhoods for development protocols, based on local characteristics that reinforced the distinctiveness of the Central City (CTP, 2009b).

The Cape Town Partnership indicated that the organisation’s focus has changed over the years of operation from 1999-2008. During this time the focus was on the city as an economic engine and on attracting and retaining business. This aim was achieved as commercial vacancy rates dropped and demand for property increased. From 2008-2012 the focus moved to the city as a sum of its people. Coinciding with the 2010 FIFA World Cup; more people centric interventions were undertaken this included partnerships with the City of Cape Town around public transport, public spaces and pedestrianisation. From 2013-2018 the focus moved to ‘people make places’, this was a new approach to the work of the Cape Town Partnership and was as a reaction to the criticism levelled against the organisation. The partnership was criticised for focusing too much on creating a world class city and neglecting that the majority of Capetonians who live still in Apartheid era poverty. At the same time, the impact of its interventions was leading to displacement and gentrification. A project that is discussed later in this case study that was the focus of a lot of the criticism of the CTP was The Fringe.

The Cape Town Partnership thus focused going forward on people centred place making and participation rather than destination marketing (CTP, 2016).

3.2.3 Cape Town as World Design Capital 2014 and The Fringe

In 2011, the City of Cape Town and the Cape Town Partnership’s bid to the International Council of Societies of Industrial Design (icsid) for the WDC 2014 was successful. The bid was not centred on Cape Town being an established design capital, rather to use design thinking as a tool for transformation. Design thinking was at the core of the lead up to and the implementation of the programme itself.

Design Thinking was defined as “a collaborative and user centric process through which challenges are identified and creatively addressed to deliver innovative and relevant solutions. With the responsibilities placed on a city administration, the core driver for embracing design-led thinking is the improvement of the quality of life of citizens, the ethos that underpins the World Design Capital programme.” (CoCT and WDC Cape Town, 2014: 2). The Cape Town WDC 2014 pooled the resources
of creatives, academics, architects and city planners and aimed to promote the role of cultural and creative industries as part of the economic strategy for the central city (ICISD, 2016; Allemeier, 2016).

The WDC 2014 event took place over a year, in and around Cape Town. The Cape Town Design NPC (CTD), a not-for-profit company (NPC) was established by the City of Cape Town to develop and implement the WDC 2014 programme and to meet the City’s obligations in terms of the Host City. Cape Town Design NPC was governed by a board of 14 members (WDC Cape Town, 2013).

Cape Town as WDC 2014 hosted 460 design projects under the six WDC clusters of: Lifestyle, Business Solutions, Sustainability Solutions, Connections that Unite, Education that Elevates, and Community Improvement (WDC, 2014). A key project within the WDC projects which was being considered prior to the bid under the name East City Design Initiative (Allemeier, 2016; CoCT and WDC Cape Town, 2014). The project garnered its name of the Fringe when it was included as a submission into the WDC Bid. “The ‘Fringe’ became the name used to refer to a partnership initiative that explores ways to stimulate economic growth, through design, in an area east of Cape Town’s city centre. Despite its proximity to the CBD, the area was relatively undeveloped – this ‘edge’ or ‘fringe’ relationship with the CBD gave the initiative its name, and provides fertile conditions for experimentation.” (CoCT and WDC Cape Town, 2014:1). According to CoCT (2014), The Fringe was the key mobiliser of Cape Town’s successful WDC bid.

The concept document refers to the east city as being the area east of Adderley street and between the Grand Parade and the Good Hope Centre which includes some important, but under-utilised cultural buildings including The Castle, City Hall, the Granary, the District Six Museum and the Cape Town Central Library (Creative Cape Town, 2010; CoCT and WDC Cape Town, 2014). This portion of the city centre also borders the historic but highly contested District Six.

The Western Cape had identified the creative sector as a priority growth sector. Based on a prior cultural mapping study the findings had found that 80% of Cape Town’s creative economy was located in the central city. This area had a high concentration of design-related businesses and entrepreneurial activity. The study identified that in the more underdeveloped east side of the city there was a cluster of business support agencies, catering to the creative industries in the area. Further this cluster was located in close proximity to a university with strong design and technology faculties (CTP, 2013).

The concept was to create a design precinct in Cape Town within the eastern part of the city. The initiative originally aimed to ‘Incubate’ CCIs, through facilitating incubators and shared spaces for young designers and creative businesses. It then aimed to ‘Enable’ thus to facilitate innovation through industry support and co-location of associated services. Lastly to ‘Showcase’ thus offer a platform for market access (CoCT and WDC Cape Town, 2014). There was an emphasis on creating co-working spaces for designers and creatives. The programme took on a destination marketing focus and over time the fringe became associated as a ‘design and innovation district’. The Fringe was supported by the provincial Government, City of Cape Town, Cape Peninsula University of Technology and Cape Craft and Design Institute, Cape Town Fashion Council, Cape Town Partnership, various sector bodies, enterprises and civil society bodies. The aggressive place making for the area and the defining of the group of associated organisations as a district started to cause alarm among existing...
businesses and especially the District Six community (Allemeier, 2016). “Concerns were raised that the initiative overlooked some of the existing communities in the area and needed to engage more broadly and inclusively.” (CoCT and WDC Cape Town, 2014:2).

With the heightened criticism of the project it was revised from a destination marketing project into refocusing on participation and people-centered interventions. The Cape Town partnership refers to having taken lessons from the experience. Their main lesson was that they needed to spend more time on participation and understanding contexts and history. That “places are not products to be packaged and promoted, they are fundamentally about people.” (CTP, 2013:3).

The Cape Town Partnership has built on their existing work in the area which includes Friends of Harrington Square design upgrades, installation of public art, a Neighbourhood Communication Project to develop meaningful connections between people, an Urban Ethnography Project to map social geographies of the people of the area and informal trade research (CPT, 2013).

3.2.4 Stakeholders and Partnership Development

Cape Town has made a number of successful partnerships to promote urban renewal. The support for Cape Town CCIs and development has been broad-based bringing provincial, local government, private sector, associations and interest groups together. Perhaps its greatest success of these partnerships have been in reversing the trend of property vacancies, disinvestment out of the CBD and problems associated with urban decay. This success was due to the use of partnerships between the City of Cape Town and private business, through the Cape Town Partnership and the Central City Improvement District. By bringing these groups together to tackle basic improvement issues this provided the catalyst for further interactions and support to other sectors including CCIs.

The east city was a more underdeveloped area of the CBD that offered affordable office and retail space. This attracted an initially small group of creatives to move into the area to work. The East City Design Initiative later referred to as The Fringe saw a number of design and creative entities come together to support a design hub or district developing. The design district concept initially had support from creatives, but as it increasingly attracted property development interest the concept started to raise opposition. This partnership can be argued to have been less successful when it ventured into place-making in the highly contested area adjoining District Six. The Cape Town Partnership itself acknowledged that it needed to take a more participatory and less aggressive approach to the area.

A partnership approach was at the centre of The WDC 2014; “International and local collaborations were forged between the public and private sector, using design as a unifying focus, which have laid the groundwork for many legacy projects to continue into the future.” (CCDI, 2015:1) Some of the partnerships that were created out of the event included the Dutch Government’s #cocreatesA initiative and African Centre for Cities; the Nordic trade delegation and Stellenbosch Innovation District/Shift Stellenbosch and a new association between Helsinki’s Aalto University and CPUT. The Groote Schuur Innovation Challenge, was another legacy project that involved academia, provincial government, multinational corporates and designers (CCDI, 2015).
3.2.5 Impact of World Design Capital Programme

The impacts of urban regeneration through the efforts of the City of Cape Town’s WDC programme, the Fringe and the Cape Town Partnership are discussed in terms of Tom Fleming’s Creative Consultancy (2015) Knowledge, Industry and Network spillovers.

Knowledge Spillovers
The design led thinking of the WDC focused on using design to improve the lives of people. Thus the approach that the programme looked at was not exclusively aimed at consumption and consumerist design objects. There were numerous projects that brought designers and planners together with the public to design solutions to their city (WDC, 2014). A criticism of the event however is that it perhaps did not attain as much impact as it might have because a number of the larger stakeholders were not included.

The WDC event increased visibility of Cape Town’s CCIs through national and international media coverage. A mobile app was launched which mapped Cape Town’s creative industries and was considered a great success as it connected everyone from animators to architects. According to Allemeier (2016), “the app drew a lot of global media attention and boosted the image of Cape Town as a design centre”.

The event tested new management structures as the means of organising an event, with a SPV in the form of a NPO being formed and housed within the municipality. This was instead of housing the event under one of the existing SPVs of the City of Cape Town.

The experience of the Fringe or the East City Design Initiative refocused the attentions of CCI support organisations and development agencies such as the Cape Town Partnership back to looking at people as the core asset of a city. The efforts place making and the resulting property development focus in the east city had the unintended consequences of either causing or potentially causing dislocation of established businesses and tenants. It was also felt to be rebranding an area that had strong association to the District Six name. “It has long been recognized that people are place and place is people. Interpersonal relationships play a central role in the making and meaning of place.” (Hart, 1988: 625).

Industry Spillovers
The event brought design and CCIs to the top of mind of the public and ensured that investment was directed to design projects, programmes and organisations. This had a resulting economic impact. The economic impact assessment of the WDC 2014 found that the event created R1.11 in gross geographic product (GGP) for every R1 spent, translating to a direct investment of R 25.2 million into the provincial economy. The collaboration between WDC 2014 and the crowd-funding platform Thundafund helped 37 projects to generate R 1.2 million, translating to an indirect impact of R 2.2 million on production and direct GGP impact of R 1.4 million. The #cocreateSA initiative, resulted in a R 10.5 million investment into Cape Town, translating to R 19.6 million in production and R13.1 million in GGP (CCDI, 2015).
For every R1 spent of the R 60 million WDC budget, R2.46 was generated in direct and indirect investment. This figure translated into a direct impact on production of R 59.2 million and an indirect impact of R 86.6 million (CCDI, 2015).

A negative trend that emerged post 2014, was that much of the funding that had supported these initiatives and programmes was redirected to other programmes, reducing the legacy of the event. It also points to the challenges CCI support programmes face in accessing and maintaining funding even for established entities (Elk, 2016).

**Network Spillovers**

Some residents complained that the Fringe posed a threat of wiping out the history of the remaining intact portions of District Six. Also debate arose from the fact that The Fringe had encroached further on to the land of District Six which the government promised to return to removed families. The development of The Fringe in east city raised concerns of displacement of existing poorer tenants and small established manufacturing businesses thus leading to gentrification of the area (Rawoot, 2014; CTP, 2013).

Gentrification is considered the transformation of a working-class or vacant area of the central city into middle-class residential and/or commercial use (Lees, Slater and Wyly 2008: xv). Gentrification has become an aspect of modern city renewal. Soho and the work of Zurkin are often referenced as regards gentrification. Old industrial buildings, apartments were ‘colonised’ by a new group of cultural industries immigrants. These artists, performers and creatives were attracted to the historic, industrial and affordable space. This created an environment associated with creativity. Middle class and professional ‘immigrants’ then moved into the area. This resulted in increased property prices. This in turn chased away the initial ‘creative colonisers’ who could not afford the suburb (Zukin, 1989; Bell and Jayne, 2004). The positives include restoring of heritage buildings, increased property rates and taxes and increased values of properties for land owners. Whilst the negatives include the displacement of existing communities to other low income areas and a loss of cultural capital. Often the areas that displaced tenants move to further from their place of work, facilities and transport. Further there are changes in the nature of the social fabric of an area as new groups of people move into an area ‘the outsiders’ and displace the existing residents (Centner, 2015). There is an opportunity to add value to previously undervalued property and this results in increased profits and returns. Demand side considerations include the growth of the double income family, service industry professional and the desire for a particular ‘lifestyle’. Reasons for gentrification include supply side elements such as the availability of inexpensive property, the opportunity to develop high end residential development and thus achieve high returns (Centner, 2015).

**3.2.6 Lessons learnt**

Although there is a concentration of CCIs in the Cape Town centre, the literature did not find a strong link between CCIs as the drivers of urban development. In fact, business and governmental partnerships focusing on property, crime and grime issues were the main players in the initial regeneration. Although subsequently policies and spatial planning have come into place to strengthen
and develop CCIs. These factors perhaps laid the foundation and the context for the growth of CCIs in the city.

**Approach to CCI support needs to be balanced**
The main challenge for South African CCIs is the small domestic market which can be accessed thus market access is one of the most important areas that development agencies and NGOs can assist designers with. Cape Town has attempted to create design districts that are similar to international design districts. Approaches to transformation considered a market-led and balanced approach, thus assisting marginalised CCIs to enter the mainstream has little effect if the industry is not competitive. Thus institutions such as the CCDI focus on a balancing capacitating crafters who are more on the margins of the industry as well as support programmes to established designers.

There is also a need to ensure that interventions for CCIs offer both infrastructure and programmatic support. The success of the CCDI is that it offers both a physical space for crafters to attend workshops and exhibited but it also offers programmes and experienced design and business specialists. These programmes have developed over years, so consistency is key. CCIs know that the CCDI is available to provide support on an ongoing basis. The development of a design district in the east city was also attempted to create shared creative spaces for CCIs.

**The use of partnerships**
Partnerships played a major role in the development and renewal including the WDC Cape Town 2014, the use of special purpose vehicles and partnerships to provided targeted interventions. The WDC event had a multiplier effect through its 440 projects being implemented. As a result, there was creation of employment, increased economic activity, development of the local areas and networks developed. The exposure that the event attracted assisted to galvanise the position of Cape Town in the CCI and created partnerships for future projects.

The WDC Cape Town identified the following as the key recommendations coming out of the event:

- “Build an innovation platform to make the City innovation-friendly, and to facilitate new ways of working with citizens in efforts to co-create the city’s future
- Develop and adopt a clear strategy on design, to support the design and innovation ecosystems in strengthening ties with business, academia and communities
- Adopt co-creation as a platform for citizen engagement, to optimise ward allocation budgets, develop citizen-centric services and build internal capacity
- Adopt service design in social service structures, to help alleviate endemic problems and improve service for citizens accessing services in, for example, the health sector
- Maintain the momentum of design thinking training to drive innovation and new outcomes into the public sector
- Communicate the importance of creating value and honouring excellent throughout the City, with a focus on recognition and reward.” (CCDI, 2015:1)

The success of the WDC was that concentrated public interest on CCIs as a relevant and important economic contributor, it catapulted design into the front of mind of the public. The drawbacks was that after the 2014 year, the substantial funding that CCI projects and organisation were receiving was
scaled back. Finding consistent funding even for established entities is a challenge to the organisation’s operations when entities have to motivate annually for their budgets.

The importance of participation
Creative industries were at the heart of the East City Design Initiative of Cape Town. Top down planning did not work when it influenced areas around District Six. Allemeier (2016) indicated that often CCI led development conversations around gentrification becomes polarised. That both the existing tenants and the new neighbourhood entrants are trying to make a living. Design districts offer opportunities for collaboration and sharing resources. Designers from marginalised background can also be provided platforms in these districts and better market access. Interventions around the introduction of co-working spaces in the area has been successful as it builds from the existing needs of affordability and networking and offers space to creatives to undertake their businesses.

After the initial wave of creatives needing low cost space for collaboration, there is the potential of a second or third wave of entrants into an area which can lead to some of the negative impacts of gentrification. Whereby the area gains profile with a certain lifestyle or bohemianism attached to it that attracts others to the area. These trends can have negative consequences on often less organised or less visible residents, businesses and users of the area. Thus this requires the city to be proactive and intervene in efforts to demarcate land for particular industries and uses. This can include offering schemes around affordable housing, rent control etc. The experience with East City Design Initiative pointed to the need for public participation and developing neighbourhood plans with people in mind, but also the need for mindful development influenced by broader spatial planning objectives.

The use of SPVs for CCI development
The City of Cape Town has made extensive use of Special Purpose Vehicles for the development of CCIs, these include the CCDI and the Fashion Council, not for profit companies within the municipality such as The WDC Cape Town and public private partnerships such as The Cape Town Partnership. These SPVs are in a response to the constraints which are placed on government operations, often quite rightly but which leaves them unable to be nimble in dealing with the business community. Many government departments and even units within the municipality act in silos, thus there is a lack of integration between business support departments and art and culture. These SPVs have been successful in clustering, developing partnerships and attracting funding and investment (Elk, 2016).

3.3 HAMBURG, EASTERN CAPE

3.3.1 History

The town of Hamburg and its neighbouring villages of Ntilini, Bodium and Bell are situated between Port Alfred and East London in the Eastern Cape at the mouth of the Keiskamma River, approximately 231 km from the main coastal route in the province – the R72 – which connects Port Elizabeth and East London. This rural town was once part of the former Ciskei and now falls under the Ngqushwa Local Municipality in the Amathole District Municipality (ADM).
Hamburg and the surrounding villages of Ntlini, Bodiam, and Bell have a total population of 2,971, and are characterised by a high level of dependency. According to Statistics South Africa (2011), these four settlements have a broad unemployment rate of 61%, with 45% of households across these settlements being classified as female-headed households. As a result of the high unemployment in Hamburg and the surrounding villages, most adults and especially men migrate to Peddie, East London or further afield to seek employment (StatsSA, 2011; Paton, 2013).

The main economic drivers in Hamburg are agriculture predominantly small scale agriculture which comprises of cattle herding, cropping as well as fishing. The town is also a popular coastal tourism destination, predominantly for domestic tourists visiting second homes. The tourism industry in Hamburg, however, is highly seasonal with visitors mainly visiting the town during summer holidays and weekends.

**Figure 9: Hamburg Town and facilities**

Hamburg, and the surrounding villages therefore exhibit a number of the factors that Wessels (2012) identifies as common to small rural towns including:

- Fragile local economies with high levels of unemployment
- Low levels of urban skills which frequently leads to competing parallel formal and informal economies with few integrating approaches
The role of cultural and creative industries in regenerating urban and rural space and economies in South Africa

- A larger percentage of low-income household’s dependent on social grants rather than on salaries and wages;
- A high level of “leakage” of purchasing power too larger centres, and therefore weak local economic multipliers
  - Ongoing out-migration of skilled, talented and innovative people
  - Failing schools and poor health service

In addition to these factors, Hamann et al. (2012) and Schmahmann (2013) note that Hamburg and its surrounding villages, like many rural areas in South Africa were adversely affected by the AIDS pandemic in the 1990s and 2000s. The impacts of this pandemic included the deaths of many young people in the community, orphans being left in the care of their grandparents and lower life expectancy – all of which placed increased pressure on an already weak economy (Hamann et al, 2012; Schmahmann, 2013).

McKibbin et al. (2012) notes that these factors were clear evidence for the need for economic stimulus that would lead to sustainable employment generation in Hamburg as well as the “synergistic development of the surrounding rural hinterlands.”

3.3.2 Interventions by the Keiskamma Trust

The Keiskamma Trust dates back to 2001 when Dr Carol Hofmeyer, at the time a new resident in Hamburg, started art workshops in the community, involving local unemployed women. Keal (2008) indicated that these workshops were started in response to the high levels of poverty that were evident in Hamburg, as well as being a means of generating an alternative source of income for a population that was increasingly becoming reliant on exploiting natural resources in the form of poaching abalone and the cutting down of indigenous forest. This was confirmed by Meslane (2016) who also identified the high levels of poverty in the area as prompting the beginning of the project.

The project subsequently developed into the Keiskamma Trust, a multi-faceted project focused on the social as well as the economic aspects of rural development, and which has embraced community consultation, involvement and leadership (Keal, 2008). As a means of achieving its mission of “promoting hope and providing support for the vulnerable while also addressing issues of poverty and health by means of holistic programmes and partnerships” the trust focuses on four main areas (Keiskamma Trust, 2016). These areas are outlined in Table 4.

Table 4: Keiskamma Trust Areas of Focus

<table>
<thead>
<tr>
<th>Programme</th>
<th>Components of programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art</td>
<td>• Commissions&lt;br&gt;• Art education and training&lt;br&gt;• Craft-income generation project and supplies Hamburg Keiskamma Craft Shop and the V&amp;A Watershed stall.&lt;br&gt;• Sponsored the formal education artists (ad-hoc)&lt;br&gt;• Beadwork, felting, embroidery and ceramics crafts</td>
</tr>
</tbody>
</table>
The Keiskamma Trust’s Art Programme, particularly its tapestries and other visual artworks, have been the most widely acclaimed interventions and have given the organisation significant national and international recognition. The trusts’ artworks depict themes of everyday experiences in Hamburg and the surrounding area, the effects of poverty, the impact of HIV/AIDS on families and communities, the social history of the region and the environment. Some of the trust’s most recognised pieces include:

- **Keiskamma Altarpiece**
- **Keiskamma Tapestry** illustrating the history of the Cape frontier region from the Stone Age San to the South African first democratic elections in 1994.
- **Keiskamma Guernica** which depicts the challenges faced by the Hamburg community in fighting the AIDS epidemic.
- **Botanical Tapestries** commissioned by the Kirstenbosch Botanical Gardens for its biennale.
- **Series South African Trees** commissioned for the Murray and Roberts head office in Bedfordview, Johannesburg.

Hofmeyer (2007) indicates that the decision to use art as a medium to develop the project was twofold. Firstly, as a trained fine artist she felt she would be able to pass on the necessary skills to the community. In addition, Hofmeyer (2007) stated that in her opinion, art is an effective means by which individuals can express themselves. Considering the tragic socio-economic problems being experienced in Hamburg, Hofmeyer (2007) felt that art could be used to assist the local community in understanding and dealing with everyday challenges as well as empower those individuals involved.
3.3.3 Interventions by ASPIRE

Acknowledging the challenges that face Hamburg, as well as many other smaller towns in the rest of the district, ADM established Aspire, a development agency whose mandate it was to “stimulate locality development, with the objective of regenerating small town economies” (Aspire, 2013a).

In order to meet its mandate, Aspire adopted a corridor management approach to development in Amathole. The Agency’s approach is focused on stimulating economic value-added potential along the four main transport corridors in the District; the N2, N6, R63 and R72 main roads, “the effects of which should manifest themselves in the regeneration of small towns” (Aspire, 2007). Aspire’s regional development strategy therefore comprises two elements namely; the ‘corridor approach to development’ and small town regeneration, both of which are symbiotically linked (McKibbin et al., 2012).

By targeting these spatially significant corridors Aspire hoped to build upon pre-existing development potential along these respective routes. The R72 corridor, which includes the town of Hamburg, was identified as important as it already had potential for tourism development due to its strong arts and crafts sector (McKibbin et al., 2012).

Figure 10: Hamburg Small Town Revitalisation Strategy

![Diagram showing the Hamburg Small Town Revitalisation Strategy]

Source: Aspire, 2013b
Aspire’s intervention into Hamburg was guided by the agency’s small town regeneration strategy for the town. This plan, which was developed prior to the intervention, sought to create: “A vibrant, artistic and natural coastal town, where people can enjoy a low-key, small-scale, ecological, and self-sufficient community – sufficient in jobs, food and quality of life” (Aspire, 2013b). This vision was based on five core regenerative elements as outlined in Aspire (2013b) namely:

1. **The quality of urban space and social infrastructure** – which points to the need to develop Hamburg as a place which is attractive, spatially functional and provides the necessary social infrastructure for its population.
2. **Accessibility and infrastructure** – highlighting the need to enhance the accessibility to sites (residential, business, social services, municipal administration, recreation, etc.), especially for pedestrians. This requires a focus on infrastructure upgrading and densification/consolidation of services and functions.
3. **The protection of natural resources** – which are a significant resource to the Hamburg lifestyle and economy, as well as its future positioning as an ecologically sustainable coastal town;
4. **Job creation** which focuses on tourism, the arts and agriculture; and
5. **Self-sufficiency**, which promotes the possibility of Hamburg becoming self-sufficient in terms of local jobs, food production and overall quality of life.

As a means of initiating this regeneration strategy, Aspire sought to develop a catalytic project – the Hamburg Artists’ Retreat, later renamed Emthonjeni Arts. This project was identified based on Hamburg’s perceived attractiveness to artists, the long-established arts initiative in the area (Keiskamma Trust) and the need to ‘think outside the box’ in terms of identifying a unique and significant catalytic project (McKibbin et al., 2012).

Emthonjeni Arts was built to be a reflective space where local and international, artists on their own or in groups, would come to withdraw from the world, whilst at the same time interacting with the Hamburg community (IDC, 2013). The design included a Craft, Dance and Digital Studio, a small lecture/performance theatre, a gallery and a restaurant (Aspire, 2013c).

The construction of Emthonjeni Arts started in 2009 with operations commencing in 2012. By the end of 2014, however, the facility had ceased operating. At the time Aspire (2015), indicated they were “currently in the process of negotiating the transfer of the project to the Amathole District Municipality, facilitating the procurement of tenants, and discussing the official launch with the District Municipality.” It is understood that guarantees for operational finance fell through, and thus the venture became unsustainable. McKibbin et al. (2012) quotes one community member in Hamburg who, in reference to Emthonjeni Arts prior to its development, said: “It’s a Hollywood-type of project. It’s where you find out whether you’ve got international artists that want to come and record in South Africa, but they don’t want to be in Johannesburg or Cape Town.”

To complement this catalytic project, and in line with the small town regeneration strategy, Aspire secured funding from National Treasury’s Neighbourhood Development Partnership Grant (NDPG) to upgrade the centre of Hamburg Town. The objective of this upgrade was aimed at creating a vibrant socially and economically functional CBD such that the local residents would benefit through better
access too civic, commercial, recreational and social services. Through the regeneration the town was anticipated to attract private and public investment at the same time reinforcing the local arts and tourism sector and its employment potential. Thus positioning Hamburg as an “arts town” (Aspire, 2015).

The funding obtained from the NDPG was used to construction three of the buildings envisioned in the initial concept including:

- Craft workshops (embroidery, printmaking and ceramics) and a gallery for the Keiskamma Trust
- A music academy for local children to receive music training
- An environmental and skills centre.

These buildings have experienced several challenges, and currently only the music academy is being fully utilised. The environmental and skills centre’s proposed tenant an environmental education NGO, never took occupation. Meslane (2016) suggests that this is likely due to a dispute over rental amounts. The craft workshop was constructed using specifications from Keiskamma Trust’s and the initial idea had been to hand over the building to the trust for their use (Meslane, 2016). Issues, however, arose over who owned the building and who should be responsible for transferring ownership. The result of this is that only a few rooms at the craft workshop are utilised for workshops and training, whilst the other rooms remain vacant. Aspire (2015) indicated that all three buildings were in the process of being handed over to the Ngqushwa Local Municipality.

3.3.4 Stakeholder and partnership development

Keal (2008) observed that partnerships were key to the success of the Keiskamma Trust’s social and economic interventions in Hamburg and the surrounding villages. The most significant of these partnerships has been with the community itself. This has been achieved through including community members on both the board of Trustees as well as in management positions within the Art Project (Meslane, 2016).

Establishing partnerships with community care givers, through the Keiskamma Trust health programme, have both strengthened the effectiveness of the intervention as well as ensured its ongoing sustainability. In addition to the involvement of community care givers in the health programme, the Keiskamma Trust also partnered with local government clinics who provided education, treatment support and health promotion services to patients in their homes. As noted, this programme now places greater focus on HIV/AIDS prevention awareness campaigns and food gardening (Schmahmann, 2014; SANGOnet, 2016). The effectiveness of the health programme has seen the Keiskamma Trust extend its influence beyond Hamburg, to the neighbouring villages of Bodiam and Bell through the creation of a satellite office. This spatial spread of services has allowed for greater acceptance in the wider community surrounding Hamburg.
Meslane (2016) notes that partnerships with both local and international artists have also been developed as part of the Keiskamma Trust’s Art Project. This network of artists has been involved in the provision of training and support to the beneficiaries of the Keiskamma Trust.

The existence of partners with international connections have also provided assistance to the trust through the marketing of art work. Keal (2008) indicates that these international donors have been of “vital importance to the ultimate success of the initiative.”

Prior to 2008, local government’s role in the Keiskamma Trust was negligible (Hofmeyer, 2007). Subsequently, active steps were taken by the Keiskamma Trust to involve local government in the Trusts’ activities. Hofmeyer (2008) indicated that the Trusts’ activities overlap with the mandate of local government in terms of the provision of health services and the promotion of local tourism, and that ensuring local governments involvement could contribute to the sustainable running of the project. Holmes (2008) noted that the inclusion of local government was based around these two aspects of the Keiskamma Trust’s activities, namely the Health Centre and the heritage project, focusing on developing tourism in the area.

In addition to the aforementioned partnerships, Meslane (2016) states that the Keiskamma Trust has been involved on an ad-hoc basis with several other stakeholders including:

- Mercedes Benz, Nedbank, Rupert Foundation, architects and designers through corporate and institutional commissions
- BASA through its awards programme
- The Music Eisteddfod which it once hosted in 2012 and now participates in annually
- NAF which the Keiskamma Trust music academy has attended severaltimes
- NAC who commissioned the Keiskamma Trust to train rural Eastern Cape arts and craft workers. The Trust also trained crafters in Botswana through the Kuru Project (Nkani, 2016).

Aspire’s involvement in the revitalisation of Hamburg was equally multifaceted. As part of the initial small town strategy development process, workshops were held with a number of different stakeholders in Hamburg including representatives from Aspire, Ngqushwa Local Municipality, Amathole District Municipality, DAC, local artists, community activities and the Keiskamma Trust (Eco Africa, 2011). Despite the success of these workshops in creating a strategy that had strong buy-in from participants these partnerships did not extend beyond the completion of the various projects initiated under the auspices of the strategy.

3.3.5 Impact of the Keiskamma trust and ASPIREinterventions

The three spillovers identified in Tom Fleming’s Creative Consultancy (2015) namely Knowledge, Industry and Network, were used as a means of assessing what impact that the Keiskamma Trust and Aspire initiated projects have had on rural regeneration in Hamburg.
Knowledge Spillovers
One of the principle focus areas of the Keiskamma Trust’s Art Project was to provide arts and craft training (i.e. beading, felt-making, embroideries, ceramics and printmaking) to the community of Hamburg and the surrounding villages. Beyond the training sessions held in Hamburg, the Keiskamma Trust also conducts similar training in the rest of South Africa, including Nieu-Bethesda, as well as internationally, using these sessions as an opportunity to share skills and inspiration. According to Meslane (2016) between 130 and 200 people from Hamburg and the surrounding villages benefited from this programme an annual basis. Some of the products produced by these artists are then sold through the craft shop in Hamburg. Alternatively, these crafters assist the Keiskamma Trust in meeting particular national and international commissions. This work, however, is on a piecemeal basis.

The Keiskamma Trust, has also assisted individual artists to establish themselves as artists in their own right. These artists have received formal, accredited art training and have now been engaged in management duties within the trust (Paton, 2013). This is not however, an ongoing project and occurs on an ad-hoc basis.

The Keiskamma Trust’s music academy, in addition to assisting four to five primary schools in the surrounding villages in developing a music curriculum, has toured both nationally and internationally. This has helped to create both awareness about the activities of the Keiskamma Trust, as well as generate the intangible value associated with music as described by DAC(2011).

The Vulindlela multi-purpose centre established through the Keiskamma Trust’s education programme also has a positive impact on the social environment of both Hamburg and the surrounding villages. This has been achieved through the centres provision of: “information technology training, career guidance, connection with further education, training and employment opportunities, academic support and numerous life-skills clubs and activities for high school learners, dropouts and recent school leavers (SANGONeT, 2016).”

Industry Spillovers
According to Nkani (2016) the Keiskamma Trust’s Art Project sources is raw materials in bulk from East London. The mohair used by the project is sourced from local farmers in the surrounding villages. Machine repairs for the Trust’s equipment are conducted by a firm based East London company. The Keiskamma Trust, however, is responsible for transporting the machines to East London as the need arises. This necessitates using local transport.

In an effort to quantify the social impact of Emthonjeni Arts on the economy of Hamburg as well as the projects sustainability, Aspire undertook a due diligence assessment of the project in 2014, prior to the centres final closure. This assessment (Aspire, 2014) found that Emthonjeni Arts directly and indirectly promotes the establishment and growth of local enterprise in Hamburg and the surrounding villages of Bodiam and Mazikhanye by:

- Purchasing goods such as fresh produce and services from the local community.
Creating a community garden at the centre, whose produce was purchased by the restaurant based at the centre. Excess produce not required by the restaurant was sold to the community at cost helping to promote food security.

Renting out vacant land owned by Emthonjeni Arts to the local community for use as grazing for livestock.

Procuring laundry services from a laundry cooperative based in Hamburg that employs four permanent and six temporary staff.

Providing home-stays to visiting artists. As part of this programme 25 households were identified in Hamburg, Bodiam and Mazikhanye to provide accommodation to visiting tourists and artists when Emthonjeni Arts does not have sufficient capacity. Emthonjeni Arts has targeted 20 female-headed and five youth-headed households for this programme.

Meslane (2016) further noted that, as a result of Emthonjeni Arts, several youth connected to the Keiskamma Trust established a catering business to support the local hospitality industry.

In addition to assessing these economic spillovers, the assessment also quantified the impact of the expenditure incurred in constructing and operating Emthonjeni Arts. The results of this assessment are presented in Table 5.

Table 5: Economic impact of capital and operational expenditure of Emthonjeni Arts in 2014 (in R millions, 2013 prices)³

<table>
<thead>
<tr>
<th></th>
<th>Capital Expenditure</th>
<th>Operational Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>R 95.8</td>
<td>R 4.7</td>
</tr>
<tr>
<td>GDP</td>
<td>R 28.9</td>
<td>R 3.1</td>
</tr>
<tr>
<td>Employment</td>
<td>198</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Aspire, 2014

Aspire (2014) observed that, while the project had positive economic benefits as reflected in Table 5, it was dependant on annual grant funding of R 2 million to meet its operational needs. From a financial sustainability perspective, Emthonjeni Arts was not anticipated generate a profit but rather too break-even. Over the long-term, as revenue from operations increased, Emthonjeni Arts was anticipated to become less dependent on grant funding (Aspire, 2014). The assessment further noted that: “Emthonjeni Arts can serve as a catalyst for future investment in rural economies [of Hamburg and surrounding villages] through the further expansion of its enterprise development programmes (Aspire, 2014).”

Network Spillovers

The social cohesion and community integration network spillovers sub-categories identified by Tom Fleming Creative Consultancy (2015) were evident in a number of the Keiskamma Trust’s programmes. One such programme is the orphans and vulnerable children (OVC) intervention. This programme caters for more than 530 children each day in several villages, offering after-school care and remedial education to the most vulnerable, as well as daily meals (Meslane, 2016; SANGONeT, 2016).

³ Note that employment is not reflected in millions.
Following on from the OVC programme, the Intlantsi Creative Development Programme, was implemented through the three OVC centres. This programme uses the arts and education work of the Trust to develop children’s individual abilities and self-esteem. It creates opportunities for young unemployed volunteers who are trained as facilitators of therapeutic arts activities such as dance, movement, visual art, music, drama, creative writing and puppetry; while building these activities into the centres existing programmes for the children (Meslane, 2016 and SANGONeT, 2016).

The Trust’s Health programme has also had positive network spillovers and continues to be one of the Keiskamma Trust’s anchor interventions. With the roll-out of the ARVs by the National Department of Health, the focus of the Keiskamma Health Programme has changed from the provision of ARVs, monitoring, home visits, and palliative care for AIDS patients to focusing on South African health priorities as outline in the National Department of Health’s Strategic Plan (2012 – 2016).

3.3.6 Challenges

Hofmeyer (2007) indicated that minimal planning went into the initial establishment of the Keiskamma Trust and that this lack of planning resulted in a number of difficulties needing to be overcome in the later stages of the project. The initial structuring of the project as a non-profit organisation without a clear structure, planning or detailed mission statement led to a degree of misunderstanding and jealously among those involved (Keal, 2008). The existence of this feeling of ‘jealously’ in the community was identified by Hofmeyer (2007) as a major inhibiting factor for the Keiskamma Trust, as members of the community became jealous of other community members in a better position than their own.

This necessitated that need for a more rigid organisational structure with clear roles and responsibilities. Hofmeyer (2008) also observed that as the Keiskamma Trust grew, and additional funding was required, a clearly structured organisation was required in order to make funding applications. The emergence of these issues can be attributed to the lack of initial planning and structure of the Keiskamma Trust.

The Keiskamma Trust has in time developed into a community centred project. The initial actions taken by Dr Hofmeyer were to only focus on those actions that the community was already taking. For example, Dr Hofmeyer initially tried to prosecute poachers and community members who destroyed the indigenous forest. With a greater understanding of the extent of poverty and disease in the area and how this was forcing communities into destructive actions, her interventions changed to focusing on art as an income generating and therapeutic activity to offset the communities’ previous activities. Thus activities were largely implemented in a top-down manner with little initial involvement from the local community. This shortcoming, however, was acknowledged early on in the project, and now the project works with its staff and the community to design appropriate interventions (Meslane, 2016).

The interventions by Aspire in Hamburg experienced a similar problem. Although the organisation consulted extensively at the inception of the project, involving a range of diverse stakeholders, this
consultative approach did not persist once the various interventions were completed. Furthermore, the absence of clear roles and responsibilities, as well as the failure to clearly defining who would be the final owners of the built assets, significantly reduced the effectiveness of the intervention. This was particularly true for the structures built in Hamburg’s CBD. These matters were in the process of being rectified in 2015, however, their adverse effects had already been felt.

The sustainability of the Keiskamma Trust’s various programmes as well as the Aspire’s projectswere also identified as a key challenge. The Keiskamma Trust Art Project was historically reliant on funding from various sources, however, its established nature now means that it is able to meet its operating needs. The other programmes run by the Keiskamma Trust are by nature focused on social upliftment, rather than directly on income generation. As such, there is a great deal of cross subsidisation of programmes (Meslane, 2016). In terms of Emthonjeni Arts, despite the sustainability risks were identified (see Aspire, 2014), institutional uncertainty, and a change in the strategic direction of Aspire inhibited the agency’s ability to address the matter in an urgent manner.

3.3.7 Lessons Learnt

A number of factors were evident in both Aspire’s and the Keiskamma Trust’s interventions into the revitalisation of Hamburg. These include:

Programmatic approach versus built infrastructure
The Keiskamma Trust interventions in Hamburg were programmatic in that they focused on how arts, crafts, education, skills and health programmes could be used to effectively develop and regenerate the town and its surrounding villages. These programmes were also organic in nature, in that they were based on clearly defined community needs and gradually developed overtime.

Aspire’s interventions, which focused on the provision of built cultural assets in Hamburg, despite being developed as part of a broader revitalisation strategy, were top-down interventions that failed to be fully grounded on the needs and dynamics of the area. For example, despite a business plan being developed for Emthonjeni Arts, no research was undertaken to test if there was sufficient demand for an artist retreat in the area.

Using networks to access markets and fund projects
As highlighted by Comunian (2012), networks are critical for artists when it comes to accessing markets. This is particularly true for the Keiskamma Trust, where Dr Hofmeyer has been able to access international art markets through her personal connections and time spent abroad (Keal, 2008). The international recognition garnered from this process has also allowed Dr Hofmeyer to attract international artists to the Keiskamma Trust to provide training programmes. Beyond Dr Hofmeyer’s role in utilising her personal networks, Keal (2008) notes that Dr Hofmeyer has acted as a ‘champion’ for the project, investing her own time and resources into the ongoing success of the project.

Insufficient focus on the sustainability of the interventions
In the implementation of Aspire’s projects and to a lesser extent the Keiskamma Trust projects, little emphasis has been placed on the sustainability of the interventions. Through the efforts of Dr
Hofmeyer, the Keiskamma Trust’s Art Project has become internationally recognised which has enabled it to subsidise its other social and economic upliftment programmes in Hamburg. These programmes have, in turn, had a positive impact on the broader community’s health and well-being. Aspire’s projects, however, have placed little emphasis on sustainability, and thus, despite having an initial positive impact on the regeneration of Hamburg, have not continued.

3.4 NIEU-BETHESDA, EASTERN CAPE

The town of Nieu-Bethesda is situated in the arid Karoo region within the Eastern Cape Province of South Africa. The town is 60km from Graaff-Reinet situated along the Gats River Valley and surrounded by the Sneeuberg Mountains. The town was established in 1875 as a mission station and attained municipal status in 1886 (Raper, Moller and Du Plessis, 2014). The town’s existence was justified based on it being on a main transportation route. After the 1930’s changes in transportation routes meant the town was bypassed and the town began to decline. This resulted in the architecture of the town being kept largely the same thus the Camdeboo Tourism Plan refers to “The time-warp nature of Nieu-Bethesda” (Camdeboo, 2009: 88). The town’s increasing prominence as a tourist destination was due to it being the home of outsider artist Helen Martins who expressed her vivid imagination and creativity through cement and glass sculpture. Her isolation and obsessive need to create has provided inspiration for other creatives to come to Nieu-Bethesda and be inspired by the town’s ‘sense of place’. In Martins’ work the East and Mecca is referenced frequently. This has become a well-used metaphor to describe the town, with Athol Fugard’s play ‘The Road to Mecca’ and the use of term ‘tourist mecca’ or ‘artists’ mecca’ in reference to the town. Ivine, Kepe, du Plessis and Hamunime, (2016) also ask the question ‘Whose mecca?’ as regards Nieu-Bethesda.

The town today falls under the Camdeboo Local Municipality and has a small population of 1,540 people according to Census 2011 and is classified as a rural node in terms of the settlement hierarchy (Camdeboo, 2006). Using the narrow definition of unemployment, that being those who have actively sought work in the four weeks prior to the survey, 25% of the town’s population is unemployed, however, levels of economic inactivity are much higher.

Nieu-Bethesda in 1970s South Africa when Helen Martins’ created her Owl House has changed greatly in some respects. There is now an established tourism and CCI economy in the town focusing on visual artists but there have also been connections created to writers. The town celebrates creative expression in its festivals, exhibitions and business enterprises. “It is hardly surprising that the so called outsider art of Helen Martins has stimulated the creativity of others” (Eve, 2003: 210). Yet there has been limited integration of the Pienaarsig residents into the economy (Ivine et al, 2016). This limited inclusion is of concern to the ultimate sustainability of the CCIs in the town.

Nieu-Bethesda has seen a revival of its economy based on the development of a post-productivist, CCI and tourism economy (Irvine et al, 2016). This was after its long decline as a productivist economy. “Post-productivism” refers to rural livelihoods which have moved away from traditional economic activities such as agriculture, towards consumption and services based economies such as tourism, leisure and lifestyle (Hoogendoorn and Nel, 2012; Wilson, 2001).
With the advent of Local Economic Development planning there has also been increased local government emphasis on creating diversified local economies that encourage business development. The role of tourism in development has been considered in a number of previous papers (Ivine et al, 2016; Hoogendoorn and Visser, 2010) but the role of the creative and cultural industries has not specifically been considered in the context of Nieu-Bethesda. Irvine et al considered Ingle’s (2010) assumption of the economic multipliers that the ‘Creative Class’ provides and the exclusion of the mainly coloured township of Pienaarsig. However, the role of CCIs explicitly in the rural regeneration has not been considered before in the literature around Nieu-Bethesda’s regeneration.

### 3.4.1 Economic Development Trends in the Karoo

The rural, arid Karoo region has been particularly affected by the decline in the productivist industries such as agriculture, rail transport and mining. The impact of globalisation and neo-liberal economic policy has seen restructuring of the agricultural sector. The rise of the corporation farmer and the consolidation of farms, has reduced the number of farming families in the rural hinterland, thus reducing the consumer base for regional service towns such as Nieu-Bethesda. The rise of the supermarket and specialisation in agro-processing has also reduced the level of manufacturing and value addition occurring in rural areas. The withdrawal of the extensive farming subsidies in the last twenty years has impacted on the agricultural economy and that along with farmers’ concerns around land tenure has seen a general decline in agricultural employment. Improved transport and road networks have replaced the function of minor regional centres and boosted that of cities and major...
The decline of rail transportation has left many small towns without a purpose (Hoogendoorn and Nel, 2012; Rogerson and Rogerson, 2010; Nel and Rogerson, 2007; Rogerson, 2011; Simon, 2003).

The amalgamation of town municipalities has given rise to large political areas of jurisdiction where local issues may be neglected. The Karoo is also on the periphery of four provinces (Atkinson, 2008). It has a small, dispersed population and thus lacks political importance compared to the more densely populated areas within these provinces (Crozier, 2012). Atkinson (2008) also identified that arid areas such as Nieu-Bethesda, are not identified as areas of potential and are, as such, not shortlisted for resources.

A trend that Ingle (2010) identifies as occurring over the last twenty years is that of counter-urbanisation of professionals, especially middle class, white South Africans. Spurred by the stress and strains of the city, these urban refugees move to small towns and the rural areas. Ingle debates how to define this creative class versus Florida’s definition based on occupation. Ingle uses education profile to classify this creative class. Irvine et al (2016) refers to the rural lifestyle having an appeal with the creative class leading to second home ownership and visitors traveling to the town. Ingle (2010) found that this new rural ‘creative class’ offers a form a social capital that has positive implications for economic development. Irvine et al (2016) argued that in Nieu-Bethesda the effects of the post-productivist economy had limited economic multipliers and limited involvement of Pienaarlig residents.

Visser and Kotse (2008) and Hoogendoorn (2009) talk of the post-productivist economy where the relation between space and identity has become a research focus. Irvine et al (2016) identifies that tourism based rural economic development in North America and Europe has offered successful examples of rural regeneration; but that the use of these case studies in the South African context is problematic. This is due to the legacy of apartheid which has created an unfair playing field and racial inequality. Thus the majority of black people are affected by poverty and thus post-productivism is likely to disproportionately negatively impact on black South Africans who make up the majority of agricultural labour. Secondly apartheid education systems meant lower education levels amongst the black population, which makes transitioning into other careers (Irvine et al, 2016) and perhaps especially serviced based industries difficult. Though Irvine was considering post-productivism as relating to tourism, the study did not consider if CCIs offer a better or worse alternative to the tourism industry for transitioning out of an agriculture based economy.

The ‘sense of place’ in Nieu-Bethesda is often referred to in the literature and when talking to local residents, as the village’s key attraction. These “local characteristics and assets such as physical, historical and cultural landscapes and environments are valued and given economic value” (Halseth and Meiklejohn, 2009).

The clustering of creatives in an area also creates an environment that attracts more creative persons. This can be seen in how The Owl House and Helen Martins’ life inspired a number of writers and playwrights to depict the Karoo. In 1978 writer Don Maclennan first published a short story ‘Road to Mecca’ of a character based on Martins (Eve, 2003). Athol Fugard one of South Africa’s most prolific
playwrights moved to the village in 1970. The town and Martins inspired his famous play of the same name years later in 1984. Other famous writers who have been associated with Nieu-Bethesda have included Sheila Fugard, Robert Berold, C.J. Driver and Brian Walker (Eve, 2003). On the visual arts side, well known artists who have been associated with the town include Charmaine Haines, Martin Haines, Frans Boekkooi, David Langley and Jeni Couzyn (Graham, 2016).

The impact of this CCI cluster in the Nieu-Bethesda can be seen in terms of second home and short stay tourism. Hoogendoorn and Visser (2010:560) identified the positive impacts of second homes in small towns including Nieu-Bethesda indicating that: “Second homes and the general activities surrounding the use of these properties have significant economic impact, and thus hold much potential in terms of capital inflows, enterprise development and employment creation for a range of different localities.”

Nieu-Bethesda’s contribution to the regional tourism economy is significant, with 25% of all accommodation establishments in the Camdeboo Local Municipality in 2009 located in the town (Camdeboo, 2009). In 2009, the tourism economy of the Camdeboo Local Municipality was estimated to have contributed R 27.3 million in direct spend, R 69.3 million to GDP, R 103.1 million to total economic activity generated by tourism and supported 197 jobs in the tourism industry and 450 jobs in the tourism economy (Camdeboo, 2009:81). Figure 11 indicates the notable tourism and CCI points of interest in Nieu-Bethesda. These businesses include an artisan brewery and cheese maker, ceramists, sculptors, painters, a community art centre; a variety of restaurants, coffee shops and venues; gift and book shops and accommodation. Nieu-Bethesda draws 15 000 visitors a year, with the Camdeboo Integrated Development Plan (IDP) asserting that the foremost attraction of the town is The Owl House followed by the ‘quaint’ nature of the town (Camdeboo, 2016).

However, the level of black economic participation in CCIs and tourism is low in the town. Some notable black owned business enterprises include Jakob’s Donkey Chart Tours, Aunt Evelyn se Eetplek and the craft hawkers outside The Owl House. With regards to community participation in the arts the Bethesda Art Centre, a registered NPO, is the most notable. There is also a government supported women’s cooperative which is housed at the Sneeuwuitjie Crèche and includes ceramics, felting and leatherwork.

The Camdeboo Local Municipality has prioritised the tourism industry for interventions and LED support as it is the second largest economic sector of the municipality (Camdeboo, 2016). The municipality also noted the importance of arts and crafts in the Nieu-Bethesda economy, noting that: “Although the arts and culture products in the area have developed, no coordinated program has been undertaken to develop the Arts and Culture Route / Cluster, and integrate the individual products into that cluster. The artist colony at Nieu-Bethesda has shown particular growth, and should be capitalized on.” (Camdeboo, 2009:146).

The importance of increasing participation in the tourism sector was identified as a long term strategic goal in the Camdeboo Tourism Sector Plan through increasing the level of SMME and HDI involvement in the tourism industry (Camdeboo, 2009). Thus the prioritisation of this objective has been undertaken but it requires more research as to the types of programmes undertaken to achieve this
objective and their effectiveness. The Camdeboo Local Municipality also does not have a mandate as regards the promotion of CCIs in particular, rather CCIs are considered to fall under tourism, under cultural tourism (Kubashe, 2016). This has implications for how the industry is supported as CCIs are only considered in terms of how they will appeal to outside visitors. This negates the fact that the promotion of CCIs is linked to well-being, youth development, social cohesion and cultural exchange. These aspects can have economic spinoffs by creating areas that are pleasant for locals to stay in thus are enjoyable for visitors to visit.

3.4.2 Stakeholder and Partnership Development

Nieu-Bethesda saw its economy shift between the time of Martins’ death in 1976 to present, with the development of the tourism economy in the town. Some notable programmes and partnerships have included the work of:

- The Bethesda Art Centre,
- The previous exhibitions and work of the Ibis Centre,
- Fugard Festival
- Festival of Lights
- Formal training programmes and cooperative support

The Bethesda Art Centre fulfils an important function in the town. The centre has “developed a model of working holistically with all its participants. Social issues in the community such as poverty, alcoholism and abuse are tackled through theatre and visual arts and engage the wider community.” (Bethesda Centre, n.d:1). The artist collective, called The First Peoples Artists, has created a series of embroidered tapestries called the !Xam Tapestries on show at the centre which tell the mythology of the San. The artists have collaborated on exhibitions with other artists internationally. The centre sustains itself through commissions, accommodation, restaurant, sales of crafts and local and international donations.

The town has made a number of attempts at integrated cultural festivals which were well received but have proved difficult to sustain. In 1998 the Ibis Art Centre spearheaded an unconventional creative collaboration called the !Xam site specific art project. It included visual artists and poets and their representations of Nieu-Bethesda landscapes. The exhibition took art pieces out of their traditional milieu of the gallery and into the environment that inspired the piece. These in-situ representations of the art of Nieu-Bethesda was a collaboration between the Ibis Centre and the Fine Arts Department of Rhodes University. It was also held to coincide with the National Arts Festival and was made possible by initial funding from the NAC. The collaboration offered community participation and reciprocal opportunities for the local community and visiting artists (Wilby, 1998). A festival that is still held is the symbolic, Festival of Lights which is an annual night parade of paper lanterns made by the townsfolk to welcome the New Year. The Fugard Festival held over the weekend of the 1-4 October 2009 drew 500 people to Nieu-Bethesda and received critical acclaim (Kingwell, 2009). The event brought a host of local established and emerging visual and performance artists together but the festival struggled to find subsequent sponsorship.
Formal skills training programmes have been limited in the town but have included a CSIR funded felting programme and a PPC cement course. A government funded arts project has been created within Pienaarstig offering felting, ceramic and leatherwork referred to as the Women’s Cooperative. The centre was uncontactable at the time of writing the report, but the limited profile of the project may indicate that better marketing and visibility is needed.

The organisation outsourced with marketing Nieu-Bethesda as a tourist attraction is the Local Tourism Organisation (LTO). The LTO undertakes the municipal mandate for local tourism promotion contained within Schedule 4: Part B of the South African Constitution. Below the LTO is the Nieu-Bethesda Community Tourism Organisation (CTO) which focuses on town level tourism development and marketing. The marketing brand is based on the Plains of Camdeboo brand and the eco-tourism route, the Our Story Route, Culinary Route, Artists Route, Palaeontology Route, Kids Activity route and the Heritage route (Camdeboo LTO, 2013). The need to bring tourists to an area that is far from other centres points to the need for a strong marketing focus. The importance of pursuing integrated tourism route development was identified within the Camdeboo Township Tourism Programme 2012, this programme looked at the need for marketing product development institutional support and linkages to stipulate township economies around tourism. The project was focused on uMasizkake area of Graaff-Reinet but a recommendation that integrated tourism planning should be rolled out across the local municipality (Camdeboo, 2012).

3.4.3 Impact of CCIs in Nieu-Bethesda

The impact of CCIs on the regeneration of Nieu-Bethesda are assessed in terms of the three spillovers identified in Tom Fleming’s Creative Consultancy (2015).

**Knowledge Spillovers**

A number of events and training sessions have been undertaken to stimulate creativity and encourage potential. This has included collaborations and joint exhibitions. Events such as the Fugard Festival, the Festival of Lights and !Xoe site specific art installations have offered platforms for knowledge sharing between emerging and established artists and performers.

These events offered once-off collaborative events, but sustaining them annually with sponsorship and a driver has been a challenge. The private sector often loses enthusiasm for organising events whilst the public sector is not particularly skilled in event organisation. Events are also only part of the solution, as there needs to be ongoing projects and employment for CCIs. Entities within the town that offer year round platforms for CCI participation often have limited access for the community, as in the Bethesda Art Centre which has 17 local artists in residence. The craft hawkers are informally organised and have set a limit for trading in that area. The arts cooperative is not particularly visible in Nieu-Bethesda and has also not succeeded in offering a visible platform for local artists within the cooperative.
Industry Spillovers
An example of improved business culture and entrepreneurship around CCIs are the local craft hawkers. These crafters, in comparison to the arts cooperative, are highly visible having located themselves outside The Owl House. The crafters have shown an innovative use of found materials, product development and organisation. They regulate themselves so that each one sells wares with a different artistic feel. Katrina Slabbert, an Owl House hawker, explains that the replica owls were not selling well due to overseas tourists not wanting to buy heavy souvenirs (Slabbert, 2016). So they made a range of small owl paperweights. Some tourists expressed a superstition to owning an owl, thus the crafters now make replica mermaids, as well as animals reflecting their own landscapes and contemporary issues, such as sheep, baboons and rhinos. One hawker has branched out completely from cement souvenirs offering plants sourced from the veld in recycled bottle containers. The hawkers indicated that the training they had been exposed to in Nieu-Bethesda had been minimal although most had gone to Cape Town or a city only to return. The hawkers undertake the businesses to meet their basic needs. Slabbert (2016) indicated that sometimes three days will go by without a sale and that low season was especially hard. Most inputs can be bought locally except for the vital mosaic glass, which they travel to Graaff-Reinet to buy, a return trip costing R100. Most can access a social welfare grant, some have a household member who works on a government funded Community Works Programme (CWP) and only a few have relatives still working on the farms.

The hawkers have an understanding with The Owl House in that they keep their wares in the shed on the Owl House property at night. The partnership is often uneasy as the Owl House sometimes receives tourist complaints about the hawkers or complaints that they disturb the aesthetics around the museum.

In order to formalise this craft trade the Camdeboo Local Municipality has made available the lot next to the Nieu-Bethesda police station three streets away from the museum, for the construction of permanent hawker stalls. It is hoped that although the site is small it could offer opportunities for a market site (Kubashe, 2016). The hawkers were optimistic about moving to the new trading site (Slabbert, 2016). They indicated a major challenge to their business was lack of funds and no ATM facilities in town. As the hawkers have no credit card facilities, tourists who have limited cash means they miss out on a sale.

The presence of CCIs in Nieu-Bethesda has spillovers into the economy by providing employment in the trade sectors associated with tourism and in the construction and household sectors for second home owners and tourism accommodation establishments. Other spillovers include boosting rates and property tax incomes for the municipality and increased local spend by tourists. Hoogendoorn and Visser (2010) found that of the 5 small towns examined for the economic impact of second homes Nieu-Bethesda had the smallest impact. This was in part due to residents not paying for water services which is freely available via the town’s springs. Other measures such as tourism expenditure, remuneration and renovation work was lower in Nieu-Bethesda than in comparison to Clarens, Greyton, Rhodes and Dullstrom. The research identified the need to look at local ownership of businesses and how extensively local resources were being used so as to make the most of this form of tourism (Hoogendoorn and Visser, 2010).
Network Spillovers

Discussions with locals did not point to increased social cohesion due to the presence of CCIs. The exception was the Bethesda Art Centre which reported that there was social cohesion within their organisation. The separate nature of spatial development in the town means there is a physical disconnect between the mainly coloured Pienaarsig residents and the mainly white residents of Nieu-Bethesda town. This lack of integration is typical of colonial style planning which was further reinforced by Apartheid. Current national efforts to integrate settlements focuses on spatial integration and urban redesign. In the case of Nieu-Bethesda, housing and a corridor development have been proposed as a means of the linking the settlements. These physical interventions would need to be supported with programmatic and economic development.

3.4.4 Lessons Learnt

Tourism driving rural regeneration

The municipality supports tourism through the Camdeboo LTO, but supporting CCIs are not expressly part of their mandate. In terms of the Constitutional mandates of Local Municipalities tourism is included under Section 4, Part B. Whilst art, craft, design and relating CCI industries are not specifically referred to. Thus the support for CCIs falls under tourism and specifically cultural tourism. In attracting visitors to a village geographically separated from the main cities, the use of marketing is important to drive demand. This marketing is centered around tourism but is more established in Camdeboo than in the other case study of Hamburg.

A key upcoming cultural project being undertaken by the municipality in the town is the construction of hawker stalls. The hawker stall project is a municipal infrastructure investment identified through consultation with hawkers, the museum and residents. Whilst the main cultural and tourism asset of the town is The Owl House which is run by the private foundation. The Owl House, as a private concern, thus it is highly focused on its internal operations and funding and thus spillovers into the wider industry and into Nieu-Bethesda are not a priority as it might be with a public museum.

The 2012 Township Tourism Strategy for the Camdeboo Municipality identified the need to develop diversified township economies by integrating tourism products in these areas with the established products. As well as interventions around marketing, product development support, institutional development and capacity building.

CCIs offer possibilities

The inequality that results from new residents into the town’s economy is a highly visible downside, however CCIs offer economic, social and artistic opportunities for residents. Although Irvine et al (2016) was negative as to the extent of economic multipliers from post-productivism and tourism in Nieu-Bethesda, this is not to say that these industries do not have multipliers into the local economy. The focus of research in the area should be as Hoogendoorn and Nel (2010) refer to in their study that the local content and ownership of business be considered, that an assessment of whether local resources are being exploited fully and from their draw recommendations to increase local multipliers.
Local impacts are seen in property rates and taxes, employment in the domestic and trade sectors, the support of local contractors for renovations and restoration and tourism spend in the town. Social and artistic opportunities have been created by the CCIs for cross cultural collaboration, skills development and use of art for broadcasting social messages. These collaborations are mainly project, event or exhibition based, thus the challenge is creating mechanisms in place for ongoing collaboration.

The presence of regional centre in close proximity
Interviewees often mentioned Nieu-Bethesda’s connection to Graaff-Reinet in terms of purchasing supplies, petrol, drawing cash, education, accessing medical care etc. The accessibility of Graaff-Reinet to Nieu-Bethesda has positively impacted on the town, allowing the it to attract visitors and develop a creative cluster. The lack of services in the Nieu-Bethesda, however, negatively affects the poorest residents who use a disproportionate amount of their income to travel to access services and goods in Graaff-Reinet.

Public vs Private Drivers of CCIs
In the case of public drivers of CCI programmes the projects lacked market and network linkages. Whilst privately driven initiatives were often unsustainable as they battled to retain interest and momentum and to find funding support. This points perhaps to the importance of NGOs and Special Purpose Vehicles operating in the CCI development sphere.

4. CONCLUSION

Much of the prevailing literature suggests that the use of CCIs to promote broad scale regeneration activities is only viable in larger cities or metropoles (see Florida, 2002; and DCMS, 2006). Through the analysis of some theoretical and empirical studies, and through the qualitative results of the case studies explored, it can be cautiously deduced that CCIs can also function as a driving force for the regeneration of rural areas.

As observed in Selada et al. (2011) rural areas offer a wide range of natural, historical, cultural, symbolic and build amenities that make them attractive to the creative class. The presence of these amenities were one of the key factors that helped to ensure the development of CCIs in Nieu-Bethesda. The case studies, however, suggest that the simple presence of such amenities in rural towns is insufficient to catalyse development and regeneration. Both the Hamburg and Nieu-Bethesda case studies suggest that CCIs were only affective in achieving regeneration when used in conjunction with the tourism industry. In this sense, CCIs acted as a complementary or unique product to the broader tourism offerings in the area and rather than directly leading to development, helped in place making. Regeneration and subsequently development thus occurred through the expansion of the tourism industry rather than from the development of CCIs alone.

When not used solely in conjunction with the tourism industry, CCIs can still, however, act as a regeneration catalyst. In order for this to occur, it is necessary for CCI stakeholders to have established, strong linkages with urban areas. As seen in the Hamburg case study, the presence of Dr Hofmeyer’s established national and international networks, helped to overcome the constraints
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faced by rural areas such as proximity to markets. Through the creation of established “supporters”,
the use of commissions, and the creation of distribution networks outside of Hamburg, it was possible
for the Keiskamma Trust to retain its presence in the rural area, despite its distance from major urban
centres.

When no such networks are not present, it is important for rural CCIs to be in close proximity to major
urban settlements. This enables rural CCIs to easily access the relevant services available in urban
centres, while at the same time maintain their social, cultural and personal networks in larger cities
(Selada et al., 2011).

The evidence from the case studies as well as the academic literature further suggests that, while CCIs
can act as catalytic agents for regeneration, their effectiveness is dependent on a set of basic
preconditions relating to institutional support at a local, subnational or national level (as in the City of
Cape Town), market proximity (as in Hamburg and Nieu-Bethesda) and infrastructure (as in Route 67).
In this sense CCIs act as “partners” in driving urban and rural regeneration, rather than lead actors.

Beyond the aforementioned preconditions identified in the selected case studies, the literature
suggests that the use of CCIs for regeneration is also driven by other contextual factors whether
natural, built, physical or social. Included in these contextual factors is the presence or lack of
infrastructure as well as the nature and extent of state support. These contextual factors all facilitate
as well as retard/promote the construction, maintenance and expansion of CCIs.

As noted in Rowley et al. (1996), rural regeneration is more than simply the creation of economic
opportunities and employment. The rural case studies show that, in addition to contributing to
reductions in unemployment and poverty as well as the creation of new enterprises, CCIs were used
to positively impact skill levels, awareness and appreciation of the arts, social cohesion, and an
increased understanding of different cultures. The creative and cultural industries therefore have an
important role to play in the more intangible aspects of rural regeneration.

In an urban context, the reviewed case studies mirrored the findings of a number of international case
reviews. The successful use of CCIs in promoting urban regeneration was found to be predicated on
the presence of a clear strategic plan. Such plans should be developed prior to any interventions
occurring and in consultation with a broad range of individuals representing both CCIs and the public
sector. In addition to a clear plan, a high degree of consultation was imperative. The inclusion of
channels which permitted implementers to listen to the creative class and receive feedback on what
was most important to them and what they wanted from the development was key to the urban
regeneration process. Despite this process taking a longer time in which to reach a decision, the overall
cost was much less that the project failing due to public opposition. The absence of such buy-in and
consultation can have several unintended consequences as exhibited in the City of Cape, where the
failure to adequately engage stakeholders led to a lack of support for the interventions.

As was the case in the rural case studies, the successful use of CCIs in urban regeneration was
dependent on the presence of a strong driver. While in the case of the rural areas, this was frequently
an individual, in an urban setting this tended to be a special purpose vehicle (SPV). These SPVs were
established by the local authority with a clearly defined mandate. The location of these SPVs outside of the local government structure as well as their flexibility, dynamic nature and the fact that they were driven by skilled and innovative individuals permitted these SPVs to effectively address the urban regeneration challenge.

In the case of the MBDA, the use of CCIs as a vehicle for urban regeneration occurred organically, growing out of the agency's broader urban regeneration mandate. In Cape Town, SPVs were expressly mandated to use CCIs to facilitate urban regeneration. This, coupled with the creation of a dedicated CCI structure within the City of Cape Town administration, enhanced the success of these SPV's urban regeneration activities. The MBDA, in contrast, did not benefit from having a dedicated structure within the NMBM administration. This coupled with “silo work” in which NMBM departments undertook CCI interventions without consultation with the MBDA, and insufficient funding allocations to the maintenance of CCI infrastructure, hampered the effectiveness of the MBDA’s urban regeneration activities.

The degree of consultation undertaken in the regeneration process was also critically important to the success of the interventions. In many cases, although extensive consultation was undertaken at the inception of the respective projects, this consultation did not persist once the interventions were completed. In the case of the City of Cape Town, the consultation process failed to consider the needs of the affected community, leading to a degree of animosity and an unwillingness to participate.

The focus on build infrastructure elements was also observed across many of the case studies. Many of the interventions focused on the construction of a particular CCI asset (i.e. Emthonjeni Arts in Hamburg) without adequate research into the demand for such an asset. Despite following a similar built infrastructure approach, the Donkin Reserve development, unlike the interventions in Hamburg, was able to capitalise on an established, pre-existing tourism market. These case studies thus support the proposition that regeneration is seldom focused on CCIs alone but rather on creating a supportive environment for CCIs in the context of broader economic interventions.

Both Route 67 and the Cape Town case studies were anchored to the arrival of tourists associated with two major events namely the 2010 FIFA World Cup and WDC. The international prestige associated with these two events made it possible to more effectively corral a variety of interest groups under a single banner, essentially bypassing much of the adverse interpersonal group dynamics associated with such a varied group of stakeholders.

In both instances, the interventions in the urban case studies were demand driven and thus able to provide CCI related activities to tourists who were already in the region. The rural case studies, in contrast, were supply side driven focusing simply on the provision of CCI activities without considering the associated demand. The failure to adequately market these rural-based CCIs adversely impacted the effectiveness of interventions in these areas, compromising their overall sustainable. Likewise, attempts to start rural-based events/festivals provided to be equally unsustainable as they tended to be driven by a single person or organisation, with momentum being lost over time. The case studies therefore suggest, that a degree of inherent demand for CCIs must be present in order for them to effectively drive either rural or urban regeneration.
The case studies found that it is important to reinforce the aspect of bottom-up development when it comes to the use of CCIs as a tool for urban and rural regeneration. As noted by Sony (2012) a bottom-up approach is imperative too effective rural and urban development. All four of the case studies highlighted this fact, noting the need to involve the community early on in the development process and use their needs to inform the CCI development approach. In situations where a top-down approach was followed, a number of adverse impacts occurred such as community conflict, wasted expenditure and negative exposure for CCIs. Despite the acknowledgment of the need for bottom-up development, most of the case studies only adopted this approach following the failure of some form of top-down intervention.

In summation, Haines and Robino’s (2008) emergent paradigm, defined as innovative and new business development policies, and traditional paradigm, defined as conventional and historic business development policies, effectively highlights several important aspects of the case studies. In the urban based case studies there was a clear bias towards the traditional paradigm, with regeneration activities being state driven and financed, top-down, supply orientated and confined to particular sectors and/or enterprises. The rural case studies in comparison, involved a plurality of actors (primarily Nieu-Bethesda), a bottom-up approach to development, were more demand drive and utilised clusters and networks to not only finance their development activities, but also as a means of accessing markets. The rural case studies thus conform more to the emergent paradigm. The case study evidence suggests that while both paradigms proved effective, the urban case studies effectiveness was driven, in part, by adopting several elements of the emergent paradigm particularly its bottom-up, multi-stakeholder approach. The use of a traditional, public sector driven development approach in the rural case studies particularly Hamburg, was ineffectual due to their failure to pursue bottom-up interventions.

This report has demonstrated the need to strengthen the study of how urban and rural economies can use CCIs to strengthen regeneration activities, and development more broadly. Since this research is an on-going process, future lines of investigation should focus on what role proximity to markets plays in CCI cluster locations, the barriers to entry in rural environments for the CCIs, and the effectiveness of built CCI infrastructure in comparison to programmatic CCI interventions.
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