

**THE IMPACT OF THE CULTURAL AND CREATIVE INDUSTRIES
ON THE ECONOMIC GROWTH AND DEVELOPMENT OF SMALL
CITIES AND TOWNS - GUIDELINES FOR CREATING A REGIONAL
CULTURAL POLICY**

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Abstract

The arts and cultural sector has come under even more financial strain than it previously was, as it has to compete with other sectors of the economy for the very limited public funding that is available. It is in this context that the economic impact, and the role, of the arts and cultural sector towards advancing economic growth and development, needs to be examined. This thesis investigates the potential for the positive impact of the cultural and creative industries (CCIs) on growth and development of small cities and towns. Furthermore, it also provides guidelines for the development of regional cultural policy in small cities and towns.

The CCIs have also been touted as a catalyst for economic growth and economic development, hence the global rise in their interest. For example, the CCIs have been used to redevelop and revive urban areas that have been rundown. CCIs, however, tend to develop in clusters, and additionally, they cluster around large cities. However, the lack of reliance of some CCIs on long supply chains or high-technology inputs may make them suitable candidates for investment in small cities and towns. Additionally, the link that small cities and towns have with rural and isolated areas makes them potential engines for driving growth, development, as well as employment creation for these areas, given their decline as a result of the transition from the traditional agricultural economy, to the knowledge economy.

As CCIs have the propensity to drive government's macroeconomic objectives such as efficiency, equity, economic growth and job creation, it is necessary to develop cultural policy that regards this. The tendency of CCIs to cluster and develop around large cities inevitably means that very little research into cultural policy directed towards regions without large cities and towns has been done. By the same token, very little research has also been conducted on how to craft cultural policy for such areas. In order then, for cultural policy for regions without large cities and towns to be developed, it is necessary to investigate, and provide, guidelines on, how to develop cultural policy for such regions.

As a case study, the Sarah Baartman District Municipality (SBDM) in the Eastern Cape was chosen. The SBDM has no large cities and towns, but the District Municipality has identified the CCIs as a potential growth sector, and is in the process of developing a regional cultural policy. The area also includes Grahamstown, which not only hosts the National Arts Festival,

which is the largest arts event of its type in Africa, but is also piloting the “Creative City” project in South Africa.

An audit and mapping study was conducted on the CCIs in the SBDM; this was based on a national mapping study commissioned by the Department of Arts and Culture. Further internet searches, as well as consultations with the provincial and regional Department of Arts and Culture, coupled with snowball sampling, also aided in the identification of CCIs, and consequently, the “creative hotspots” within the SBDM. Two random samples of stakeholders were chosen; the CCI owners and practitioners, as well as key stakeholders such as government officials, and interviews conducted with both groups, in order to get a first-hand perspective on the operations, activities, challenges, and opportunities that are faced by the CCIs.

The study found that there were at least 441 CCIs in the SBDM, with two local municipalities (Dr. Beyers Naudé and Makana) hosting the largest share of these (145 and 113 CCIs in each local municipality respectively), which indicates some support for the ‘clustering’ theory. It was also found that the local municipalities that had the largest number of CCIs also experienced better socio-economic welfare. Furthermore, based on the UNESCO Framework for Cultural Statistics (FCS) domains, the Visual Arts and Crafts; Information, Books and Press; and, Cultural Heritage domains were the largest domains represented in the SBDM. It was concluded that cultural policy that is developed, ought to take advantage of, and build on, these existing clusters, as well as the domains that are most prevalent in the region.

To demonstrate the impact of cultural festivals on growth and development, a socio-economic impact study was undertaken at the 2016 National Arts Festival (NAF) in Grahamstown. Face to interviews, as well as self-completion questionnaires were used, with respondents at different venues, attending a variety of shows, and across a range of demographics, being interviewed, in order to get a representative sample of Festival attendees.

It was found that the economic impact of the 2016 NAF on the city of Grahamstown was R94.4 million. Over and above the economic value of the NAF, it was also found that there were non-market benefits (social and intrinsic values) of the NAF, that included audience development, education of the arts and culture, social cohesion, and community development. The inability to directly track and measure social and intrinsic values proved to be a challenge.

The study concluded that in order for successful cultural policy to be developed in regions without large cities and towns, it is first necessary to carry out a study to identify what resources

are present, and where they are. Locating resources enables cluster identification - as clusters encourage comparative and competitive advantage, it is worthwhile to invest in areas where there are clusters. Therefore, in the allocation of scarce public funds, cultural policy needs to guide investment in to areas where established clusters indicate existing comparative advantage. In terms of equity and transformation, it is also necessary to evaluate labour markets and ownership patterns when developing cultural policy. Beyond the analysis of physical and human resources, the study also found that a crucial step towards developing successful cultural policy is identification of opportunities and challenges faced by the practitioners themselves; the policy ought to capitalise on the opportunities, whilst attempting to correct the challenges faced. Also of importance is aligning the proposed policy and its objectives with regional, provincial and national aims and objectives. Finally, it is important to include a monitoring and evaluation tool that will evaluate the performance of the policy against its stated aims and objectives.

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I acknowledge that all references are accurately recorded and that, unless otherwise stated, all work herein is my own. I certify that this thesis has not been submitted for a degree at any other university. However, this thesis draws on data collection and research done for two consulting reports, and a conference presentation:

The Cultural and Creative Industries in The Sarah Baartman Municipal District: Development potential and cultural policy (2016). Report commissioned by the Sarah Baartman District Municipality.

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Abbreviations

CCIs	Cultural and Creative Industries
DAC	Department of Arts and Culture
DSRAC	(Eastern Cape) Department of Sports Recreation Arts and Culture
ECPACC	Eastern Cape Provincial Arts and Culture Council
KKNK	Klein Karoo Nasionale Kunstefees
M&E	Monitoring and Evaluation
MGE	Mzansi's Golden Economy
NAF	National Arts Festival
NDP	National Development Plan
SBDM	Sarah Baartman District Municipality
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
(UNESCO) FCS	(UNESCO) Framework for Cultural Statistics

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1 Introduction

The arts and cultural sector is undoubtedly under enormous financial pressure, especially after the 2008 financial crisis, as it has to compete with other sectors for the very limited public funds (Anheier, 2009). Therefore, the impact of the arts and cultural sector on the economy in terms of overall economic growth, as well as development, must be analysed. Urbact (2006) argues that it is indeed the arts and culture that are at the very root of economic development, and act as a catalyst for economic growth. According to Florida (2002), it is the “creative class” that is responsible for bringing regional and economic growth, through new and innovative ideas, technology and creative content. Florida (2002) defines the “creative class” as the workers that are engaged in science, engineering, research and development, and, technology based industries. With at least a third of the workers in the advanced industrial countries being in the “creative class” (Florida, 2005), this is favourable for pursuing sustainable development and growth.

UNESCO (2009) produced a framework, the “Framework for Cultural Statistics” (FCS). This framework enabled a clear-cut break down of the cultural industries into a set of six cultural domains: Cultural and Natural Heritage, Performance and Celebration, Visual Arts and Crafts, Books and Press, Audio-visual and Interactive Media and, Design and Creative Services. Each domain includes economic and social activity, whether formal or informal. Over and above these six, there is the Transversal Domain of Intangible Cultural Heritage, which is linked to all six of the Sectorial Domains (UNESCO, 2009: 23). The other identified transversal domains are Education and Training, Archiving and Preserving, and, Equipment and Supporting Materials. These domains represent the minimum number of core cultural domains that UNESCO recommends for data collection (UNESCO, 2009: 23). To avoid incidences of double counting, it is vital that each activity only be classified once in the FCS, even though it may possibly fall under different domains.

Cultural and Creative Industries (CCIs) can be seen to aid in physical, social and economic renewal (Wansborough and Mageen, 2010:184), hence their importance in regional development. Cultural activity can act as a catalyst to activity and investment in an area because the ‘consumption’ of cultural goods, services and activities, in a place, fuels the activities and

use of other non-cultural activities; for example, hospitality development including restaurants and bars, as well as public transport (Wansborough and Mageen, 2010).

Recognition of the significance of CCIs has been keenly supported by organisations such as the United Nations Commission on Trade, Aid and Development (UNCTAD), which plays a key role globally in advancing the perspective of the creative industries as important and pragmatic vehicles for growth – especially in the context of developing countries (Flew and Cunningham, 2010: 114). Indeed, the CCIs are among the fastest growing sectors economically: In the 1990s, the creative economy in OECD countries exhibited an annual growth rate of double that of the service industries, and four times the growth rate in manufacturing (Howkins in van der Pol, 2008: 345). The UNCTAD Creative Economy Report (2010) similarly shows how the CCIs have contributed to an ever-larger share of global trade.

Diversification and inclusion in the labour market, as a result of employment creation from the CCIs has also been identified as a reason to pursue the growth and encouragement of the CCIs (Mzansi Golden Economy, 2009). CCIs offer a way of including social groups who may be disadvantaged in other traditional industries, as well as including the previously disadvantaged members of society in the labour market. However, studies that have been carried out in the UK show that cultural industries have remained largely white and middle-class (Eikhof and Warhurst, 2013; Oakley, 2006; Siebert and Wilson, 2013).

Another reason why interest in the cultural industries has risen greatly is that they have been used as tools for redevelopment; to revive and rejuvenate regions, cities and towns that had been rundown. CCIs are actually “touted as a catalyst for urban regeneration” (Gregory, 2016: 159). Jarvis *et al* (2009) state that “much debate about creative industries in urban regeneration is associated with policy interventions which often are designed to redevelop redundant sites and to bring economic activity and social change to deprived areas”.

Studies have found that CCIs tend to be clustered around large cities (Lazzeretti *et al*, 2010). Flew (2010) refers to this clustering phenomena of CCIs, as opposed to a “haphazard” development of individual firms in random areas, as the “soft infrastructure” of the cultural sector; because of the short term and contract nature of work in cultural industries (Flew, 2014), it is essential that networks, sometimes created through geographical proximity, be present, as work in the cultural and creative industries tends to be arranged around a certain commission or project. Teams often consist of artists who know each other, or have been recommended by

others who are within the network, thus making “networking” (social capital) an essential part of success in the sector (Eikhof and Warhurst, 2013). However, investment in “soft infrastructure” is often neglected in favour of “hard infrastructure”.

McKibbin *et al* (2012) notes that small cities and towns, although faced with economic decline, are critical, and play a vital role in the regional development because of their direct link to the rural and isolated places. Small cities and towns (in the South African context) are described as those cities and towns that occur outside metropolitan areas i.e. large city areas, and are governed by district municipalities. This link that small cities and towns have to rural areas is particularly important, given the decline of agriculture, and the transition into the knowledge economy (Florida, 2002). Florida (2005) also highlights the link between technical innovation, regional development, creativity and diversity, and economic growth. It thus becomes necessary to investigate whether or not a case for clustering around smaller cities and towns is present.

The potential for CCIs to aid in achieving government’s macroeconomic aims and objectives such as efficiency, equity, economic growth, and job creation, especially in a small town context, also presents an opportunity of exploring the development of regional cultural policy in smaller cities and towns. Cultural policy ought to exhibit all characteristics of public policy, and must be aligned with government’s macroeconomic goals. Further, its goals and objectives need to consider specific issues related to the arts and culture.

In South Africa, the CCIs are seen as having a key role in driving inclusive growth and development, especially in rural areas. For example, the case for Sarah Baartman District Municipality’s (SBDM) investment in the arts, culture and creative industries can be seen as a highlighting of the trend of this global move towards greater appreciation of the significance of these industries for economic growth and development, which, in the South African case, is strongly aligned with the goals of job creation, poverty alleviation, and reducing inequality. The SBDM is also an interesting case study because it includes the Grahamstown “Creative City” project and hosts the largest arts festival in South Africa.

As part of the “Creative City” project, the National Arts Festival and Rhodes University were commissioned to conduct a mapping study on the CCIs in the SBDM. The “Creative City” project aims to make CCIs the main driver of the local economy through stimulation of the arts. Organisations such as UNCTAD have identified the establishment of “Creative Cities” as

key drivers to economic growth. A study, which aimed to show the economic impact of a tourist event in a Creative City-the National Arts Festival, was also conducted at the 2016 National Arts Festival in Grahamstown.

At the commencement of this research, the SDBM (formerly Cacadu District) was made up of nine local municipalities; Baviaans, Blue Crane Route, Camdeboo, Ikwezi, Kouga, Koukamma, Makana, Ndlambe, and Sundays River Valley. However, in June 2016, Baviaans, Camdeboo, and Ikwezi local municipalities were amalgamated into one local municipality, Dr. Beyers Naudé. Therefore, the SBDM is now made up of seven local municipalities. Moreover, despite its size, it does not include any large cities.

Goals of the research

The main goal of this research was to explore the impact of the cultural and creative industries on economic growth and development of small cities and towns, to guide the creation of regional cultural policy. The SBDM was used as a case study. Other goals of this research were to:

- 1) Investigate the relationship between economic development and the CCIs, in areas without larger cities, using the SBDM as a case study.
- 2) Locate, identify and analyse CCI clusters in the SBDM, based on the UNESCO FCS domains
- 3) Demonstrate economic impact (and consequently, effect on economic growth and development) of a cultural tourist event-the National Arts Festival, on the SBD.
- 4) Provide guidelines for the development of cultural policy for areas without larger cities

Methods, procedures and techniques

The first step in this research involved “mapping the CCIs” that exist in the district. This was based on the national Mapping Study that was commissioned by the Department of Arts and Culture (DAC) in 2014. Part of this process also involved extracting the data from the national database, and adding to it. Based on this, Creative “hotspots” or clusters - places in which cultural and creative activities are concentrated, were identified.

Key stakeholder interviews were also conducted. The key stakeholders that were identified were the Manager for Arts and Culture at the SBD Office for the Eastern Cape Department of Sports, Recreation, Arts and Culture (DSRAC); the Manager of the SBD Development Agency, the Manager of the Eastern Cape Craft Hub, the Manager of the Eastern Cape Film Office, as well as a Researcher at the National Film and Video Foundation.

Other stakeholders who were then interviewed were senior representatives of various arts and cultural organisations and businesses that were identified in the “hotspots”. The “hotspots” were Grahamstown, Tsitsikamma, Nieu Bethesda, Graaff Reinet and Bathurst.

A specific study of Grahamstown as a case study was looked at, focusing on the National Arts Festival. Grahamstown has taken on the pilot “Creative City” project in South Africa, and is also a creative hub, which hosts the National Arts Festival.

At the 2016 National Arts Festival, an economic impact study was undertaken. Based on two previous studies of this nature that were conducted in 2010 and 2013, achieving goal three, required an analysis of the reports from the studies, to aid in the processes of making judgements and recommendations.

An analysis of case studies that examine the growth and development of small towns through the arts were also conducted. This included case studies on clustering of CCIs, which led to consequent development of areas. As the context and scope of this research have been described, the following chapter reviews literature on CCIs, and their influence on economic growth and development. It further reviews literature on city and urban growth through CCIs and Creative Cities, as well as on cultural policy. This literature review provides a context into the policies that govern the South African cultural and creative industries, as well the cultural and creative industries in the Sarah Baartman District. Thereafter, the specific cultural policies that govern the arts and culture in South Africa will be explored in Chapter 3, followed by the methods used to carry out this research, in Chapter 4.

Chapter 5 presents the results of the mapping study that was carried out in SBDM, as well as the results from the economic impact study done at the 2016 National Arts Festival. Chapter 6 discusses the implication of the findings on cultural policy, and how they influence the development of a regional cultural policy in areas without large cities and towns. Chapter 6 also concludes the thesis.

2 Culture-led regional development and the role of cultural policy

The use of the terms “cultural industries” and “creative industries” has been met with great contention (Cooke and Lazzeretti, 2008). Additionally, their roles in regional development have also been disputed (McKibbin *et al*, 2012). It is therefore prudent that the definition and use of these terms in cultural economics be outlined. This chapter will therefore review literature on the definition of these terms, and the role of the cultural and creative industries on regional growth and development. This chapter will further review literature on cultural policy, how it relates to public policy, and its effect on economic growth and development.

2.1 Defining the cultural and creative Industries

As a result of the effects of the cultural and creative industries on development, great interest has been shown in their economic and social impact. (UNESCO, 2009).

Great debates have also surrounded the definition of the terms “Cultural” and “Creative” Industries. In much literature, the terms are used interchangeably. It must, however, be noted that the two are not the same thing. In fact, they each have “almost totally distinctive modes of production, institutional bases and aesthetic content” (Cooke and Lazzeretti, 2008: 1).

Cooke and Lazzeretti (2008) further distinguish between the two, by highlighting the fact that cultural industries tend to be subsidised, as they are seen to produce public goods, and revenue from ticket sales is never enough to cover expenses. On the other hand, the creative industries are seen as the more commercially successful.

In order to reach common ground, and make comparisons possible by providing a useful framework, the UNESCO (2009) definition of cultural industries is adopted. According to UNESCO (2009: 9), “culture is the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, that encompasses, not only art and literature, but lifestyles, ways of living together, value systems, traditions and beliefs.” This definition illustrates the intangible nature of culture, as beliefs and values cannot be directly measured

(UNESCO, 2009: 9). However, it is possible to measure the associated behaviours and practices that accompany the beliefs and values of a society (UNESCO, 2009: 9). Thus, the UNESCO Framework for Cultural Statistics defines culture “through the identification and measurement of the behaviours and practices resulting from the beliefs and values of a society” (UNESCO, 2009: 9).

UNESCO (2009) produced a framework, which it termed the “Framework for Cultural Statistics” (hereafter referred to as FCS). This framework enabled the above definition of cultural industries to be developed, as well a clear-cut break down of the cultural and creative industries into a set of cultural domains.

Six domains have been identified in the FCS, and these are Cultural and Natural Heritage, Performance and Celebration, Visual Arts and Crafts, Books and Press, Audio-visual and Interactive Media and, lastly, Design and Creative Services. Each domain includes economic and social activity, whether formal or informal. Over and above these six, there is the Transversal Domain of Intangible Cultural Heritage, which is linked to all six of the Sectorial Domains (UNESCO, 2009: 23). These domains represent the minimum number of core domains that UNESCO recommends for data collection purposes (UNESCO, 2009: 23).

In order to avoid incidences of double counting, it is vital that each activity only be classified once in the FCS, even though it may possibly fall under different domains. For example, Music may fall under Performance and Celebration because of elements such as orchestras and concerts, whilst simultaneously falling under the Audio-Visual domain as well (recorded music on the internet and portable media). In order then to avoid counting it in both domains, as it is only one category, it is necessary that it be included only in one of the domains. In selecting which domain to list it under, “the FCS prioritises the subject rather than the form in which the cultural content can appear” (UNESCO, 2009: 25), so in this case, it would appear in the Performance and Celebration domain.

Another three Transversal Domains are identified and included in the FCS, as they have a key role in the culture cycle (The cultural cycle refers to the cultural processes and practices that are necessary for transforming ideas into cultural goods and services, that benefit consumers (UNESCO, 2009)). The three transversal domains are Education and Training; Archiving and Preserving; and Equipment and Supporting Materials. These also occur across the range of the Sectorial Domains and are accordingly measured across them (UNESCO, 2009:10). Their inclusion is of vital importance to capturing the full extent of cultural expression (UNESCO,

2009:10). Allied to these are the Related Domains, which have characteristics of economic and social activities which are considered partially cultural or recreational or leisure activities (UNESCO, 2009: 10). The two identified Related Domains are Tourism, and Sports and Recreation.

Whilst the FCS provides a good base for comparisons, care should be taken in its use. The framework should be used only as a starting point, in helping “countries build their own cultural framework by selecting the major domains that form part of their cultural statistics” (UNESCO, 2009: 11).

The FCS can be represented by Figure 1:

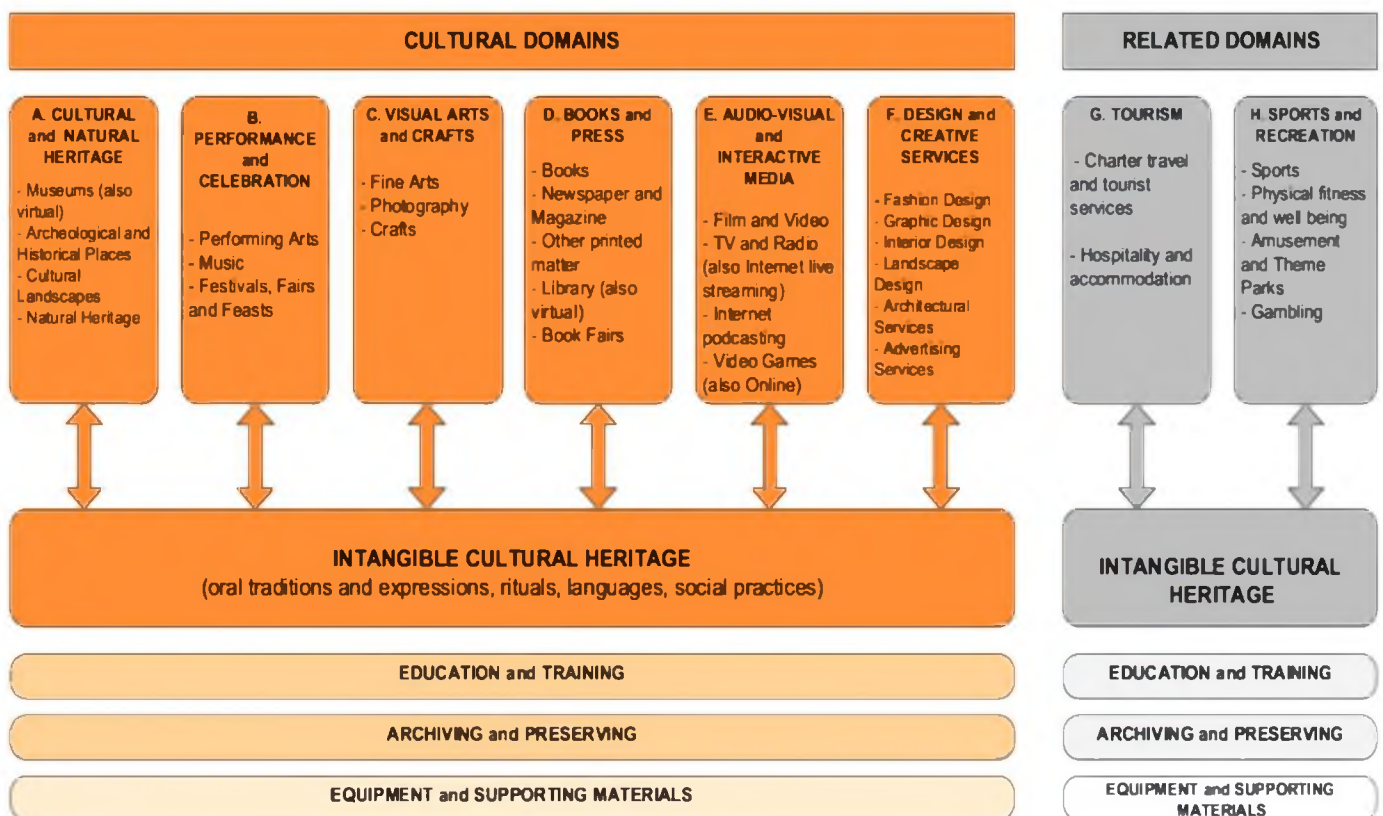


Figure 1: Framework for Cultural Statistics Domains (UNESCO, 2009: 24)

Whilst the framework does provide a starting point and foundation for countries to build their own frameworks, there is some doubt and uncertainty over how some of the activities are accounted for (Usero and del Brio, 2011).

According to UNESCO (2009), there are five stages of the culture cycle, which are presented in a cyclical, and hierarchical model as the relationships occur as a network, rather than individually. The stages are Creation (authoring of original ideas and making of once off products, for example, crafts); Production (reproducible cultural forms, and the processes and infrastructure used in their realisation); Dissemination (getting to cultural goods and services to the consumers); Exhibition/Reception/Transmission(the venue of provision or consumption of live and intangible cultural experiences); and, Consumption/Participation(the activities of consuming or partaking in cultural goods and service) (UNESCO, 2009). Usero and del Brio (2011) argue that the accounting of activities in the culture cycle, using the UNESCO FCS is inconsistent. For example, in the case where a company presents a public theatre performance; the consumers/public are engaging in an event that is in a cultural domain (Performance and celebration); the company is involved in both the production and transmission of the performance; and lastly, the theatre is a medium for exhibition. Considering that these may all occur at one event, and could therefore potentially count as either one event, or three, Usero and del Brio (2011) conclude that the values of the event must either be taken separately, or, as a whole, for the entire event, when considering its economic impact and contribution.

The FCS also assists in establishing what jobs and kinds of employment are in the CCIs, and, consequently, employment statistics. Whilst South Africa does not have a general and recognised FCS, its policy seems to align with, and is moving towards, the UNESCO system (Hadisi and Snowball, 2016). In a study conducted in South Africa, results showed that jobs in the CCIs made up 2.93% of total employment in South Africa in 2014 (Hadisi and Snowball, 2016), which was more than mining, which has traditionally been considered as a big industry.

One of the models that have been put forward in an attempt to help in defining, as well as distinguishing, between, cultural and creative industries is the concentric circles model.

The main premise on which the Concentric Circles Model is based is that cultural goods and services produce two distinct types of values; an economic value, and an intrinsic value (Throsby, 2008). Indeed, the differentiating characteristic of any goods or services produced in the cultural industries is the cultural value (Throsby, 2008).

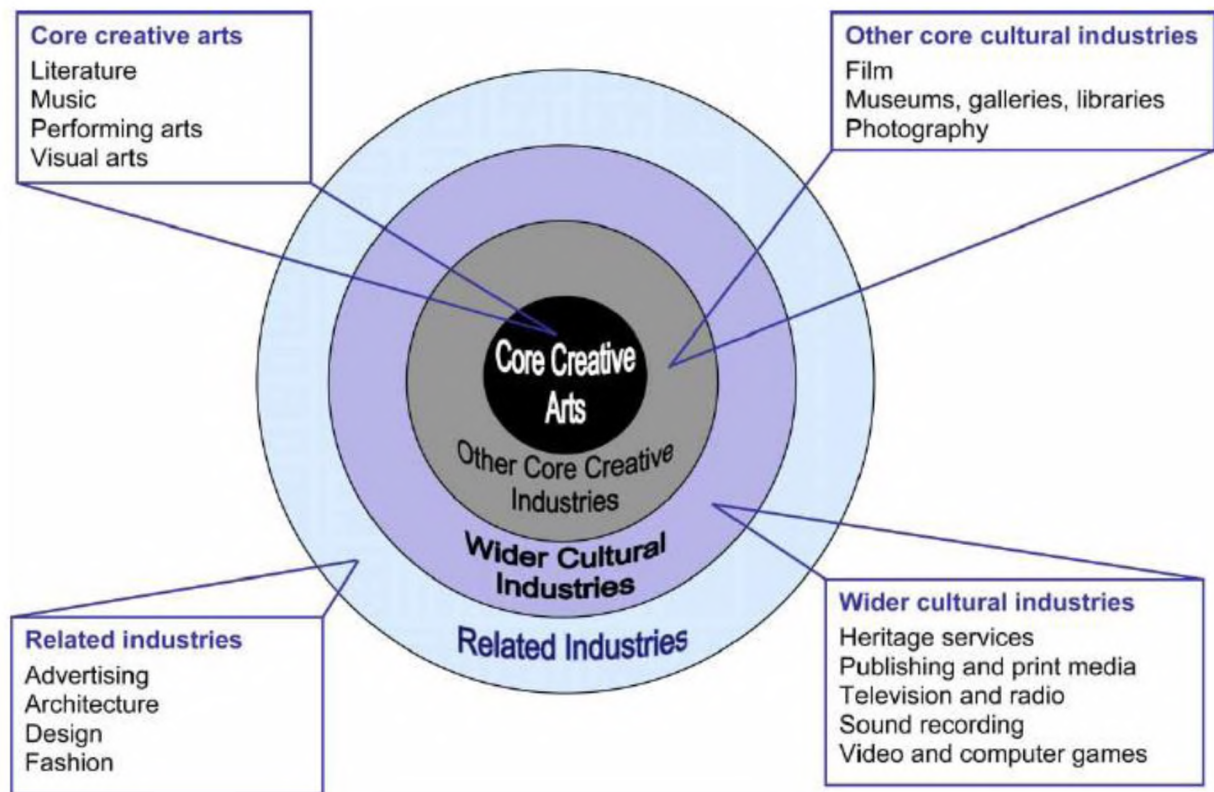


Figure 2: The Concentric Circles Model (Throsby in UNESCO, 2013)

According to the model, goods and services that present the strongest intrinsic value will be at the core of the model; those goods and services in the rings at, or closest to, the core, represent the highest intrinsic value, whilst those furthest from the core, represent the weakest and least intrinsic value, relative to the economic and commercial value (Throsby, 2008).

A major problem can already be noted with this model; placing intrinsic value can be somewhat subjective, and so, bias in the allocation of industries to the concentric circles will inevitably result, as allocation tends to be ad hoc (Throsby, 2008).

Whilst Throsby's (2008) model uses the term "Core Creative Arts", for the central circle, UNESCO (2013) uses "Core Cultural Expression", and there appears to be justification, and insistence on the use of the latter, rather the former; use of the former implies that creative workers and artists are independent at the summit of the hierarchy of creativity (UNESCO, 2013). Moreover, creativity, and indeed, cultural expression, is a social construct, and exists in community settings (UNESCO, 2013). Creative workers are dependent on a community of intermediaries such as managers and producers. Hence, the use of "Core Cultural Expression"

at the core is justified. This is a further illustration of the problems of distinguishing between cultural and creative industries.

Throsby (2008) does, however note, that the model more accurately gives the position of cultural and creative industries at a point in time, and must therefore be used with caution for dynamic analysis.

For this thesis, the UNESCO (2009) definition, as well as the FCS, will be used to define CCIs. So, firms, businesses and organisations that fall under any one of the domains in the FCS will be considered as CCIs. However, an exception is made in the case of the Cultural and Natural Heritage domain; only firms, businesses and organisations that are classified as Cultural Heritage will be considered, those falling under Natural Heritage are excluded from this study. This definition is now used in discussing the role of CCIs in regional development.

2.2 Regional Development and CCIs

In developing countries such as South Africa, small towns are experiencing a general economic decline because of a decline in traditional industries such as mining and farming, into other economic activities (Gibb and Nel, 2007; McKibbin *et al*, 2012), as well as the migration of the youth (Xuzza, 2005). However, it has been argued that small towns are pivotal in influencing rural development, and the process of regional economic growth and social development (Glasson and Marshall, 2007 in McKibbin *et al*, 2012; O' Riain, 2011). It is therefore necessary to explore the role of small cities and towns in regional development.

Studies have found that CCIs tend to be concentrated and clustered around large cities because of access to resources, as well as networks (Lazzeretti *et al*, 2010). Moreover, there is a case for clustering of CCIs around smaller cities. Oakley (2006: 268) argues that in the UK, although several large cities experienced an increase in the employment in the CCIs, a few others did indeed experience positive growth as well, albeit, at a weaker rate. Oakley (2006) further argues that the non-reliance on high-technology inputs makes smaller towns more ideal candidates for development of CCIs. McKibbin *et al* (2012) notes that small towns, although faced with economic decline, are critical, and play a vital role in the regional development because of their direct link to the rural and isolated places.

Culture, and consequently, CCIs, can be seen to aid in physical, social and economic renewal (Wansborough and Mageen, 2000), hence their importance in regional development. Cultural activity acts a catalyst to activity and investment in an area because the ‘consumption’ of cultural activities in a place fuels the activities and use of other non-cultural activities for example, hospitality development including restaurants and bars, as well as public transport (Wansborough and Mageen, 2000).

Diversification and inclusion in the labour market, as a result of employment creation from the CCIs has also been identified as a reason to pursue the growth and encouragement of the CCIs (Mzansi Golden Economy, 2011). In the United States of America, it was found, across several cities, that communities that were more diverse (based on social class, ethnicity and household structure) tended to have higher participation in the cultural sector (Stern and Seifert, 2007). CCIs offer a way of inclusion of social groups who may be disadvantaged in other traditional industries, as they tend to depend more on individual and natural talent, than on formal training and qualifications. They may also be used as a catalyst in including the previously-disadvantaged members of society into the labour market, although studies that have been carried out in the UK show that although some attempt has been made to include all people from different socio-economic backgrounds, cultural industries have remained largely white and middle-class (Eikhof and Warhurst, 2013; Oakley, 2006; Siebert and Wilson, 2013).

The case for clustering of CCIs, as opposed to a haphazard development of individual firms in random areas, is what Flew (2010) referred to as ‘soft infrastructure’ of the cultural sector. Because of the short term and contract nature of work in cultural industries (Flew, 2010), it is essential that networks, sometimes created through geographical proximity, be formed, as work in the cultural and creative industries tends to be arranged around a certain commission or project. Teams often consist of artists who know each other, or have been recommended by others who are within the network, thus making networking an essential part of success in the sector (Eikhof and Warhurst, 2013). Moreover, investment in ‘soft infrastructure’ is often neglected in favour of ‘hard infrastructure’ (galleries, libraries, theatres etc.).

There is, nevertheless, a case to investigate that CCIs and clustering of CCIs can be an important and effective tool for regional economic development. Not only can this be linked to the employment creation and direct economic growth that may be observed, but, there is also potential to drive knowledge growth through the network spillover effects, which not only increase knowledge, but also productivity of other industries, as well as social well-being.

Richard Florida, in his book, *The Rise of the Creative Class*, argues that cities and regions that grew the fastest were those that have well established clusters of cultural and creative professionals (Florida, 2002). Although causality is not implied, he further drives the point that the ability for a region to grow fast lies in its ability to attract the “creative class” - a group of skilled, talented and innovative professionals who have the ability to increase the level of productivity of knowledge in the so-called “knowledge economy”. Florida (2002) argues that growth is slowly but surely being shifted from being productivity driven, to knowledge driven. The cultural and creative industries then fulfil their roles of growth through providing firms and networks required by the creative class to do their jobs, as well as providing entertainment and stimulation activities that enhance an area’s attractiveness-to make the place attractive to work in.

Before Florida (2002), Porter (2000) highlighted the importance of clusters, by putting forward the idea that grouping or clustering small firms together enabled them to develop a regional competitive advantage in terms of cost advantages, skills advantages, increased innovation, as well as increased spillover effects, in the specific sectors they specialised in. Although he does not make specific reference to clustering in the cultural and creative industries, his ideas can be applied to the cultural and creative industries.

Although all the above theories are in support of the potential for the cultural and creative industries to foster economic growth, Sacco *et al* (2014) points out the danger in this type of analysis: the instrumentalisation of cultural activity, that is, that arts and culture are valued only for their impact on the economy, rather than for themselves. This can lead to unsustainable cultural policies, as was noted in an analysis of regional creative industries in the United Kingdom by Lee *et al* (2014). They argue that regional cultural policies are most likely to be successful when regions are “able to take different approaches, best suited to their region’s own creative economy”, and when the value chain is considered. Therefore, it is not only the economic impact of arts and culture that must be considered, but also the intrinsic values that they bring (Markusen, 2014).

2.2.1 How do Cultural Industries impact on growth and development?

Cultural production and consumption has been seen to positively impact economic growth and development (Cunningham, 2002), and so there has been an increased interest in them. A focus

on culture seems likely to pave the way for developmental initiatives (Sacco *et al*, 2013). These positive impacts can be referred to as spillovers.

A report based on the cultural industries in Europe (CCI Spillovers Report, 2015) suggested that the spillovers can be grouped into three main categories, namely, Knowledge spillovers; Industry spillovers; and Network spillovers. This is illustrated in Figure 3 below:

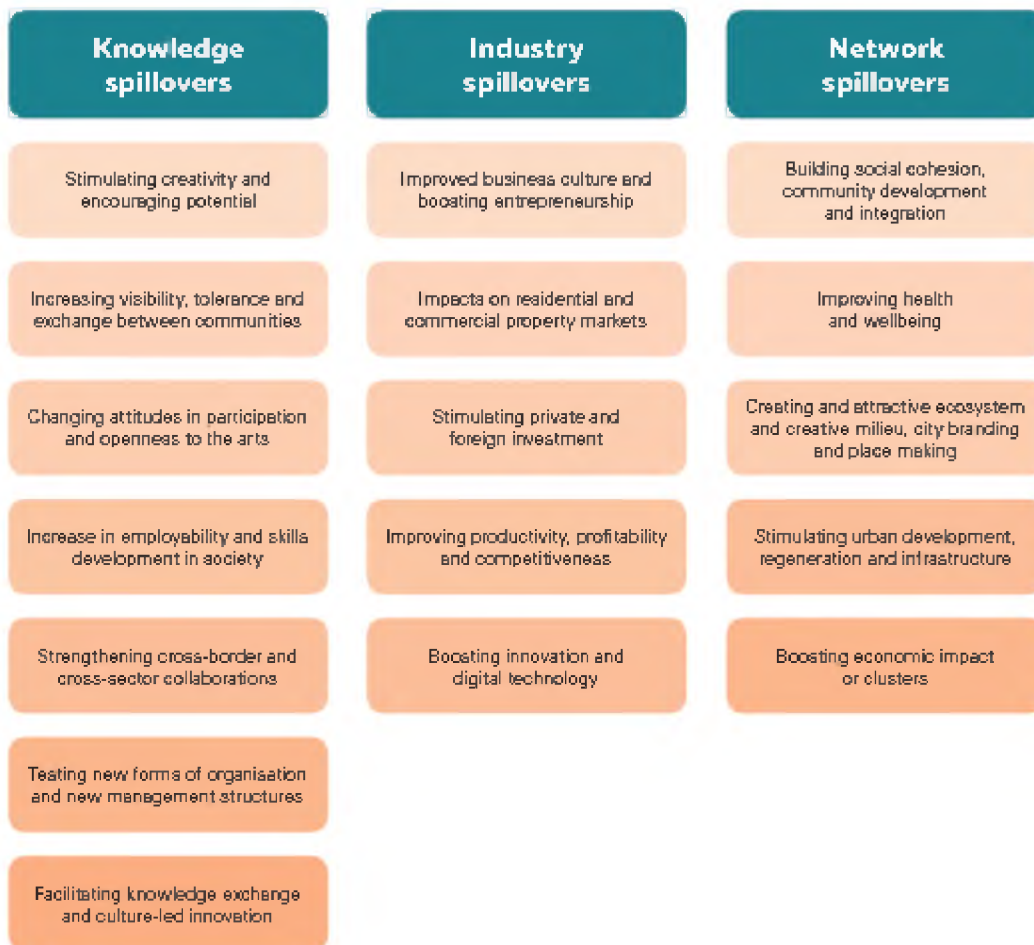


Figure 3: Spillovers from the Cultural and Creative Industries (Source: CCI Spillovers Report, 2015)

A brief summary of each spillover category is given:

Knowledge Spillovers - this category makes reference to new ideas and knowledge that may be created in the cultural industries, and it then flows to other parts of the economy. Because the cultural industries are seldom recognised for the knowledge that they produce, property rights to that knowledge seldom exist as well, and consequently, market failure is the result. It is here that the argument of cultural goods being public goods starts, and hence the petition

for continued funding into the cultural sector. Public goods are seen to provide positive externalities i.e. benefits to third parties, and this is one of the strongest arguments for public funding of the arts (Throsby, 2010).

Industry Spillovers - with Industry spillovers, it is vital that the cultural sector be a strong and well-established one, so that this could lead to factors such as increased investments and high property prices. This area quite often overlaps with that of knowledge spillovers, as knowledge is a vital tool for increased investment, especially in this knowledge driven society.

Network Spillovers - these are the impacts of having an established cultural sector on a particular area. These often overlap with both knowledge and industry spillover, but it must be noted that the emphasis here is more on the specific area and location, as opposed to the general large economy.

Virtuous Circle of Culture

A positive impact of culture on growth can be seen in what Sacco and Segre (2006) refer to as the virtuous circle of culture. The virtuous circle links the demand of cultural and creative goods, to the supply, which in turn leads to an increase in the quantity and quality of cultural and creative goods, in turn, further driving up demand (Sacco and Segre, 2006).

The assumption made in the circle is that there is enough willingness to pay, and therefore, demand, from consumers, to pay for the cultural and creative element of a product. Further, the consumers are partially made up of workers employed in the CCIs, specifically, in the core creative arts, according to Throsby's (2008) concentric circles model. Firms will therefore invest in the creative sector, as they expect a high rate of return, based on the high level of human capital (the skills of the creative workforce), as well as the anticipated willingness to pay from the consumers (Sacco and Segre, 2006).

The willingness of firms to invest equates to an increase in the supply of cultural goods and services, which Bonet (2017) refers to as a "menu enlargement of cultural opportunities". Bonet (2017) further states that the menu enlargement is accompanied by social salience. This virtuous circle therefore advocates for cultural investment, as it is seen to drive economic growth from the demand side.

The increase in the cultural supply will espouse a cultural demand from those non-core creative workers, and furthermore, social awareness fosters this demand to even the non-creative workers (Sacco and Segre, 2006). This is an example of a knowledge spillover, as defined by the CCI Spillovers Report (2015).

However, Bonet (2017) acknowledges that the virtuous circle may not work in less developed regions, and may, in fact, lead to a vicious circle. As less developed countries are generally characterised by lower levels of professional training, as well as poorly developed cultural infrastructure, investment may not yield as large an influence as the model predicts, and further, it may result in social exclusion of those who are not considered to be in the core creative arts (Throsby, 2008; Bonet, 2017).

2.2.2 Cultural Industries and Urban Regeneration

Gregory (2016) argues that cultural and creative industries are an underrepresented theme in urban regeneration debates in South Africa. In fact, the very little published research that exists about the cultural and creative industries is about Cape Town, Johannesburg and Durban, which are South Africa's largest cities, and therefore more likely to be creative city hubs in the country (Gregory, 2016). Moreover, there has recently been a rise into research on the cultural and creative industries, and this is, in part, because of how they have been used as tools to revive and rejuvenate regions, cities and towns that had been rundown or left derelict. They are actually "touted as catalysts for urban regeneration" (Gregory, 2016: 159). Jarvis *et al* (2009) state that "much debate about creative industries in urban regeneration is associated with policy interventions which often are designed to redevelop redundant sites and to bring economic activity and social change to deprived areas". Sirayi (2008) maintains the role of cultural industries in urban regeneration, arguing that the cultural industries have become a comprehensible solution to social and economic rejuvenation and re-development of cities.

The Maboneng Precinct is in Johannesburg, South Africa, and presents one such example of urban regeneration through the cultural and creative industries. It is located in the eastern fringe of Johannesburg's central business district (CBD). This area was not spared by the urban sprawl that hit the Johannesburg CBD in the 1980s, and this resulted in empty factories and warehouses in the area.

A study of this area and the developments that occurred therein, even after the urban sprawl (or the developments that occurred as a result of the urban sprawl), make it evident that a creative cluster emerged, which was fuelled primarily by private property development (Gregory, 2016: 163). “The creative re-use of predominantly vacant post-industrial space has reshaped the built environment into hybrid architecture” (Gregory, 2016: 163; Kotzen, 2016). This property development was borne out of a vision of having and promoting a creative community in the inner-city Johannesburg, and from thereon, Maboneng precinct developed rapidly. “The developer utilised arts, design and creativity as a vehicle to upgrade and redevelop the abandoned spaces of factories and warehouses and transform them into mixed use spaces for artistic, commercial and residential use” (Gregory, 2016:166-167).

The development of the Maboneng creative precinct also brought about advantages, with the biggest one being that of the creation of an international network. This network enabled spillovers to take place (Knowledge, Industry and Network spill overs), which is beneficial for not only the artists, but the greater community at large; access to markets was created, access to group marketing associated with the brand of the precinct followed, diversity of people and democratic spaces increased, and, a safe, secure, inspiring and innovative working environment was established, according to Gregory (2016) and Kotzen (2016).

Although the property-led development of the Maboneng Precinct through the cultural activities can be hailed as a milestone, it did, nevertheless, come with a few setbacks. The rental costs of commercial and residential space within the precinct increased considerably, having the unintended consequence of pushing out the ‘smaller players’ in the cultural industries (Hartwig, 2014 in Gregory, 2016).

Route Tourism is also another aspect that can be looked at in analysing the positive economic growth and development of an area through CCIs. Route tourism refers to a strategy of bringing together and linking up a variety of attractions and activities, which are often tourist attractions, under a unified theme. This, in turn, leads to more effective marketing opportunities, as well as product development (Greffé, 1994; Snowball and Courtney, 2010).

Also referred to as a ‘Corridor Management Approach’ by McKibbin (2012) with reference to the Amathole Economic Development Agency (Aspire), route tourism is focused on stimulating economic potential along major transport corridors. Ultimately, its objectives include the development of road access and infrastructure to, and along, the route, small town regeneration, as well as protecting local heritage sites (McKibbin, 2012; Snowball and

Courtney, 2010). This is achieved through collective marketing, in an effort to attract more visitors, thereby re-directing spending into the area (Rogerson, 2009).

The Midlands Meander in South Africa is an example of a developed and successful tourism route. Located in the KwaZulu Natal Province, its main focus is local arts and crafts and agricultural produce, whilst it also offers the local arts entrepreneurs access to both national and international markets (Lourens, 2007). Interestingly, more than half of the Meander's turnover (56%) is from accommodation and food provision services (Midlands Meander, 2017); increasing length of stay in order to increase overall spending, thereby re-directing spending into the area, is one of the objectives of tourism routes (Snowball and Courtney, 2010).

A key result of the development of the Midlands Meander was the economic development that took place-not only did the arts and crafts sector develop, but guest hospitality establishments emerged, with various services following as well; such as the golf course, adventure activities and spas. A knock-on effect was the creation of employment opportunities for the locals; According to Lourens (2007), about 2500 people are employed in the Meander, with over 36 000 people being supported from and by it directly (Lourens, 2007). Community engagement and upliftment programmes, as well as educational and conservation programmes for the locals have also emerged (Lourens, 2007).

Disadvantages of Culture led regional development

Whilst culture-led regeneration is highly welcomed, and considered positive, some costs come along with it, which have mostly been unacknowledged (Stern and Seifert, 2007).

The first associated cost is gentrification. Gentrification is when there is an increase in property values, which often leads to displacing of the lower income households and families. It is often associated with the movement of artists into previously unfashionable neighbourhoods, districts and cities (Stern and Seifert, 2007).

As in the case of the Maboneng precinct, it is noted that although the property-led development led to a regeneration of the area, it also came with a setback: the rental costs of commercial and residential space within the precinct increased considerably, having the unintended

consequence of driving out the smaller firms in the cultural industries (Hartwig, 2014 in Gregory, 2016: 168).

Moreover, Markusen (2014) argues that the drivers of gentrification are “unequal wealth, a free market property rights system, and an active development industry”, and not the arts and culture. Nicodemus (2013) further solidifies this stance by arguing that in fact, literature provides examples of artists who, in pursuing their artistic endeavours, have also successfully lent their talents to improving the livelihoods of the lower income households, whilst simultaneously fighting gentrification.

The findings of Godrach *et al* (2013) support the idea of urban revitalisation through arts and culture, but also highlight the fact that some artistic activity brings about gentrification. Fine arts activities (e.g. Visual and performing arts) are associated with indicators of revitalisation, while more commercial arts industries (e.g. film and music) are a strong indication and predictor for gentrification (Godrach *et al*, 2013).

Godrach *et al* (2013) further state that cultural arts can be linked to a steady growth of neighbourhoods, while creative arts are associated with rapidly changing areas. In order to effectively incorporate the arts into neighbourhood planning efforts, planners should recognise and acknowledge what the different types of arts activities are, and how they affect, and have an effect on, a neighbourhood.

Another problem that stems from regeneration through arts and culture is the expansion of economic inequality. Stern and Seifert (2007) note that in terms of the disadvantages of urban revitalisation, economic inequality is a worse consequence, yielding more negative impact, than gentrification. This is particularly true, following Florida’s advocacy of a creative class.

Using Godrach *et al*’s (2013) analysis of the different types of arts activities, the creative artists can be seen to possess the greater share of the pie, and receive a disproportionate share of benefits. Therefore, using Florida’s (2002) analysis of the creative class, which strives for high-skilled professionals, in a setting of low-skilled and low wage jobs, the likely result is larger income inequality. The acceleration towards the creative class is thus associated with a growth in economic inequality (Stern and Seifert, 2007).

It is therefore essential that regional growth through the arts be pursued through policy that not only drives this motive, but at the same time, reduces the likelihood of a growth in economic inequality (Throsby, 2010).

2.2.3 The regional economic impact of cultural events

In valuing cultural festivals and events, economic impact studies can be used. Whilst other methods, such as the willingness-to-pay, or the contingent valuation method, exist, the economic impact method is particularly applicable. This is because of its ability to measure economic impacts and effects on the real economy (Seaman, 2011), especially for those that attract a large number of tourists, and consequently, tourist spending, from outside the region and impact area. Tyrell and Johnson (2006: 3) define economic impact as seeking “to estimate changes in regional spending, output, income and/or employment associated with tourism policy, events, facilities or destinations.”

The growing interest into the positive effects to the local economy of investing in cultural festivals and events (Saayman and Rossouw, 2011) has given rise to the use of economic impact studies. Economic impact studies attempt to answer the question, “If the event had not taken place, what would the loss of revenue to the impact area have been?” (Snowball, 2008). This is a way of capturing additional market transactions and economic activity in an area, as a result of the particular event being held. Essentially, the focus of such studies concentrates on the private good element of the arts that is captured by market transactions, and not the merit or public good elements (Snowball, 2008).

It is no wonder there is conflict on the use, as well as the usefulness, of economic impact studies for valuing cultural goods, as they may be seen to highlight the danger of the arts not being valued for themselves, but only for what they can produce economically.

Advantages of using Economic impact studies

Because economic impact studies give a conclusion of a final figure-the ‘economic impact’ of the event, this is precisely their first advantage. As this figure is easily comparable and understood, it paves the way for boosting funding to the arts. The most compelling arguments for increased funding are those that reflect tangible benefits (Cohen et al, 2003), as funders of such initiatives expect to see a return on their investments, and economic impact is a good indicator of this.

Economic impact studies are also able to provide information on the creation of employment (Crompton, 2006) in the impact area, and this is valuable information, especially in a country like South Africa, whose unemployment rate is 27.7% (Statistics South Africa, 2017).

It is important that the impact area maintains elevated levels of consumer and customer satisfaction, in order to not only retain old visitors and tourists, but to also attract new ones. Economic impact studies are therefore important in this regard, as they are able to provide valuable information that highlights events on which visitors spend the most, and from this, it is possible to evaluate, and draw conclusions, on how to improve events, and quality of events (Heaney and Heaney, 2003).

As mentioned earlier, Florida (2002) identifies the correlation between the presence of the “Creative Class” and high levels of economic growth in cities. Economic impact studies help in determining the level of economic activity occurring as a result of the event taking place. So, as a measure of economic activity, the studies can also help cities in rebuilding and re-branding their image. As festivals and events have also been utilised as tools for development (Saayman and Saayman, 2004), there have been several studies of festivals and events that show their success through the positive impact, and as such, have been used by cities as a ‘branding and profile-upliftment’ platform. Grahamstown hosts the National Arts Festival (NAF), and in 2013, the total economic impact was estimated to have been R91 million for Grahamstown, and between R350 and R370 million for the Eastern Cape Province. The city has used this flagship festival as well this figure to support its case, not only for increased funding, but also to pioneer and pilot the “Creative City” project in South Africa.

Disadvantages of using Economic Impact studies

As mentioned earlier, there is conflicting evidence on the usefulness of Economic impact studies. Artists and arts supporters are generally against the idea of using monetary values to value the arts, but instead, insist on the fact that art should be supported for its intrinsic value (Cohen et al, 2003).

With limited budgets, the arts have to compete with other more pressing social issues such as education and housing, and they are often considered as luxuries, and so are amongst the first to experience budget cuts (Cohen et al, 2003; Saayman and Saayman, 2006). It is because of

this that economic impact studies become a powerful bargaining tool, although, very often, the intrinsic value is then not considered.

Another problem of using economic impact studies, focusing only on the financial impacts, is that it emphasises value in terms of spending and income, and ignores the negative impacts (externalities) that occur. When arts events occur in districts or regions which have wide income inequality gaps, most of the money accrues to the wealthier residents of the community, especially those that have a way of capitalising on the presence of the visitors (Snowball, 2008), by, for example, letting out their houses for accommodation; this results in a widening of the income inequality gap, and the economic impact study fails to account for this. Other negative externalities which the economic impact study fails to capture include traffic congestion, as well as environmental damage (Slabbert and Saayman, 2011).

The issue of opportunity cost when dealing with economic impact studies is one which Archer (1977) cautions against. When carrying out an economic impact study, it is important to measure the benefits against the real cost, i.e., the opportunity cost, to society, of shifting resource allocation to that particular event, and away from other events or activities (Archer, 1997). Crompton (2006) argues that the “new money” that is created in the impact area as a result of the event taking place is not actually new money, and does not constitute new money; rather, it represents an opportunity cost because it has been removed from spending from another area in the economy. Essentially, another sector or geographic region has suffered at the expense of the arts.

Calculating Economic Impact

Economic impact studies should not be taken as cost-benefit analyses, only applying to the host city council, as is argued by Crompton (2006). If, for example, the council generates less in revenue for an event than it funded, this should not be considered a final argument for its discontinuation, as it does not take into account the benefits of the particular event to the local residents, who pay rates and taxes to the council to begin with (Snowball, 2008).

Crompton (2006) further strengthens this point through the use of a diagram (Figure 4), which illustrates the conceptual rationale for commissioning economic impact studies, but simultaneously highlights how non-market benefits of arts events are not included:

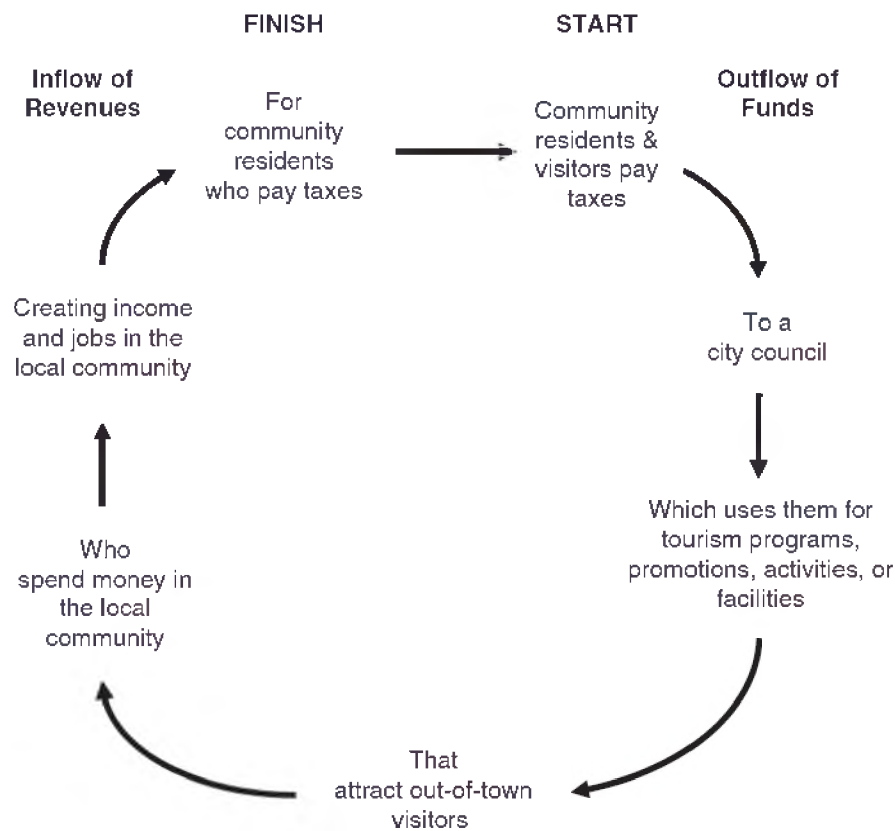


Figure 4: The rationale for commissioning economic impact studies (Crompton, 2006: 68)

2.3 Creative Cities

A city regards itself as, or is considered to be, a Creative City, if streamlined creativity is its main driver of development (UNESCO, 2016a). According to Throsby (2010:139), “the concept of the creative city describes an urban complex where cultural activities of various sorts are an integral component of the city’s economic and social functioning. Such cities tend to be built upon a strong social and cultural infrastructure; to have relatively high concentrations of creative employment; and to be attractive to inward investment because of their well-established areas and cultural facilities.” Essentially, the main focus, drive and goal of the creative city is to ensure sustainability and progress in development, with the use of CCIs as the backbone of this task, at both national and international levels (UNESCO, 2016a).

According to Comunian (2010), two concepts form the basis of the creative city. The first concept of the creative city is based on Bianchini and Landry's (1995) work, where cultural industries were regarded as central and pivotal tools for urban regeneration in the UK. Fundamentally, creativity and culture are considered as the drivers of economic growth and development, as well as tools for solving a city's problems that may be related, but not limited, to, overcrowding and illnesses, anti-social behaviour, and conflict (Bianchini and Landry, 1995). The necessity of using creativity to drive development has been intensified by the crises that urban areas are facing, which, according to Bianchini and Landry (1995), require a different approach to those of the traditional ones used by planners, to solve. Some of the crises that urban areas are facing include social divisions among working classes, an increase in crime and anti-social activities, as well as a decline in place identity (Bianchini and Landry, 1995), which compels the use of creativity.

The creative city, according to Landry (2012) is a place where people utilise their various talents, and where their talents are developed and promoted, towards a common good. The development of skill and talent in the creative city acts as a catalyst towards attracting more talent, and this cycle of self-reinforcement persists (Landry, 2012). The creative city is also a very liberal place, characterised by a culmination of several cultures, which mix together, and share their various experiences and ideas (Florida, 2006; Martin-Brelot *et al*, 2010; Landry, 2012).

The most recent and prominent premise (Comunian, 2010) on which the creative city concept is drawn is based on Florida's (2002) theory of the creative class, where he postulates that a city's economic success is influenced directly, and propelled, by the existence of a creative class. Therefore, a city that has an abundance of, or the potential and ability to attract, the creative class, can be regarded as a creative city. In addition to attracting, the creative city must also have the ability to retain the creative class (Bille, 2013).

The creative city also drives employment creation, which is a macroeconomic objective of governments. According to a study by Boschma and Fritsch (2007) on eight European countries, it was found that regions that had a large number of the creative class, experienced rapid economic growth (Boschma and Fritsch, 2007). Further, the study also revealed that creativity was a more significant factor and contributor to economic growth, than education level (Boschma and Fritsch, 2007).

However, some limitations of this theory have been raised. Comunian (2010) argues against the “top-down approach” of the theory: the creative city ought to have a large investment in the cultural amenities and hard infrastructure. Moreover, it does not provide for how the creative class relate to, or engage with, the assets (Comunian, 2010). Furthermore, as the creative class itself comprises professions from various disciplines, with varied approaches to culture, the theory does not provide for how the merge between these varying professions take place (Markusen, 2006).

More criticism of the creative city stems from the policies used to attract the creative class. In an effort to turn the city into a creative city, and consequently attract the creative class, policy makers and officials from municipalities, according to Landry (2012), tend to prioritise attracting this high income, high education group, and tend to neglect the less privileged. This ultimately drives up the inequalities between the rich and the poor (Landry, 2012), and may, in actual fact, act as a catalyst in rising anti-social behaviour in the city. In fact, one of the very aims of the creative city, reducing anti-social behaviour, may in contrast, be promoted by the notion of the creative city. The precarious nature of cultural work means unstable and uncertain employment – this, by its very nature, triggers anti-social behaviour, as people struggle to make ends meet (Vivant, 2013).

Furthermore, the creative cities paradigm has been associated with gentrification. Cole (1987) found that the result of creative workers moving to an area or place, was a development of that area or place, which then resulted in increased property prices. Cole (1987) concludes, therefore, that the creative class (and ultimately, creative cities), results in gentrification, as well as displacement. As Florida (2002) postulates that the creative class is very mobile, this would then mean a constant migration of the creative class implies constant gentrification, as well as constant displacement of the poor, essentially, a widening of the inequality gap.

Rius-Ulldemolins *et al* (2016) also argue that the creative city model may equate to wasted resources – manifested through infrastructure built for a certain event, but no longer relevant, either because the specific event for which it was built, has ended, or there is a mismatch between the actual and intended use of the building. Rius-Ulldemolins *et al* (2016) refer to these as “white elephants”. Using Barcelona as an example, where an attempt at urban redevelopment through culture, to grow and develop the city as much as was done by the Barcelona Olympic Games (Subirós, 1998, in Rius-Ulldemolins, 2016), The Universal Forum of Cultures was established. The Forum cost more to build than it earned in attracting visitors

(Rius-Ulldemolins *et al*, 2012, in Rius-Ulldemolins, 2016), and eventually, a campaign to boycott the forum was established. Eventually, several buildings and infrastructure, built specifically for this purpose, lay derelict, and some of the buildings are now being used for purposes not originally intended for them (Rius-Ulldemolins *et al*, 2016).

In light of the Creative Cities programme, UNESCO launched the UNESCO Creative Cities Network (UCCN) in 2004, with the aim to bring together the various creative cities i.e. to unite the cities around the world that had identified culture as their pillar for sustainable growth and development (UNESCO, 2016a). The objectives of the UCCN include widening the potential, and opportunities, for employment within the CCIs, developing creative hubs that encourage innovation and participation in the cultural sector, as well as promoting the creation and dissemination of, as well as access to, cultural goods and services. (UNESCO, 2016a).

A foremost foundation on which the concept of the Creative City is built on, is that of the European Capital of Culture. Previously known as the ‘European City of Culture’, the European Capital of Culture, launched in 1985, refers to a city that is selected by the European Union, to, for the particular year, exhibit its cultural diversity and endowment. The city uses culture to improve the quality of life of citizens, thereby promoting growth and development of that city (UNECC, 2017). This has, in many cases, acted as a tourist attraction into those cities, as well as a means to boost the city’s image internationally. (European Commission, 2017).

Beyond the promotion of culture and cultural diversity, the European Capital of Culture programme (hereafter referred to as ECC) has also been used as a catalyst to spearhead change and development in a city – be it social, cultural, or economic, as well as a means to distribute resources in an efficient manner (Garcia and Cox, 2013). Benefits that have come about as a result of the ECC are economic growth, regeneration of cities, as well as social cohesion in those cities (European Commission, 2017).

The ECC has also resulted in a positively growing socio-economic impact on the host city (European Commission, 2017); there has been an increase in the vibrancy of the cultural setting, and this has resulted in increased output from the cultural sector in the host cities. This was a key result noted in Glasgow after its ECC status in 1990 (Garcia and Cox, 2013; Landry, 2012). Glasgow further experienced an upliftment of its image, as well as an increase in its tourist numbers (Landry, 2012; Garcia and Cox, 2013). The achievements of Glasgow, and consequently, the aims of ECCs are in line with those of the Creative City.

However, Landry (2012) warns against the creative city notion as an answer to all problems that a city faces. He warns that creativity, and the creative city notion, have been adopted by cities as more of a “fashion frenzy”, without an initial, thoughtful, analysis transpiring (Landry, 2012). This has resulted in considerable dispute and debate on the validity of the creative city discourse (Landry, 2012).

For the creative city, and indeed, culture-led regional development, to be successful, there ought to be government regulations, legislations and laws that support and promote the development, growth, and sustainability of the CCIs (Bianchini and Landry, 1995; Paquette and Redaelli, 2015). These regulations, legislations and laws, which are necessitated by the limited public funding, which needs to be allocated and spent efficiently, sustainably and equitably, whose outcomes also need to yield the same objectives (Towse, 2010; Throsby, 2010), are referred to as cultural policy, are discussed in the following section.

2.4 Cultural Policy

The success of the arts and cultural sector is hugely dependent on a cogent and sound cultural policy (Throsby, 2010; Paquette and Redaelli, 2015). As an extension of public policy, cultural policy ought to, whilst promoting the arts and cultural sector, and access thereto, fulfil all the objectives of public policy. Cultural policy can therefore be described as the government actions, activities, and laws, relating to, governing, and protecting, the cultural and creative industries (Mulcahy, 2006).

2.4.1 Objectives of public policy

In general terms, public policy must aim to achieve macroeconomic goals of government. Furthermore, as a tool for pursuing and achieving government’s macroeconomic objectives and goals, cultural policy must align, and be coherent, with, public policy.

According to Howlett (2009), in order for public policy to be successful, it requires that:

1. All tiers of policy tools and tool calibrations should be coherent and harmonised. This implies that at all levels of government (national, provincial, district and municipal),

policy must not only be logical, but it must be consistent too. Essentially, all levels of policy must speak to, and inform each other (in their hierarchical order).

2. Implementation preferences, plans, and instruments of implementing policy ought to be consistent across the various levels of governments, in order for it to be successful. Furthermore, these preferences and tools ought to achieve the most efficient and sound outcomes, as well as provide important assessments and advice for future policy development (Throsby, 2010).
3. At all levels, policy objectives, tools, and targets should also be congruent and convergent. Where aims and objectives of policy across the various levels are not similar, the result is bound to be a clash of policies, and inevitable policy failure. Hence policy within and across different levels must have similar (or the same) aims and objectives. Furthermore, there must be a monitoring and evaluation tool that provides feedback of the policy, and guides future policy considerations (Throsby, 2010).

It is, however, possible, that incomplete or incorrect information is transmitted in the market, through and to the various stakeholders involved in the market. Where this happens, the success of the cultural policy, or public policy in general, is compromised (Paquette and Redaelli, 2015).

Howlett (2009) further states that successful policy also ought to have pre-determined abstract aims, objectives, and goals, which must be based on measures that will allow resources to be directed towards achieving those aims, objectives and goals. Paquette and Redaelli (2015) however argue that even despite these pre-determined objectives and goals, it is still possible to have policy implementation failure, as a result of varied organisational cultures and dynamics. They argue that in organisations where there is a varied number of cultures and cultural dynamics, this may have an impact on the successful design and implementation of policies (Paquette and Redaelli, 2015).

2.4.2 Economic Objectives of Cultural Policy

As has been stated, cultural policy needs to exhibit all the characteristics of public policy. It however also needs to consider issues that are specifically related to the arts, and so it must assess the economic objectives, specifically related to the arts.

DiMaggio and Powell (1983) note the importance of linking government policy to issues relating to the arts and culture, in order to “evaluate the validity of government programs and

assess the common problems facing cultural policy makers”. Throsby (2001) and Towse (2003) also highlight the importance of linking the economic objectives of governments to cultural policy.

One of government’s macroeconomic objectives is to achieve economic and social efficiency; it is therefore correct to assume that public policy must promote efficiency. From an economic perspective, efficiency is achieved when Pareto optimality is achieved—that is, when it is impossible to make someone else in society better off, without making someone else worse off (Towse, 2010). To achieve Pareto optimality, certain assumptions about conditions within the market are made: there is perfect information in the market; there is perfect competition; there are public goods, that is, there cannot be external costs or benefits; and pricing must be at marginal cost by the profit maximising firms (Towse, 2010).

Cultural goods are seen to exhibit public-good characteristics as they provide Social Benefits to the community that are not directly measurable, or do not have the ability to be captured in the market process (Throsby, 2010). Overall, total welfare to the community rises, as a result of the external benefits (and consequently, social benefits) (Berry, 2017). In essence, Marginal Social Benefits of cultural goods are greater than the Marginal Private Benefits, and this can be illustrated on figure 5 as below:

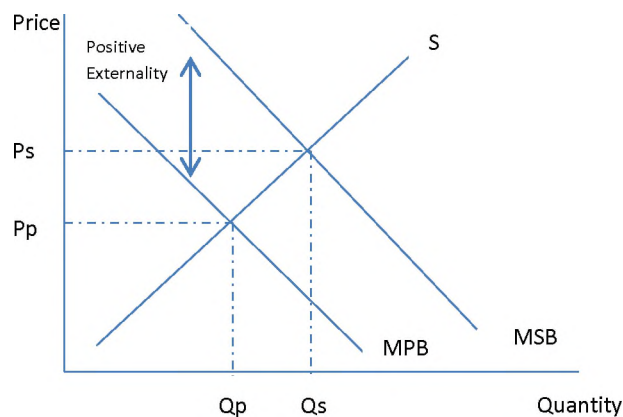


Figure 5: The market for cultural goods

From the diagram (figure 5), the Marginal Private Benefits (MPB) represents the consumer demand for cultural goods, i.e., the current level of cultural goods’ demand in the market. The Supply curve (S), which could also be noted as the Marginal Cost curve, represents the supply of cultural goods in the market. Pp is the price charged, and Qp is the quantity demanded and

supplied, of cultural goods. Market equilibrium (where price and quantity of cultural goods are equal) therefore occurs at P_pQ_p .

However, cultural goods may also provide benefits to the community, i.e., third parties, who are neither producers nor consumers of cultural goods. For example, in South Africa, the Department of Arts and Culture (2017) have identified the arts and culture as drivers of social cohesion and nation-building. These benefits will accrue to everyone, even those not directly involved in the creation and consumption of the arts and culture; and they are referred to as external benefits. Summing up the private benefits and the external benefits of cultural goods gives the Marginal Social Benefits (MSB), which are the total benefits to the entire society of production and consumption of cultural goods. To maximise welfare, the demand for cultural goods must be on the MSB curve, and consumption and provision of cultural goods must be occurring at quantity Q_s , and price P_s (which have taken into account the external benefits, and therefore represent the social benefits of cultural goods). Efficient market equilibrium must therefore be at P_sQ_s .

The external benefits are illustrated by the vertical distance between the MPB and the MSB. The value of the external benefits essentially translates to a welfare-loss from under-consumption and under-production of cultural goods. Positive externalities are one of the strongest arguments for public subsidy of the arts.

However, social benefits of cultural goods are not directly measurable, or captured in the market process. Heilbrun and Gray (2001) suggest use of Willingness to Pay studies to ascertain the willingness of consumers and society to pay for the external benefits of cultural goods. Another method that can be employed to track the external (and social) benefits of cultural goods is the Socio-economic impact study (discussed in Chapter 5).

It then becomes apparent that the presence of public goods means that the condition of Pareto optimality has been violated. In order, then, to ensure that efficiency prevails, an alternative 'second best' theory must be used, whereby each policy measure is assessed individually, based on empirical evidence and social costs (Towse, 2010). Where there is economic inefficiency, the result is market failure. Therefore, public policy must be aimed at avoiding, or correcting, market failure.

Where the demand and supply of cultural goods and services is below the optimum equilibrium level to maximise social welfare, there is a compelling argument for government to intervene

to correct this disequilibrium, most likely through the provision of subsidies to cultural producers, in an attempt to increase their output (Throsby, 2010). The market failure may then result from the externalities that are associated with cultural goods. Public goods are prone to issues of free-riders, non-rivalrous consumption, and non-excludability.

By their nature, public goods have two main characteristics: non-rivalrous consumption, and non-excludability. Non-rivalrous consumption means that as one person consumes the good, the availability, or quantity available, for other consumers to consume the good does not diminish. For example, at a street concert, the ‘consumption’ of the cultural experience of one consumer does not decrease or diminish the availability of the same cultural experience to another consumer. Non-excludability refers to the inability to exclude non-payers from consuming the good. Using the same example of the street concert, it is possible to charge viewers a ‘spectator fee’, but it is impossible to exclude the non-payers or passer-by’s from enjoying the concert. This gives rise to the free-rider problem; where individuals benefit or derive utility from consuming a good which they have not paid for—a characteristic of public goods (Wolf, 1979; Weimer and Vining, 2004).

Another source of market failure particularly evident with the production of cultural goods is the lack of economies of scale. Faced with high fixed costs, only a small number of CCIs are able to maintain production to a substantial amount, enough to cover costs (Throsby, 2010). Larger firms are able to produce at a lower cost, an option very seldom available to firms producing cultural goods. This inefficiency therefore necessitates government intervention, and promotes policy that discourages monopolies within the market. Pareto optimality and improvement have therefore not been met because, whilst policies have been designed to redistribute income, there is no consideration of how or to whom the distribution is going to occur (equity).

The necessity for government to intervene where market failure has occurred may also give rise to government failure (Towse, 2010)—a situation where government interference leaves the allocations worse off than they previously were (Weimer and Vining, 2004).

Another economic objective is equity. Equity looks at the distribution of resources, so, the fairness with which resources are distributed and allocated. Whilst economic efficiency is sought after, it does not always lead to a fair and equitable allocation of resources. So, whilst the market can self-correct for efficiency (or inefficiency), the same does not always hold for equity. This trade-off between equity and efficiency thus makes designing policy difficult

(Weimer and Vining, 2004), and government must ensure that that resources are being utilised efficiently, and then that they are allocated fairly (Throsby, 2010). The policy process is, essentially only complete, when final efficiency measures are deemed to be equitable as well (Throsby, 2010).

One of the most important government policy aims for countries with growing populations is economic growth. The new shift in focus to CCIs as sources of economic growth (O'Connor, 2010) is a basis on which to create policies that drive economic growth.

Economic growth has been identified as a goal and objective of cultural policy, which has resulted in several countries shift their focus from the subsidised arts to the Creative Industries. However, it is argued by Joffe and Newton (2007) that not only does this shift impact cultural development negatively, but it also casts doubt on the viability and financial operations of traditional arts and cultural firms, who have traditionally always relied on public grants and funds to function (Joffe and Newton, 2007). Garnham (2005) further reiterates the point that this shift signals a 'supply side cultural support policy', instead of a policy directed at distribution and consumption.

Job creation and employment are also seen as important policy aims for countries with growing populations. As several firms, especially traditionally-manufacturing industries, seek to cut costs, modernise, and adopt labour-saving technology (which renders certain workers and occupations redundant), governments have to focus on the task of achieving full employment, and creating policies which encourage this (Wolf, 1979).

The cultural sector, in turn, needs to adopt policy that encourages job creation. In South Africa, the cultural and creative occupations account for more than those in the mining sector (Hadisi and Snowball, 2016). Hadisi and Snowball (2016) further illustrate the ability of cultural employment to grow faster than non-cultural employment, which illustrates that the cultural sector is indeed a worthwhile sector to invest in, especially if in pursuit of job creation. However, Hadisi and Snowball (2016) warn against the volatility of cultural employment, and its vulnerability to economic downturns.

Where potential for trade in cultural goods exists, for example in South Africa, where there has been a significant increase in exports and trade in cultural goods since 2004 (UNESCO, 2016b), it is important to have in place policies that encourage local cultural production, and encourage

exports, as well as import substitution, in order to promote a favourable balance of trade (Throsby, 2010).

2.4.3 Cultural objectives of Cultural Policy

Cultural policy also needs to recognise the cultural objectives of the sector, relating to both social and intrinsic values of culture. In fact, the Canadian Conference of the Arts (1998: 39) came to the resolution that “the use of public funds must be dedicated to cultural objectives, not commercial or industrial ones”.

Throsby (2010) notes that cultural values can stem from four sources, namely, arts production and consumption; cultural identity and symbolism; cultural diversity; and, cultural preservation and continuity. The production and consumption of arts rests on three dimensions, namely, excellence, innovation and access (Throsby, 2010).

Excellence and innovation are central in ensuring that judgement of art is not only based on its commercial value, but on the artistic quality, and innovation to produce higher quality artistic goods and services (Throsby, 2010). Further, this dynamic society that always strives to produce higher quality artistic goods and services must be characterised by artistic freedom, and conditions which allow art, and artistic freedom, to prevail, and flourish (Swedish Arts Council, 2017).

As cultural value can only be affirmed when it is experienced by someone (Throsby, 2010; Amestoy, 2013), one of the goals of Cultural policy is that it must encourage, and increase cultural consumption in communities (Access) (Amestoy, 2013). This is also in line with government’s macroeconomic objective of equity, in achieving fairness to access and consumption of cultural goods to all participants and members of the community.

Cultural identity and symbolism, as a cultural objective of cultural policy, is particularly important because it enables arts and artwork to exhibit, express, and portray something specific about the region, or country, in which the particular good or service is produced in (Throsby, 2010).

Cultural policy can also be used to correct past injustices and inequalities in the access to arts and culture-France is one such country that has successfully utilised cultural policy to correct

inequalities in access to arts and culture (France Cultural Policy, 2017). According to Mulcahy (2017), an “authentic culture is what informs national identity”, and this is particularly important in a country that was previously colonised, as its identity needs to be reconstructed (Mulcahy, 2017). Therefore, it is vital that a country such as South Africa capitalise on an objective such as this, in order to diversify and increase access to, and participation in, the arts and culture.

Lastly, preserving the arts, and ensuring their continuity, rests on education, which ensures that cultural value is transmitted intergenerationally, thereby ensuring its continuity (Towse, 2009).

Cultural policy, and discourse surrounding it has not been spared from criticism. One of the arguments that has been in discourse is that of the term, “cultural policy”. The term is inherently contradictory (McGuigan, 2003) because arts and culture, by their nature, allow freedom, whilst policy has an implication of regulating. This implies that culture requires policing, “as if it were something dangerous that needed to be controlled” (Paquette and Redaelli, 2015: 31).

2.4.4 Why do policies fail?

Policy generally tends to be made by one organisation, and then executed and enforced by another. This situation undoubtedly lends the different levels of policy to misalignment, making it vulnerable to the principal-agent problem, which is a source of policy failure. The principal-agent problem arises because either of the organisations can make decisions which directly influence and impact the actions and operations of the other. Often, the agent has the upper hand as they have more information (Towse, 2010).

One of the key assumptions of the theory of efficiency is that both principals and agents are assumed to have perfect information. Moreover, it is almost always the case that this assumption does not hold, and neither of parties has perfect information. Rather, there is asymmetric information (also known as information failure) as one of the parties has greater knowledge than the other. The principal-agent problem comes about as a result of asymmetric information (Towse, 2010).

When the aims, objectives and goals (hereafter referred to as goals) of policy are established and decided upon, without a precise or realistic assessment of the capabilities and limitations

of more concrete policy tools, or their calibrations, a case of improper design arises, which is another source of policy failure (Howlett, 2009).

Policy may also fail when the step of discussing and assessing the actual goals of policy is replaced by the means of attaining the goals. Essentially, the step of actually deciding on, and establishing the goals, is completely missed, and replaced by how to achieve the goals; which inevitably makes those goals for which the means is being discussed, very vague, and ad hoc. Bovens and 't Hart (1996) compare this scenario to a bridge; "... a failure to properly consider the loads a structure must bear can lead to its collapse, even if its engineering and materials are otherwise excellent".

Since policy goals are, and must be, interlinked, not only with each other, but also with various levels of government policy, it is then important to understand this relationship when designing policy. A suitable design will also be one that limits and reduces the number of available alternatives in any given situation (Howlett, 2009).

Conclusion

This chapter has carried out a review of the literature on regional development, through the cultural and creative industries (CCIs). The contentions associated with the definitions and use of the terms have meant an added degree of difficulty in assessing the influence of CCIs on regional development. However, the UNESCO (2009) definition, as well as the Framework for Cultural Statistics (FCS) (UNESCO, 2009) provided good starting points for developing a definition of the terms, as well as for classifying firms, organisations and businesses under the respective domain, according to their functions.

There is evidence that suggests that CCIs have the potential to play a significant role in regional growth and development through urban regeneration and revitalisation, and through their role in creating creative cities. A review of the cultural policy that governs the functioning of the arts sector was also performed, and it was concluded that the success of any CCI lies on the presence of a sound cultural policy, that exhibits characteristics of public policy, but also incorporates the cultural objectives of the sector that relate to economic, social, and intrinsic values of culture.

The following chapter will carry out a review of cultural policy and its functionality at different tiers of government in South Africa.

3 Research Context: Cultural Policy in South Africa

This section reviews the cultural policy that governs the operation of arts and culture, and the frameworks under which it falls, in South Africa. The need to protect and preserve cultural heritages, as well as the importance of cultural development (Zemans and Kleingartner, 1999) has resulted in an interest, and emphasis on the importance of cultural policy. Importantly in analysing South Africa's cultural policy, is its apartheid history. According to Mulcahy (2017), the distinguishing feature of cultural policy a country that was previously colonised, to one that was not, is the significance of re-forming and re-shaping its identity through its cultural policy.

3.1 Cultural Policy and the Department of Arts and Culture

The Department of Arts and Culture is the wing of government of the Republic of South Africa that is tasked with overseeing all arts and cultural issues. The aim of the national Department of Arts and Culture (DAC) is to harness the arts and cultural sector to “contribute to sustainable economic development and enhance job creation by preserving, protecting and developing South African arts, culture and heritage to sustain a socially cohesive and democratic nation” (South Africa Yearbook, 2015/16: 66). In pursuing this, the DAC is therefore mandated to burgeoning the arts and culture in South Africa, as well as promoting economic development and sustainability of the sector (South Africa Yearbook, 2015/16). Furthermore, the DAC is also mandated to develop, implement, and monitor the implementation, of policy, including those of addressing the social issues such as social inclusion and providing equal opportunities, and correcting past injustices of the apartheid era (South Africa Yearbook, 2015/16).

DAC's mission is therefore to create an environment in which the arts, culture and heritage can thrive, whilst at the same, adding significantly to social cohesion and economic development (DAC, 2017a). In order to fulfil its mandate, it must preserve and promote all arts, culture and heritage, and its associated structures and systems (DAC, 2017a), and one way in which it has

done this is through its Investing In Culture (IIC) programme, which aims to empower the arts through and culture through training and job creation (DAC 2017c).

DAC's strategic goals include job creation; human capital development; access to information; linguistic diversity; development; protection and preservation of arts, culture and heritage; and, governance and accountability (DAC, 2017a), and their goals are in line with the government's outcomes approach, which represents the main priorities of the government. Whilst the DAC is mandated to promote the social and intrinsic values of cultures, it is apparent that its strategic goals are more focused on economic goals, than on the social goals. Also, whilst no direct link is made to externalities (positive), the focus on the economic goals also implies that the externalities that are focused on are more the economic than the social ones; Seaman (1987) cautions against the exclusive focus on economic goals and outcomes, and rather, exhorts the importance of the non-economic values of culture, as well.

The remainder of this chapter explores the policies that govern the arts, culture and heritage sector in South Africa at national, provincial and district level.

3.2 The National Development Plan (NDP)

The strategic goals of the DAC are also in line with the National Development Plan (NDP). The NDP was implemented in 2013, and it aims to “eliminate poverty and reduce inequality by 2030” (NDP Executive Summary, 2013: 14) through “growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society” (NDP Executive Summary, 2013).

Scrutiny of the NDP aims reveals that they are also associated with the government's Medium-Term Strategy Framework. Ideally, the NDP should act as a long term strategic manual or roadmap for South Africa, in harnessing development and growth over the years. Its priorities include promoting equity, development and accountability, fostering economic growth, higher investment levels, and employment, as well as building a developmental state (NDP Executive Summary, 2013). Whilst the achievement of all the priorities is of tantamount importance, three main priorities are distinctive: economic growth; education and skills development; and, building the capability of the state (NDP Executive Summary, 2013:).

Sustained and increased economic growth will lead to a higher, and more sustainable, level of employment, greater labour absorption, higher quality education, and consequently, more highly skilled labour. This must, however, all be built on a solid foundation of social cohesion is it is to succeed (NDP Executive Summary, 2013).

3.2.1 DAC and the NDP

The objectives of the DAC are informed by the NDP priorities. This is, unsurprisingly, in line with the global trend, particularly in developing countries, which has seen Departments of Arts and Culture (or the equivalent in the various countries) shift their focus from the traditional “Cultural industries” (mainly consisting of the “subsidised arts”) to the “Creative Industries”, because of the economic arguments, as they are seen to contribute significantly to economic objectives (Garnham, 2005; Joffe and Newton, 2007). This has been met with criticism, as arts practitioners argue that the cultural development aspect (arts for art’s sake) is lost, in pursuit of economic and commercial viability of the arts (Joffe and Newton, 2007).

The NDP highlights the importance of arts and culture in the society and to the economy. It states that the “arts and culture open powerful spaces for debate about where a society finds itself and where it is going. Promoted effectively, the cultural and creative industries can contribute substantially to small business development, job creation, and urban development and renewal” (NDP Executive Summary 2013: 26). The cultural and creative industries also have the potential to disseminate South Africa’s ‘culture’ to a global audience, whilst simultaneously “foster[ing] values, facilitate[ing] healing, and restore[ing] national pride (NDP Executive Summary, 2013: 26) domestically.

Two other mandates of the NDP that the DAC aligns with are social cohesion and nation-building. Social cohesion refers to “the degree of social integration and inclusion in communities and society at large, and the extent to which mutual solidarity finds expression among individuals and communities” (DAC, 2017b); whilst nation-building refers to:

“the process whereby a society with diverse origins, histories, languages, cultures and religions comes together within the boundaries of a sovereign state with a unified constitutional and legal dispensation, a national public education system, an integrated national economy, shared symbols and values, as equals, to work towards eradicating

the divisions and injustices of the past; to foster unity; and promote a countrywide conscious sense of being proudly South African, committed to the country and open to the continent and the world” (DAC, 2017b).

The NDP highlights means by which arts and culture can be promoted; such as provision of support to artists, in the form of financial and ICT system support; incentives for distribution or hosting art; laws and legislation that protects artists and their work; as well as development of school curriculums that promote arts and culture (NDP Executive Summary, 2013).

3.3 The White Paper on Arts, Culture and Heritage

The White Paper on Arts, Culture and Heritage is the main policy document that governs arts and culture in South Africa.

The White Paper strives to promote the arts, culture and heritage, and so highlights the intertwining of primary artistic disciplines and practices of the visual arts, craft and design; the performing arts of theatre, music and dance and creative writing as distinct and related practices of artistry (White Paper Discussion Document, 2016). It also highlights their intrinsic, social, educational and values and capacities (White Paper Discussion Document, 2016).

The White Paper was first drawn up in 1996, after democracy was attained, in order to “transform the historically exclusive and authoritarian system into an inclusive, democratic participatory dispensation” (White Paper Discussion Document, 2016). In 2013, a revised White Paper was released. It received a large amount of criticism as it was overly focused on the economic potential and objectives of the sector, rather than on intrinsic values and public good aspects such as heritage conservation, and lacked a clear link to the NDP (South African Heritage Resources Agency, 2015). In essence, it focused more on creative, than on the arts, culture and heritage, industries. Consequently, it had to be withdrawn and re-drafted, leading to the 2016 White Paper, whose focus has somewhat shifted to a more common and middle ground between the economic and non-market objectives of arts, culture and heritage.

The revision of the White Paper was necessitated by the transition from the tempestuous apartheid into the democracy time period, as well as to accelerate transformation in post-

apartheid South Africa; therefore, the “new” White Paper sets out to guide the arts, culture and heritage sector towards achieving these goals, by integrating its policies and objectives with those of the NDP, allowing the sector to contribute to economic and social development (Snowball *et al*, 2016). Integrating the policies and goals of the White Paper with those of the NDP forms part of the process of ensuring the success of cultural policy through policy alignment (Howlett, 2009).

The four main objectives of the revised White Paper are: to align it with the main ordinance of the DAC of providing arts, culture and heritage services to South African residents; to base the revised White Paper on the right to arts and culture (as per the Constitution of the Republic); to utilise arts and culture as economic tools of transformation; and, to reshape the existing policies to reflect the current status of the Republic (White Paper Discussion Document, 2016).

In achieving these objectives, the revised White Paper calls for a system that allows and extends arts, culture and heritage resources into the less developed and rural areas, providing training, skills and development, as well education, on the creative methods and technologies, in addition to local and global marketing. (White Paper Discussion Document, 2016). It must, however, be noted that these objectives, as well as methods for achieving the former, are subject and sensitive to location, and are likely to vary across different regions.

The revised White Paper also pays homage to the then-Department of Arts, Culture, Science and Technology (prior to the separation to form three different departments), for its role in driving the agenda of socio-economic development through the arts, culture and heritage.

Critical engagement with the White Paper Discussion Document (2016) will reveal that it seeks to use arts and culture as a means to address the past injustices of the apartheid era. According to Hogan (2008), colonialisation equates to cultural destruction, as those who are colonised have their cultures debased. Mulcahy (2017) therefore suggests that countries that have gone through colonialism, such as South Africa, engage in a process of cultural reconstruction, in an attempt to rebuild their culture and heritage.

It would, therefore seem that there is coherence in the public policies, as they speak to, and inform each other. This is necessary in order for public policy to be successful (Howlett, 2009). However, the very lack of specified implementation tools and preferences presents a challenge, as this may lead to inconsistencies across the various levels of government (consistency across the various tiers of government being a requirement for successful public policy) (Schneider

and Ingram, 1990). Further to inconsistencies across the various levels of government, the unspecified implementation tools and preferences may also lead to a case where the cultural values compete against the economic ones, which results in market failure.

3.4 Mzansi's Golden Economy: Contribution of the Arts, Culture and Heritage to the New Growth Path

In order to execute the NDP initiatives of social cohesion, sustainable job creation and economic development, the DAC launched the Mzansi Golden Economy (MGE) strategy as a means to reposition the arts, culture and heritage sector as key players in achieving the NDP goals (MGE Guidelines, 2016/2017). The MGE is government's attempt at positioning the arts as a driver of economic growth. Kha Ri Ambe (2014) has termed the arts, culture and heritage sector as "South Africa's new gold" (in line with its role in contributing to the socio-economic development of the country), which will enhance economic growth in South Africa. According to the MGE Guidelines (2016/2017), investments in the cultural and creative industries will lead to job creation, and consequently, economic growth. It is apparent that in the MGE policy, the focus has shifted away from the traditionally subsidised arts, to the CCIs.

The MGE therefore serves as a funding initiative, which recognises the investments into the arts, culture and heritage sector, in order to create jobs, increase global competitiveness, as well as maximise and optimise economic growth and productivity (MGE Guidelines, 2016/2017). The objectives of the MGE Strategy are to "stimulate demand; audience development and consumption; building heritage resources; information gathering; human capital development; and developing cultural entrepreneurs" (MGE Guidelines, 2016/2017: 5-6).

The aims and objectives of the MGE are also in line with national government's outcomes approach, as well as the NDP, of increasing employment opportunities, reducing inequality, and reducing poverty. This is, again, an illustration of the coherence and congruency required between the various levels of government policies, in order to ensure successful public policy (Schneider and Ingram, 1990; Howlett, 2009). Since its adoption, the DAC claims that it has created more than 50 000 jobs within the sector (DAC Annual Performance Plan, 2014/2015: 12).

Central to the mandate of the MGE is positioning the arts, culture and heritage as central to economic empowerment and skills development. The MGE's strategy also considers other focus areas such as establishing of cultural precincts and information centres, setting up a National Skills Academy, as well as establishing a National Cultural Observatory to conduct statistical mapping, and analyse the role and contribution of, the arts, culture and heritage to the economy (DAC Annual Performance Plan, 2014/2015: 12).

Whilst the MGE appreciates both the economic and social values of the arts, culture and heritage, and their role in nation-building and social cohesion, it is apparent that its focus errs more on the economic potential, than the on the intrinsic or social values. This undoubtedly implies two things; firstly, it raises the spectre on the valuation of arts debate, and secondly, immediately points to the fact that it is prone to policy failure. As has been stated, one of the economic goals of cultural policy is efficiency. Pursuit of this goal undoubtedly occurs through the MGE's pursuit of economic potential. This means that the MGE is prone to policy failure by not providing equitable access (there is a trade-off between efficiency and equity, and where this is not addressed, the result is usually an efficient, yet inequitable, allocation and access).

3.5 Arts, Culture and Heritage Policy in the Eastern Cape

It has become increasingly important to understand cultural policy at all levels and tiers; right from national government, to provincial government, to district and municipal level government. With this hierarchical level of policy, each level of policy ought to be coherent and speak to each other-one of the conditions of successful public policy according to Towse (2009) and Throsby (2010).

Furthermore, regional cultural policy has also grown in importance as it empowers the development and growth of arts and culture in a specific territorial area (Cultural Policies and Trends in Europe, 2017). This is important as national government may not have first-hand, on the ground experience of the arts and cultural sector at regional level.

The Arts, Culture and Heritage Policy in the Eastern Cape is an example of provincial-level policy. The Department of Sports, Recreation, Arts and Culture (DSRAC) is responsible for the cultural affairs and matters of the Eastern Cape Province. Its mission is to “develop and

promote sport, recreation, arts and culture for spiritual, intellectual, physical and material upliftment of the people of the Eastern Cape (DSRAC, 2017).

Its strategic goals include “development, promotion and transformation of the arts, culture, museums, heritage and language services in order to contribute to sustainable economic growth and opportunities” (DSRAC, 2017).

In promoting DSRAC’s goals for the arts and culture in the Eastern Cape, the Eastern Cape Provincial Arts and Culture Council (ECPACC) was established as a public entity under Act No. 6 of 2000. ECPACC is mandated to support the cultural and creative industries in the province, and therefore carries the duties of “fostering the arts and promoting the culture of the Eastern Cape, to allow for the expression of the unique identity of the province and enable its artists to realise their potential through their expression of the arts and build an improved quality of life for themselves and their communities” (ECPACC Annual Report, 2015: 9). ECPACC’s vision is “to create an enabling environment for the development of arts and culture” in the province (ECPACC Annual Report, 2015: 8). It is evident that the provincial policy incorporates, and appreciates intrinsic values, almost to the extent of the economic ones. This highlights the importance of regional studies—they offer more hands-on and first-hand insight into the region and its functioning.

3.6 Arts, Culture and Heritage in the Sarah Baartman District Municipality

An example of district-level policy is the Arts, Culture and Heritage Policy in the Sarah Baartman District. The Sarah Baartman District Municipality (SBDM) aims to be “an innovative and dynamic municipality, striving to improve the quality of life for all our communities” (SBDM IDP, 2012-2017: 12)

The economic development strategy framework that the SBDM pursues is known as the Socio-Economic and Enterprise Development Strategy (SEEDS), previously known as the Economic Growth and Development Strategy. It is based on strategies that are as a result of past experiences of the SBDM, as well as an analysis of the policies that have been used worldwide as a means of regenerating rural areas. The strategies include improving the level of education

and training; regeneration of towns, networks, and infrastructural upgrade, increasing the levels of income and investments into the district, as well as increasing the overall economic participation (SBDM IDP, 2012 – 2017: 67 - 69).

SBDM's main economic drivers are the agricultural and tourism sector, which both contribute about R690 million and R680 million respectively (SBDM IDP, 2016-2017: 55) to the District's Gross Geographical Product (GDP). It is, therefore, in these sectors that the District sees the greatest ability and potential to thrive, and for economic growth and development to flourish (SBDM IDP, 2016-2017: 55). The main strategies are, accordingly, a reflection of the SBDM's efforts of harnessing the agricultural and tourism sectors to maximise economic growth and development.

It is of the view of the SBDM IDP (2016-2017) that broadening economic participation and developing the skills base drives economic growth, reduces poverty, and reduces unemployment. The SBDM is therefore committed to improving the quality of education, as well as the level of skills that of residents of the region.

It is worthwhile to dwell slightly on the strategy of regenerating core towns. Since CCIs have been used to regenerate derelict towns and parts thereof (for example, the Maboneng Precinct, discussed in Chapter 2), this could be highlighted as a major focus area for the SBDM. Whilst the SBDM does not explicitly state the use of CCIs as drivers of urban regeneration and rural economic development, a case can still be made of their inclusion.

Following closely is the strategy of building local and regional networks (SBDM IDP, 2012-2017: 69). As has been previously noted, employees within the CCIs rely on networks that are created and established. Hence establishment of local and regional networks not only provides a platform for employees within the CCIs to flourish, but it also allows access to other resources (these networks and links are known as soft infrastructure).

Of great interest is that these strategies are in line with Florida's (2002) work on the Creative Class that drives economic growth. As has been mentioned earlier, the Creative Class refers to the group of professionals who are skilled, talented, and innovative, and have the ability to drive productivity, thereby increasing economic growth (Florida, 2002). It is therefore correct to assume that areas characterised by a large presence of the 'creative class' also have strong soft infrastructure links. It must, however, be noted that Florida's (2002) work was based particularly on cities, and not rural development.

With regards to support targeted specifically at the CCIs, the SBDM pledged to provide financial support to one major festival in the District each year. The main aim of this was to identify, build, grow, maintain, and sustain talent within the region, and to open up opportunities for local artists to participate in other festivals around the world (Mqhayi, personal communication, 2016).

Evidently, the policy in the SBDM, whilst aligned with national and provincial policy, tends towards promoting the economic values more than the social and intrinsic. The SBDM however does not have any explicit cultural policy; so, whilst the IDP can be stretched to include references to the CCIs, there is very little to guide identifying aims and goals of CCIs, as well as their funding.

3.7 A Critique of Cultural Policy in General

Whilst it has been accepted that cultural policy is necessary in order for the arts, cultural and heritage sector to flourish, the link between cultural policy and politics cannot be ignored.

Belfiore (2009) argues that it seems that perjury and mendacity have become synonymous with politics, and by association, politicians, which undoubtedly would have a direct impact on policy, and cultural policy, as the politicians are the law makers. In fact, Barnes (1994) states that in order to be successful as politician, one needs to become well equipped with the art and skill of lying.

Frankfurt (2005) suggests that a disinterest, and a general lack of, concern with the truth, and the state of how things really are, is the essence of “bullshit”, which is present in the cultural policy. Frankfurt (2005) defines “bullshit” as a deliberate and intentional means of misleading i.e. deliberately and intentionally lying.

Given the South African context, as in many countries, social and intrinsic values alone cannot warrant the channelling of funds towards the cultural sector (Johnson and Sack, 1996; Crompton, 1999; Crompton, 2006), it is necessary to utilise economic value as well. However, the advocates of the cultural sector, including the politicians, tend to over-state the benefits, both cultural and economic, deliberately - an act of “bullshitting”. This highlights the importance of evidence-based and evidence-backed arguments.

Conclusion

This chapter has discussed cultural policy at national, provincial, and district level, in South Africa. As was discussed in the previous chapter, it is important for policies at all levels to be coherent and coordinated; a failure of this results in policy failure. Therefore, cultural policy at all three tiers of government also ought to be coherent and coordinated.

The main document governing the arts, culture and heritage in South Africa is the White Paper on Arts, Culture and Heritage; it, along with all other policy documents, align with government's National Development Plan (NDP). Cultural Policy in the Eastern Cape, as well as in the Sarah Baartman District Municipality (SBDM) was examined, as an example of provincial-level and district-level policy respectively. Regional level policy studies are important, as they provide a first-hand insight into the functioning of the sector.

It was concluded that whilst the policies in the SBDM align with those at provincial and national level, an explicit, direct, cultural policy for the SBDM does not exist, and so very little guidance for funding of CCIs exists.

The following chapter outlines the research methods that were used in carrying out this research.

4 Research Methods

4.1 Locating and measuring the value of the arts using mapping studies and surveying methods

In order to maximise on competitive and comparative advantages, it is important to locate and identify areas of cultural activity, and cultural clusters, to enable building on existing expertise.

So, in order locating the cultural activity happening around the SBDM, it is necessary to use mapping studies. Furthermore, economic impact studies need to be utilised as a means of calculating the value and the benefits of the arts to society (Seaman, 2003).

This chapter will detail the mapping study and surveying methods used in collecting and collating the data about the CCIs in the Sarah Baartman District, as well as looking at the use of economic impact studies at the National Arts Festival, and methods associated with it in data collection.

The aim of the regional mapping study was to attain information directly from the creative players regarding the challenges and opportunities that they encounter, thus enabling an overall depiction of the CCIs in the SBDM, and their characteristics.

Based then, on the notion that the theory, and practice, relating to CCIs and cultural policy development cannot be examined, nor implemented, in isolation (Ryan, 2006), as well as the ability for a varied approach towards data collection and processing (Schratz and Walker, 1995, in Ryan, 2006), a post-positivist research methodology will be adopted. The use of several data sources, known as triangulation (Bryman, 2008), also makes the post-positivist methodology an ideal one.

Table 1: Research Methods and Data Collection

	Source	Number of Observations	Data Type
2014 Mapping Study	DAC Database	147	Quantitative
2016 Mapping Study	Drummond and Snowball (2016) Study	441	Quantitative
2014 Interview data	DAC Database	25	Qualitative
2016 Interview data	Own fieldwork	31	Qualitative
2016 Key stakeholder data	Own fieldwork	5	Qualitative
NAF Economic Impact Study	Festino Survey	613	Qualitative and Quantitative

4.2 Mapping the Cultural and Creative Industries in the Sarah Baartman District

A survey and mapping exercise of the cultural and creative activity across the Sarah Baartman District was carried out as part of the study. Each of the identified firms were then grouped according to the UNESCO Framework for Cultural Statistics (2009). A detailed database of the CCIs in the SBDM in their domains is available in Appendix 4. This exercise was based primarily on the national mapping study that was commissioned by the Department of Arts and Culture in 2014. A total of 441 CCIs were found.

The national mapping study was carried out as a means to view and review cultural industries, as well as cultural activity, in South Africa. Its primary mandate was to “review the potential of individuals to thrive within the sector; and to assess the capacity of businesses within the cultural industries to provide employment and skills development, increase exports of local content, products and services, and contribute overall to the national GDP” (DAC Mapping Study, 2014: 10). It has been established that the CCIs play a key role, not only socially, but economically as well, as they directly impact economic growth and GDP, knowledge and skills levels, as well as the employment levels of a town, region, and country (Throsby, 2010; Towse,

2010). Therefore, recognising, and highlighting, the CCIs, and their role towards economic and social progression is important.

As part of the exercise, extensive online searches were also done, as a means of identifying and locating the CCIs in the SBDM. Whilst it is accepted that not all CCIs in the district have an “online presence”, the 2014 Mapping Study did not include all the CCIs in the SBDM, so this method served as an audit, verification and validation of, and an addition to, the mapping study (2014). It is also accepted that some artistic forms that fall in the Performance and Celebration domain (for example, traditional dances at events) tend to have a smaller presence online than, for example, craft markets. It is therefore true that online searches did not provide a conclusive nor exhaustive indication of the CCIs and their presence in the SBDM, although they did give an indication of the clustering phenomenon of the CCIs in the SDBM.

Based on the 2014 study, consultations with the provincial (Eastern Cape) Department of Arts and Culture, as well as the internet searches, the primary areas that were identified as informative and practical sites for fieldwork were Grahamstown (in Makana Local Municipality); Bathurst (in Ndlambe Local Municipality); Graaff-Reinet, Aberdeen, and Nieu Bethesda (in Dr. Beyers Naudé Local Municipality); as well as Storms River and Kareedouw (in Koukamma Local Municipality). Whilst the primary sites were identified through the mapping study and the internet searches, the snowball sampling technique was used to further identify other sites in which to conduct stakeholder interviews. The difficulty of locating CCIs makes creating a sampling frame onerous, and so use of this technique is practical (Bryman, 2008).

The identified CCIs were each grouped into their respective domain, based on their primary function, in accordance with the UNESCO (2009) FCS. Based on results from the 2014 National Mapping Study, a decision was made to exclude the Natural Heritage firms; these were the game parks (which would fall under the Cultural and Natural heritage domain), from the 2016 study, as well as from the analysis of the 2014 study. Whilst they do indeed fall under the domain as per the UNESCO FCS (2009), in South Africa, they fall under, and are managed, by a different Government Department (Department of Environmental Affairs), and they operate differently to the rest of the CCIs.

4.2.1 GIS Mapping of the CCIs

As this project was part of a larger research project, part of the larger research project involved mapping the CCIs. With the assistance of an expert in Geographic Information Systems (GIS) (Drummond and Snowball, 2016), the data collected from the mapping study (2014), which included GPS co-ordinates of each CCI firm, was used to create maps of CCIs in SBDM, and consequently, CCI activity in the SBDM. This allowed an easier visual representation and analysis of the CCI activity (Drummond and Snowball, 2016), as well as the clustering of the CCIs. Through use of colour coding, the different domains were identified in their various locations throughout the SBDM (Drummond and Snowball, 2016).

As the GIS mapping exercise was based on the data collected in the 2014 Mapping Study, it is suggested that this be updated with the findings of the 2016 study, in keeping up with best practices, and to give a more accurate reflection of the state of the CCIs in the SBDM.

4.2.2 Interviews with Key Stakeholders and the Questionnaire

Upon identification of the CCI clusters, in the SBDM, key stakeholders across the various sectors were identified, and semi-structured face-to-face interviews (Appendix 1) were conducted with them. The key stakeholders were selected based on their roles in the Arts and Culture in the SBDM. The following were identified as key stakeholders:

- Chris Wilken, Manager of the Sarah Baartman Development Agency.
- Bulelwa Bam, Manager of the Eastern Cape Craft Hub
- Hastings Mqhayi, Arts and Culture Manager at the Eastern Cape Department of Sport, Recreation, Arts and Culture
- Nomaswazi Mtshibe, manager of the Eastern Cape Film Office
- Tsietsi Themane, Researcher at the National Film and Video Foundation

4.2.3 Interviews with Stakeholders

Stakeholders identified in the regional mapping exercise included owners of businesses (CCIs), CCI employees, and art proprietors. A total of 31 respondents were identified, and completed the survey, which was in the form of a face-to-face interview using a structured questionnaire (Appendix 2), which was based on the 2014 study.

In conducting the stakeholder interviews, the snowball sampling technique, which, according to Becker (1963) and Bryman (2008), is best for qualitative research, within selected study areas, was employed. This technique involves the interviewees identifying other stakeholders within the field, who are eligible for partaking in the study (Welman *et al*, 2005). As the mapping study (2014) and online searches were not exhaustive, the snowball sampling technique aided in identifying several other firms and stakeholders who were members of CCIs, but who had neither been identified in the 2014 study, nor the online searches. This may have been because of the large informal market of CCIs. Therefore, in order to gather data on the identified CCIs in the SBDM, the use of the snowball technique would then assist in analysing the CCIs.

The questionnaire used in the exercise combined both quantitative and qualitative questions (Appendix 2). It was based on the DAC Mapping Study (2014) questionnaire, but changed and fashioned to suit the CCIs within the SBDM. The questionnaire was split into three sections, namely, organisation details; human resources; financial details; and challenges and opportunities.

The first section of the questionnaire looked at the specific geographical, organisational, and legal details of the business. It included questions about the local municipality in which the organisation was located, the main focus and activity of the organisation (essentially, in which domain of the UNESCO FCS (2009) the organisation would fall), the legal status of the organisation, as well as the year in which the organisation started functioning. According to the DAC Mapping Study Report (2014), 22.1% of CCIs in South Africa are unregistered, and furthermore, 19% of CCIs in the SBDM had been operating for two or less years (DAC Mapping Study (2014)). This inevitably creates a challenge for policy makers, as CCIs then tend to be difficult to track or trace. The need and importance of regional and region-specific studies is therefore highlighted when engaging with the sector.

The next section of the questionnaire (human resources) dealt with details specific to the owners and employees of the CCIs. Questions included race, age and genders of both the owners and employees, the nationalities of the owners, the number of employees within the organisation and their type of employment (i.e. full-time, part time, or contract staff), the education levels, and years of experience of the employees. As of 2016, South Africa's unemployment rate was 27.7% (Statistics South Africa, 2017a), with an increase of 49% in the level of low-skilled workers (Statistics South Africa, 2017b). Furthermore, coming from a legacy of coloniality, programmes such as Broad Based Black Empowerment Programmes (BBBEE) to encourage transformation and promote economic participation of previously disadvantaged race groups (Collins and Snowball, 2015), as well as 'women empowerment' programmes exist. Additionally, CCI jobs tend to be contractual, and based around certain projects (Eikhof and Warhurst, 2013). It is therefore important to analyse the labour market and human resources of the CCIs.

The financial section asked respondents about their organisation's monthly or annual turnover, as well as the location of the main markets for their organisation (within the SBDM, outside the SBDM but in the Eastern Cape, South Africa, or internationally).

Finally, the last section concerned the challenges and opportunities that the CCIs faced. The challenges and opportunities are what determine the effectiveness of policy; it is important that policy capitalises on the opportunities, whilst simultaneously -minimising/mitigating the challenges.

4.3 The Economic Impact Study at the National Arts Festival (NAF)

In order to evaluate both the market and non-market values of the National Arts Festival (NAF), and its impact on Grahamstown, a "Creative City", the economic impact study method was employed. The market values are those for which measurement is possible (i.e. it is possible to apply a monetary figure to it). As has been previously stated, the aim of the economic impact study is to provide an answer to the question "what would the loss in income have been, had the arts event not taken place?". In order to provide an answer to this question, it is therefore necessary that an economic impact study, which captures all the additional revenue in the

impact area, be completed. The non-market values are also studied through a visitor (festino¹) survey.

Two types of data collection methods were employed; a self-completion questionnaire, as well as a face to face interview. In order to get a sample that was broadly and best representative of the population of festinos, stratified sampling was employed; As several shows take place in several venues around Grahamstown during the NAF, face-to-face interviews were done at the different venues, at different shows, and at different times, in order to ensure that the sample size was broadly representative. Self-completion questionnaires were also strategically placed in several different venues, with each venue being representative of the diversity of the festinos.

Based on studies conducted at the previous festivals (Snowball and Antrobus, 2013), the structure of the face to face interview questionnaire was split into three sections; Festino activities, Festino spending, and Festino Demographic Information. (Appendix 6). A total of 613 interviews were conducted during the NAF.

4.3.1 Festino Activities

Festino activities looks at how many of each type of show festinos will see. For instance, festinos were asked how many ticketed shows they were attending on the day of the interview, as well as throughout the festival. This helped to distinguish between Grahamstown locals and visitors, as well as distinguishing day visitors from those who spent at least one night in Grahamstown. Festinos were also asked how many free performances they intended on seeing, as well as whether or not they had intentions of visiting craft markets. Two questions regarding attendance to jazz shows and festivals were also included, as jazz is now an integral component of the NAF (Snowball *et al*, 2016a).

Promoting and encouraging artistic excellence, as well as development of young South African artists is an important aim of the NAF (Snowball *et al*, 2016a). The winners of the Young Artist competition are featured in the Main part of the Festival (Snowball *et al*, 2016a). It was thus important to include a question relating to festino attendance to productions or exhibitions by Young Artist Award Winners.

¹ Festino is a colloquial phrase to refer to a festival attendee

A section focussing specifically on non-local visitors (i.e. non-Grahamstown residents) was included. Respondents were asked to state their country of permanent residence; if this was South Africa they were further asked to specify the province from which they came. This information is essential when calculating the economic impact, especially when deciding on the impact area. Where the impact area is an entire province, then there tend to be less leakages, and only spending by visitors from outside the impact area needs to be considered (Crompton, 2006; Snowball, 2008). Respondents were further asked for their length of stay in Grahamstown, their accommodation whilst in Grahamstown, as well as whether or not the NAF was their main reason for coming to the Eastern Cape Province.

4.3.2 Festino Spending

Festino spending looks at how much festinos spent on accommodation, shows, food and drink, shopping, and any other spending they might have incurred (for example, travelling). Grahamstown locals had to be cautioned when reporting on spending; they only had to report on spending which was in addition to their normal monthly expenses. For example, if households spend a certain amount on food and drinks per month, their reporting on food and drinks had to be the amount over and above their budget, which was as a result of the NAF (for example, purchasing a snack at the Village Green). The reasoning behind this is that the monthly spending would have occurred anyway, regardless of whether or not the NAF had taken place. It was therefore vital that local respondents only reported on their extra spending. The expectation then is that all Grahamstown residents would report R0 for their spending on accommodation as they would already occupy permanent or semi-permanent accommodation in the city, and thus not need to pay extra for accommodation during the NAF. The exception to this would be students who reside in University residences, who were required to vacate their rooms for the duration of the NAF.

Again, a few questions aimed specifically at non-Eastern Cape residents were included. Because the impact area was considered as Grahamstown, as well as the Eastern Cape, it was important that “new money” being brought in by non-locals (residents of neither Grahamstown, nor of the Eastern Cape), be captured. These questions asked the respondents for their total spending in the Eastern Cape (excluding what was spent at the NAF, to avoid double counting),

as well as what the largest portion of spending in the Eastern Cape (excluding NAF spending) was on.

Also included in the spending category was a ratings section. Festinos were asked to rate their experiences at the Festival in terms of value of money. The scale ranged from 1 to 5, where 1 was bad, and 5 was excellent. The experiences they were required to give a rating of were of accommodation, restaurants, shows (main and fringe), and craft markets.

After a successful ‘trial run’ at the 2013 NAF, and based on the study carried out at the Edinburgh festival in 2011, a section on the non-market socio-cultural values of the NAF was included in the survey. Such non-market socio-cultural values include audience development and social cohesion, which have become a major part of the Arts and Cultural industries. In fact, audience development and social cohesion have been identified as builders and drivers of inclusion and social integration (DAC, 2017b) So, this section therefore sought to analyse the non-market values of the festival to the community.

Festinos were, once again, asked to respond, on a scale of 1 to 5 (where 1 was “Strongly Disagree”; 2 was “Disagree”, 3 was “Neutral”; 4 was “Agree”, and 5 was “Strongly Agree”), to a series of questions about their experiences at the NAF. An information card, which had the scale printed on it, was provided to respondents to make it clearer and understandable.

Because audience development and widening the cultural experience (i.e. in building cultural capital) has become an important aim of the NAF (Snowball *et al*, 2016a), the participants were specifically asked to respond to three opinion statements to determine the level at which NAF achieves this aim. The statements were “When I am at the Festival, I am more likely to take risks and go to shows and events that are new to me, and that I have not seen before”; “The Festival gives me chance to see artists and events that I would otherwise not be able to see”; and “Festival shows have increased my understanding and enjoyment of arts and culture”.

As Social cohesion and building social capital are important aims of the government (DAC, 2017b), the statements specifically aimed at these values were “The Festival provides me with new and interesting topics for socialising and talking about”; “The Festival is an event where people from different cultures and backgrounds can meet and talk together”; and “The Festival increased my understanding of other cultures”.

As a test of accuracy and thoughtfulness when responding to statements, one statement on “place-making” was specifically phrased negatively. “Place-making” plays an important role,

particularly in small towns such as Grahamstown, where the Festival plays an important role (Snowball and Antrobus, 2013). Respondents had to answer to the statement “The festival is NOT an important part of what makes Grahamstown a special place”.

4.3.4 Festino Demographic Information

The last section of the questionnaire dealt with information relating to festinos personally. It asked for the genders, races, home languages, age groups, jobs and incomes of festinos. Whilst there is full support for a non-discriminatory policy, it was necessary to include this section on demographics for equity reporting, as well as for marketing and development considerations.

For the self-completion questionnaires, the sections were similar to those of the face to face interviews, except, the self-completion was a shortened version of the interviews.

Conclusion

This chapter has discussed the research methods that were used in carrying out this research. The clustering phenomenon of CCIs, which allows regions to maximise their competitive advantage makes it necessary to locate the CCIs in their clusters, and where they occur. The importance of engaging with stakeholders, as well as key stakeholders in developing cultural policy was also highlighted; if policy is to be successful, it ought to be built on the opportunities that the stakeholders identify, whilst at the same, aiming to solve the challenges that are identified as well. This chapter also looked at the data collection methods that were utilised at the 2016 National Arts Festival (NAF), where the economic impact of the NAF on Grahamstown was calculated.

The following chapter discusses the results and findings from the studies that were detailed in this chapter.

5 Results and Discussion

This chapter reports on the findings of the studies that were detailed in the previous chapter. The findings related to the CCI firms in the SBDM; their location, structure, and sizes, are reported and analysed first, followed by the reports on the socio-economic impact of cultural events, and creative cities, using the 2016 National Arts Festival, and Grahamstown as case studies. Finally, the chapter provides guidelines and recommendations on creating a cultural policy for small cities and towns, based on the results of the study.

5.1 CCIs in the Sarah Baartman District Municipality

5.1.1 Locating and identifying the CCI firms in the SBDM

It is important to identify the location of CCIs in the region; where they develop, and where they cluster. This is also in line with achieving the research goal of locating, identifying, and analysing CCIs in the SBDM. CCIs have been found to develop in clusters (Flew, 2010), and so, based on Porter's (2002) theory of clustering, the location of the clusters enables the region to identify its area of competitive advantage, as well as comparative advantage.

As a starting point, results from the National Mapping Study (2014) were analysed, and from this, the CCIs in the SBDM were isolated from the study, and then analysed and discussed.

In addition to the National Mapping Study (2014), an internet search of CCIs in the SBDM, as well as use of the snowball sampling technique whilst conducting field work, were carried out, in order to extensively locate the CCIs within the SBDM that may have been left out of the National Mapping Study (2014). It is moreover, acknowledged, that such audits tend to be biased toward the larger and more established firms, that have a larger presence. Furthermore, the largely intangible, transient and varying nature of goods and services that fall under the "Performance and Celebration" domain are likely to have less of a presence than, for example, a firm in the "Visual Arts and Crafts" domain.

The National Mapping Study (2014) identified 147 CCI firms in the SBDM, whilst the 2016 study expanded this to 441 CCIs within the SBDM. This highlights the importance of conducting comprehensive studies at regional (district) level, as well as the need to establish and maintain a database of CCIs at a regional (district) level.

Results show that the largest domains are in the Visual Arts and Crafts, Information, Books and Press; and Cultural Heritage, which make up 41%, 21%, and 12% of CCIS in the SBDM, respectively. The composition of all the domains is shown in Table 2 below:

Table 2: CCIs by Cultural Domain in the SBDM

Domain	Number of Firms	Percentage
Visual Arts and Crafts	179	40.6%
Information, Books and Press	91	20.6%
Cultural Heritage	55	12.5%
Design and Creative Services	53	12.0%
Performance and Celebration	52	11.8%
Audio-Visual and Interactive Media	11	2.5%

Graphically,

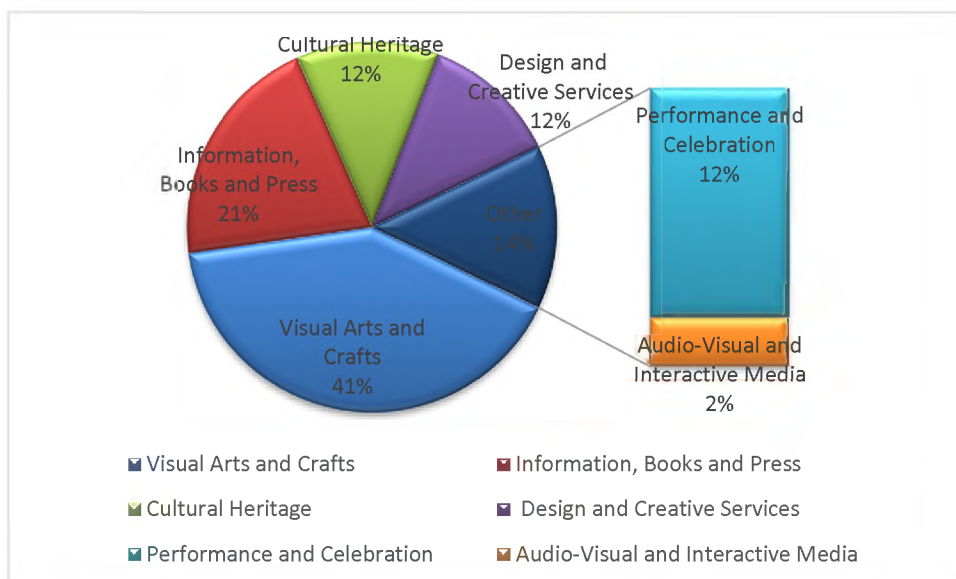


Figure 6: CCIs by Cultural Domain the SBDM

In order to identify clusters, and their locations, within the SBDM, CCIs within each local municipality in the SBDM were analysed. The largest number and concentration of CCIs in the SBDM was found to be in the Dr. Beyers Naudé local Municipality. Of the 441 entries of CCIs in the SBDM identified, 145 of these were in the Dr. Beyers Naudé local Municipality. This translates to 32.88% of the CCI activity in the SBDM happening in the Dr. Beyers Naudé local municipality. It must, however, be noted that the Dr. Beyers Naudé local Municipality was previously 3 local municipalities (Camdeboo, Baviaans, and Ikwezi), and was amalgamated into one in the second half of 2016; it was therefore representing the 3 local municipalities at the time of the study.

113 entries identified in the SBDM were Makana local municipality-representative of 25.62% of all CCI activity within the SBDM. Three domains (Performance and Celebration; Design and Creative Services; and Audio-Visual and Interactive Media) had the largest presence (of overall presence in the SBDM) in Makana local municipality, representing 28.32%, 19.47%, and 6.19%, respectively, of all CCI activity in Makana.

The Visual Arts and Crafts, and, Cultural Heritage, domains, were most present in Dr. Beyers Naudé local municipality, with 49.66 % and 24.83% respectively, of all CCI activity being attributed to them. The Information, Books and Press Domain was largest in the Kouga local municipality, representing 38.46% of all CCI activity in Kouga.

In order to locate the CCIs, and identify where the clustering (according to domains) occurs in the SBDM, location quotients (LQ) were used. According to Lazzeretti *et al* (2010), CCIs tend to cluster, as do cultural and creative occupations, based on the area (Florida, 2002). Therefore, use of the location quotients enables identification and location the cultural clusters, within the SBDM. Given that the LQ aides in identifying the location and clustering of the CCIs, it may also be a useful tool to identify the areas of potential growth and success of CCIs, as consequent areas of investment appeal, based on Porter's (2000) clustering arguments. The LQ is given by the following equation:

$$LQ = \left(\frac{X}{Y}\right) / \left(\frac{X'}{Y'}\right)$$

X' and Y' are local municipalities (so, similar data points); therefore, the LQ gives the concentration of the particular domain in the local municipality, in comparison to the overall SBDM.

From the above equation, X represents the percentage of Domain X in Municipality X; and Y represents the percentage of Domain X in the SBDM.

Table 3: Location Quotients of Cultural Domains in the SBDM

	Cultural Heritage	Performance and Celebration	Visual Arts and Crafts	Information, Books and Press	Audio-Visual and Interactive Media	Design and Creative Services
SBDM Overall	12.5%	11.8%	40.6%	20.6%	2.5%	12.0%
Dr. Beyers Naudé	1.99	0.64	1.22	0.50	0.28	0.58
Makana	0.64	2.40	0.52	0.82	2.48	1.63
Ndlambe	0.34	0.24	1.44	1.11	1.14	0.71
Kouga	0.62	0.65	0.52	1.87	0.77	1.92
Blue Crane Route	0.86	0.30	1.23	1.39	0	0.60
Koukamma	0	0	1.92	1.08	0	0
Sundays River Valley	0	1.13	0.49	2.91	0	0.56

Table 3 illustrates the location quotients (LQs) of the cultural domains in the local municipalities. Where the LQ is greater than one, this is indicative of a cluster of that particular domain, in that local municipality i.e. there is a high concentration of CCI activity in that domain, compared to other local municipalities. Cultural domains in each local municipality in the SBDM that have a comparative advantage, i.e. LQ is greater than one, are highlighted. It would follow then that these areas provide the greatest potential for investment, as they represent a cluster (Porter, 2000).

However, it is important to note that these LQs should not be read and interpreted in isolation—they ought to be analysed in conjunction with each domain’s share of CCI activity in the SBDM. For example, the largest LQ is in the Audio-Visual and Interactive Media domain; in the Makana local municipality, it represents only 6.19% of CCI activity, whilst in the SBDM,

it represents only 2.5% of all CCI activity. It is therefore apparent that even though there exists a cluster of Audio-Visual and Interactive Media in Makana Local Municipality, it does not have locational, nor comparative advantage. Whilst the LQ may provide a good indicator of where the CCI activity is happening, and where the clustering occurs, thereby informing of potential areas of investment, it does not give an indication as to the economic efficiency of those clusters, nor does it give an indication of equity considerations, both of which are government's macroeconomic goals.

A detailed breakdown of CCIs according to their cultural domain of the FCS in each local municipality is available in Appendix 4.

5.1.3 Discussion

The presence of more CCIs in some municipalities than others, is evidence of the cluster theory of CCIs, i.e., that CCI firms tend to develop in clusters, and not haphazardly. Porter (2000) highlighted the importance of clustering, when he put forward the idea that grouping together several similar firms enables them to have a regional competitive advantage in the specific sector that they specialise in. These advantages can be, but are not limited to, cost advantages, skills advantages, increased innovation, as well as increased spillover effects (Porter, 2000).

It is possible to illustrate the presence of CCIs in the SBDM through using GIS mapping, which enables the clustering phenomenon to be easily viewed. In fact, it is also possible to illustrate the relationship between socio-economic welfare and the presence of CCIs, as illustrated by Drummond and Snowball (2016). Based on the data collected during the mapping study, the CCIs were represented on the GIS map using red circles. The size of the circle is representative of the number of CCIs in the area, i.e., the bigger the circle, the larger the number of CCIs in that area.

In terms of measuring the socio-economic welfare, Drummond and Snowball (2016) construct a socio-economic welfare score using data on economic growth rates; employment rates; education levels; population density; and household access to culture, including internet access and household income (Drummond and Snowball, 2016). This is all data obtained from Statistics South Africa. This score was then used to 'position' or 'rank' the local municipalities within the SBDM in hierarchical order of socio-economic welfare, from highest to lowest. On

the map, the darker the area, the higher the socio-economic welfare score, and so, the higher the social welfare; and vice versa (Drummond and Snowball, 2016).

The general trend that is noticed is that there is a positive relationship between socio-economic welfare and the number of CCIs (Lankester, *et al*, 2016), i.e., the larger the red circle (so essentially, the more CCIs there are in an area), the higher the socio-economic welfare of that area. However, causality is not being claimed. A case of Sacco and Segre's (2006) virtuous circle can be observed; in the local municipalities where there is a larger number of CCIs (and consequently, higher socio-economic welfare), there is a higher willingness to pay for cultural goods from consumers. This willingness to pay encourages investment into the sector (as firms expect a higher rate of return, based on the larger base of willingness to pay of consumers). The firms' willingness to invest compares to an increase in the supply of cultural goods, which further drives the demand (Sacco and Segre, 2006). Kouga and Camdeboo local municipalities (ranked second and third, respectively, on the socio-economic welfare index) have a larger number and concentration of CCIs than, for example, Blue Crane Route and Koukamma local municipalities (ranked sixth and seventh, respectively).

It must, however, be noted that the Sundays River Valley Local Municipality represents an exception; it ranked the highest of all the local municipalities in the SBDM on the socio-economic welfare index. Moreover, of the 441 CCI entries for the SBDM that were identified, only 15 of these (or 3.4%) were in the Sundays River Valley Local Municipality. This is because of the large citrus export industry present, which significantly influences the calculation of the socio-economic welfare (Drummond and Snowball, 2016).

5.1.4 Using GIS to map CCI clusters

As was discussed earlier, CCIs generally tend to form in clusters. Furthermore, CCIs that form in clusters tend to be more successful as they have a better access to resources and networks (Flew, 2010). Identification of the clusters also enables the development of regional policy that is less likely to fail, but rather encourages the most efficient outcomes.

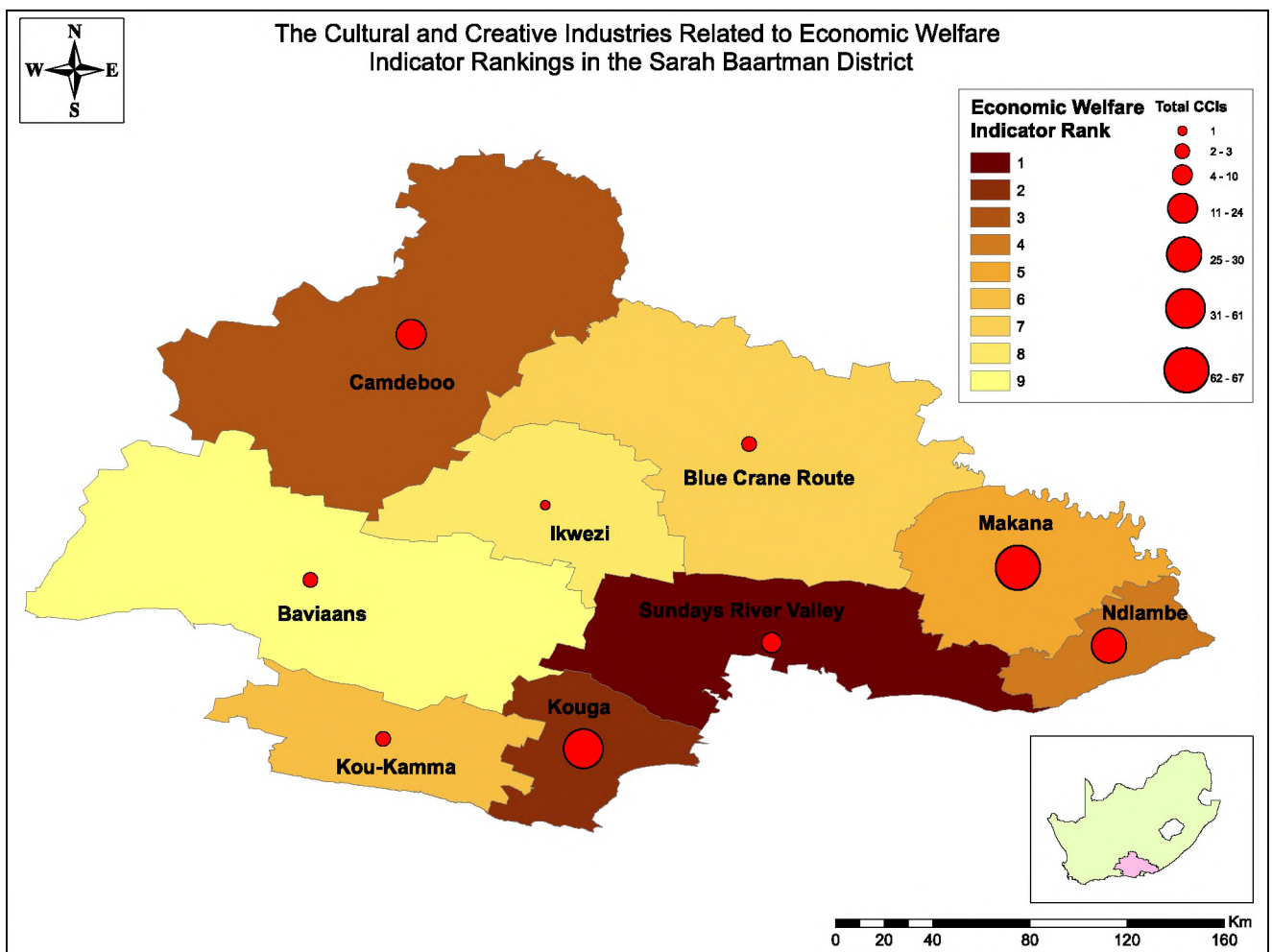


Figure 7: The CCIs related to economic welfare indicator rankings in the SBDM (Drummond and Snowball, 2016: 27).

5.1.5 Characteristics of CCIs in the Sarah Baartman District: Results from Stakeholders

The aim of this section was to identify the characteristics and make-up of CCIs within the SBDM, including their challenges and opportunities that they encounter. This, in turn, would assist with building policy recommendations for the SBDM. A successful policy ought to capitalise on the opportunities that are present, whilst attempting to solve any issues relating to the challenges that are faced by the creative players in the region. A successful policy must also encourage efficiency, as well as fairness; however, the policy can only be considered successful once its efficiency dealings are considered to be equitable as well (Throsby, 2010).

The study, as with that of the National Mapping Study (2014), aimed to identify and map CCIs and creative activity occurring in the SBDM, as well as to identify and define the characteristics of the CCIs within SBDM, through use of data obtained directly from the practitioners working in the CCIs.

The survey was specifically designed to get a better understanding of both opportunities and challenges that players within the CCIs face. Although the survey cannot be treated as a conclusive, representative sample, it did indeed capture a wide range of cultural and creative activity, from all the different cultural domains, occurring within the SBDM.

As was described in Chapter 4, CCI firms were identified and selected through a combination of techniques. The initial sample was based on results of the Mapping Study (2014). Through extensive internet searches, feedback from key stakeholder interviews, as well as recommendations, the sample and selection for this study was made. Thirty-one respondents completed the survey.

The local municipalities identified for the field work were those with the highest number of CCIs in the district, and those were Dr. Beyers Naudé (which was amalgamated from Bavianaans, Camdeboo, and Ikwezi Municipalities), Makana, Ndlambe, and Koukamma. The specific areas within each local municipality were:

- Graaff-Reinet, Nieu-Bethesda, Aberdeen (Dr. Beyers Naudé)
- Grahamstown (Makana)
- Bathurst (Ndlambe)
- Storms River Village, Tsitsikamma, Kareedouw (Koukamma)

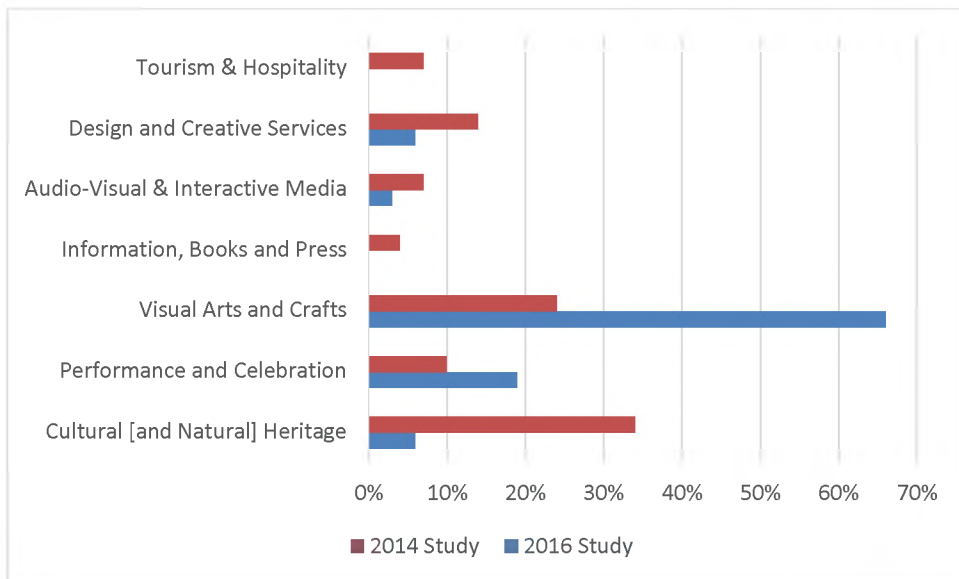


Figure 8: Types of CCI firms interviewed in the SBDM

Characteristics of CCIs in the Sarah Baartman District Municipality-Quantitative data

This section discusses the quantitative data collected from the interviews carried out with CCI practitioners in the SBDM. A comparative study with those results obtained from the Mapping Study (2014) is also done.

Age and Type of CCIs

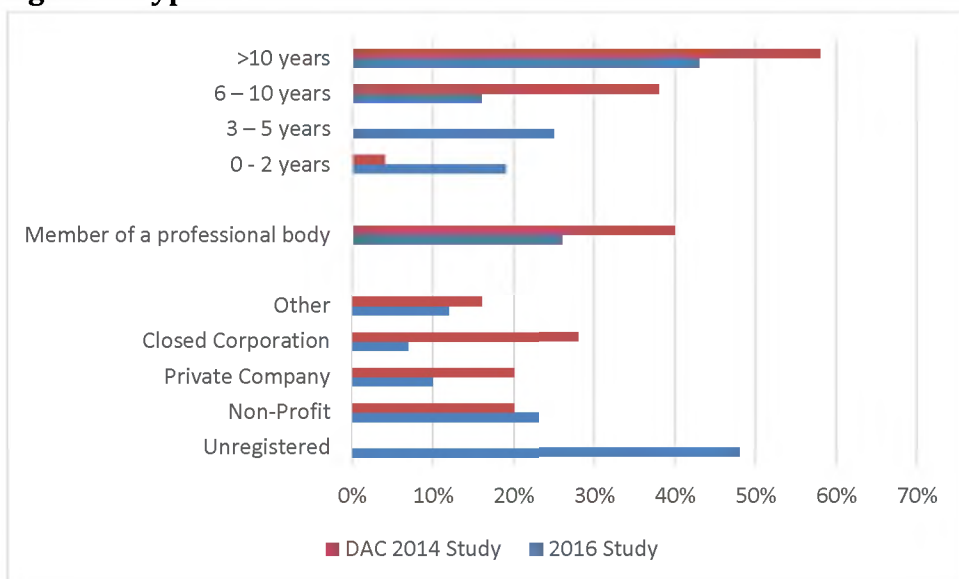


Figure 9: Age and Type of CCIs interviewed

Both the 2014 and 2016 study revealed that the majority of CCIs in the region were more than 10 years old (58% and 43%, respectively). This is not to suggest that newer and younger CCI firms do not exist, but rather, they are more difficult to locate. In fact, both studies revealed that only a minority of firms within the region belonged to a professional body, whilst the 2016 study found that almost half of the interviewed firms (48%) were unregistered companies. This in turn, makes tracing CCI firms, as well as their activities a very challenging task. Corollary to this, the difference in the number of firms that were greater than 10 years old between the two studies highlights the importance of not only using a wide range of techniques of searching for the CCIs, but also, that of using region-specific and face-to-face interviews, when attempting to analyse the sector.

Ownership and Employee Characteristics of CCIs in the SBDM

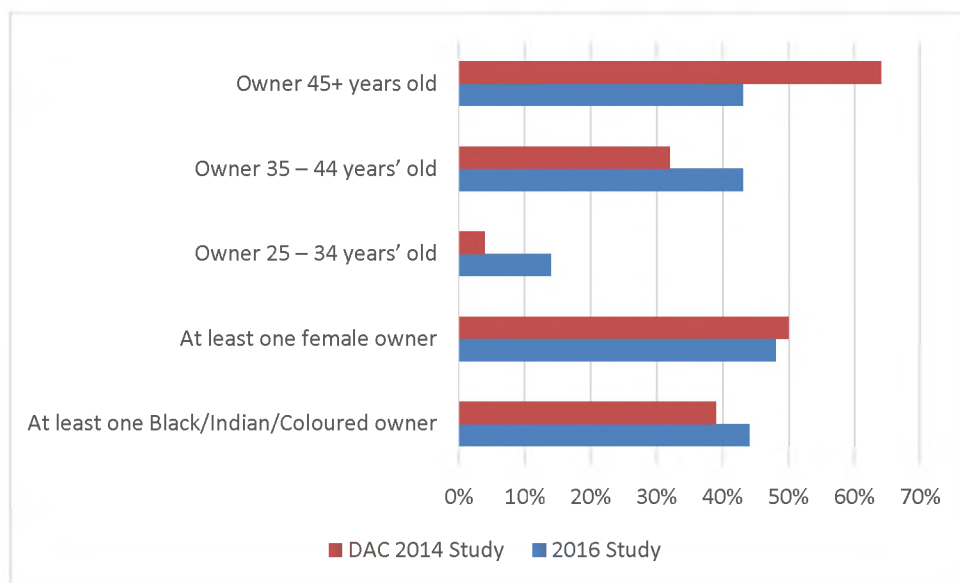


Figure 10: Ownership characteristics of firms in the SBDM

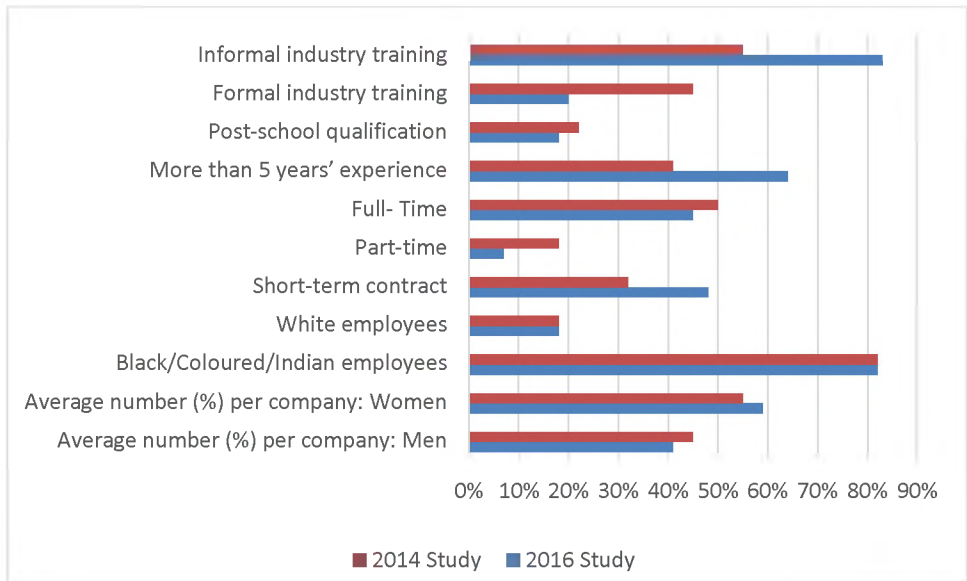


Figure 11: Characteristics of CCI employees in the SBDM

Whilst both studies found that the majority of employees in the CCIs were black (82% in both studies), and female (55% and 59% in 2014 and 2016 respectively), which is line with the South African government’s transformation agenda (B-BBEE Act, 2003; Collins and Snowball, 2015), as well as women empowerment agenda, the ownership patterns reveal that CCIs are still predominantly white-owned. This means that employment is more transformed than the ownership in the CCIs, in the SBDM. The transformation within the employment patterns in the CCIs is also illustrative of a move towards equity and efficiency, one of the objectives of successful public policy.

Furthermore, the 2016 study revealed that 48% of all CCI workers were employed on a short-term contract, whilst a further 7% were employed part-time in the CCIs (in comparison to the 45% that are employed full-time). This is in line with Flew’s (2014) argument about the short term and contract nature of work in the CCIs.

CCI markets and Turnover

Table 4: Markets and Turnover

		2014 Study	2016 Study
Income Sources	Direct Sales/Services to buyers based in South Africa	76%	86%
	Direct Sales/Services to buyers outside of South Africa	32%	20%
	Local, provincial or national government grant	12%	30%
	Funding agency grant	20%	14%
Main Market	Within the SBD		33%
	Outside SBD, but within the Eastern Cape		7%
	South Africa	48%	60%
Turnover	Percentage of sample who answered the question	76%	61%
	Minimum	R1000	R5 000
	Maximum	R1 million	R10 million
	Mean annual turnover	R195 184	R181 000
	Median annual turnover	R35 000	R72 000

76% of CCIs in 2014, and 86% of CCIs in 2016 listed direct sales of goods and services to buyers based in South Africa as either one of, or their only, source of income. Interestingly and

surprisingly, a very low proportion of respondents in both time periods (12% in 2014, and 30% in 2016) had a government grant (either local, provincial, or national) as a source of income, despite the fact that the majority of CCIs in the SBDM are cultural industries, and so tend to rely on subsidies. This points to a lack of coherence between the government and the creative players, referred to by Howlett (2009) as policy failure, and highlights the need for the development of an efficient cultural policy in the SBDM.

In the 2016 study, a third of the CCIs (about 33% of the respondents) listed their main market as being within the SBDM, while 7% listed their main market as being outside the SBDM, but within the Eastern Cape province. The 2014 study did not ask this question at regional or provincial level, but rather, at national level. At national level, the 2014 study revealed that 48% of respondents had their main market within South Africa, while the 2016 study showed that 60% of respondents had their main market within South Africa.

Regarding turnover, some firms were reluctant to provide information, with some opting to rather report their turnover figures as a range, than as the actual amount. The same trend was noted in the 2014 study - 61% of respondents in the 2016 study gave a response to this question (as opposed to the 76% in the 2014 study), with a minimum turnover of R5 000 to a maximum of R10 million per year. This is clearly an enormous range, and therefore prone to misinterpretation. Excluding the firms with the two largest turnovers which were outliers, the mean (average) annual turnover of CCI firms in 2016 was R181 000 per year. The median turnover in the 2014 study was R35 000, whilst the 2016 study revealed a median turnover of more than double that amount (R72 000).

Characteristics of CCIs in the Sarah Baartman District -Qualitative data

This section analyses the qualitative data collected and obtained from interviews held in the 2016 study. A comparison study to that of the 2014 Mapping Study is also conducted.

The qualitative questions of the survey included sections where respondents were asked to comment on the challenges and opportunities that they faced as a cultural and creative business. Although the 2014 study also asked the same question, the 2016 study, with recommendations and policy formulation in mind, expanded on this by seeking areas of priority and needs of CCIs (Appendix 3). Again, highlighting the challenges and opportunities faced by CCIs guides

the development of regional policy, in ensuring that it is efficient, and that it is not highly susceptible to policy failure.

Very similar challenges were identified by both the 2014 and 2016 studies, with the biggest challenge being a financial one i.e. relating to finance; insufficient or lack of funds. Closely, and unsurprisingly linked to the financial issues were lack of capital, equipment and premises, as well as high operational costs. Other challenges identified in both studies were the volatility of demand for cultural goods and services (which is very sensitive to the economic climate, and is the one of the first to experience cut backs during recession) (Cohen et al, 2003); and also tends to peak during tourist and holiday season); lack of a skilled work force; a very competitive market to operate in; and, crime, which came in the form of corruption, shoplifting, and piracy.

The 2016 study also revealed that there was a general lack of support from the government at regional, provincial and national level. This lack of support manifested itself through a lack, or an inadequate amount, of financial support, as well as a lack of information on marketing and industry opportunities. It would appear, in actual fact, that the lack of this type of support is rooted in the lack of general understanding of the sector by the government officials, as was revealed by the respondents. The study also highlighted SBDM's geographic location as a challenge; the isolation of many of the places, with the majority of the CCI firms not being on established tourist routes, make it a challenge to not only market products, but to form sector networks as well. This presents a major challenge, as studies have shown that CCIs tend to be more successful when they form networks (Lazzeretti *et al*, 2010), as they are able to develop a regional competitive advantage (Porter, 2000).

As the 2016 study sought to make policy recommendations and formulation, a further question, which was deliberately phrased as an 'enabler' type of question, was asked; "*What conditions of factors would enable you to conduct your business more successfully?*" Along with some themes that were identified from the responses, the proportion of respondents who highlighted this as an enabling factor to the success of their business are listed below:

- Premises (performance venues, "show rooms" for showcasing products work space, storage facilities etc.)
 - 35.48% (11 respondents) of the feedback
- Exposure and distribution opportunities
 - 32.26% (10 respondents) of the feedback

- Skilled labour and expertise
 - 19.35%(6 respondents) of the feedback
- Equipment and materials
 - 12.9% (4 respondents) of the feedback
- Partnership, cooperation and networking
 - 9.68% (3 respondents) of the feedback

Additional themes identified are available in Appendix 3

Further, respondents were also asked; “*To what extent are you familiar with national and local policies to support and develop your sector?*” Initially surprising, more than half of the respondents (55%) were “Not at all” familiar with policies that governed the sector. 13% stated that they were “Vaguely familiar”, whilst 22% were “Relatively familiar” with the policies, and only 10% were very familiar with the policies regarding the sector. Whilst it was initially surprising, one of the challenges that were expressed by firms was that there was a lack of information about policies and opportunities within the sector; this revelation spoke to the finding of that challenge. An illustration of these responses is shown below in Figure 12:

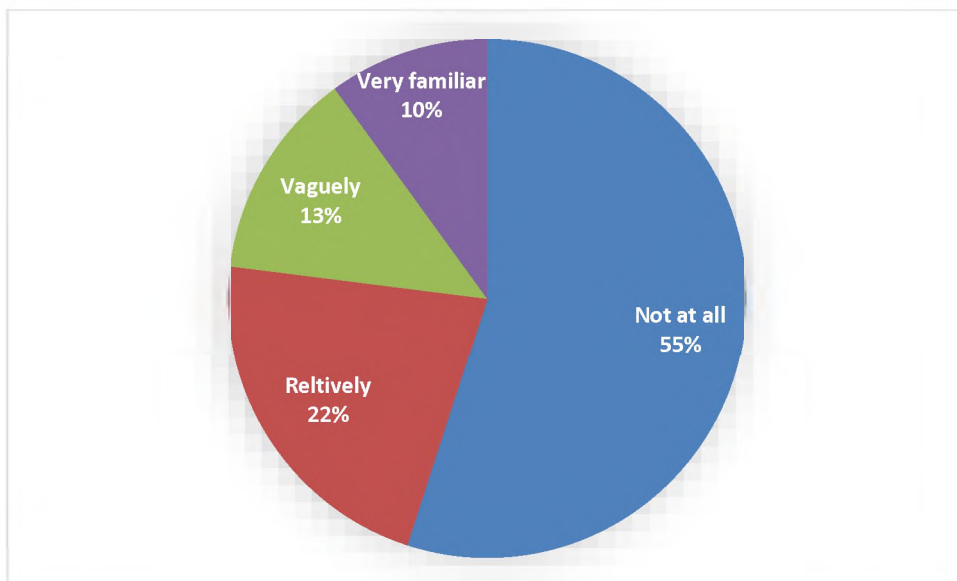


Figure 12: Familiarity with government policies relating to CClIs

As a follow up to the previous question, respondents were further asked “*Where do you access information on opportunities for government funding within your sector?*” Of the proportion of firms that were familiar with policies within the sector, 55% did not access information on

government funding, while 30% accessed this information on websites, business networks, direct emails and phone calls to government offices, or community platforms. The remaining 15% received this information through word of mouth. Where more than half of the respondents are not at all familiar with policies relating to CCIs, and where more than half of the respondents that are familiar with policies still do not seek to access information regarding government funding, this is a sign of inefficient and incongruent policy design.

Another question which aimed to harness and maximise on the currently existing opportunities was included; “*What opportunities exist to develop economic or creative potential of the region in which you operate your business or organisation?*” Some of the identified themes are listed below:

- Potential for skills development and community empowerment
- Potential for more government involvements in the arts
- Presence of creative hubs
- Leveraging existing platforms for exposure
- Maximising on the spillover effects of the National Arts Festival
- Developing connections, partnerships and networks and capitalising on the resources unique to the area
- Social cohesion and inclusivity

It is apparent from these themes that the stakeholders in the SBDM have identified the components of cultural value (economic, social, and intrinsic), and see an abundance of investment opportunities of harnessing growth, and development of the arts and culture in the SBDM. Where such opportunities have been identified, cultural policy ought to therefore encourage the sustainable pursuit of growth and the development of the arts, by exploring, and exploiting these opportunities.

Additional themes that were also identified in the study are available in Appendix 3.

5.1.6 Key Stakeholder Interviews

Interviews were conducted with key stakeholders that are directly involved with the CCIs in the SBDM in different capacities and across various sectors, in order to get an account of both opportunities and challenges that are faced by the CCIs, at both sector-specific, and industry-wide, level. It is important to get first-hand knowledge on the challenges and opportunities that are faced in the industry, in order to aid in policy development. A sound policy will capitalise on the opportunities, and attempt to minimise (and correct) the challenges. This exercise also served as a guide in laying out the course of fieldwork (over and above the Mapping Study entries).

The key stakeholders that were interviewed were Chris Wilken, the Manager of the SBDM Development Agency (formerly Cacadu Development Agency); Hastings Mqhayi, the Manager of Arts and Culture at the Eastern Cape Department of Sports, Recreation, Arts and Culture (DSRAC); as well as Bulelwa Bam, the Manager of the Eastern Cape Craft Hub. Other key stakeholders that were interviewed were Nomaswazi Mtshibe, the Manager of the Eastern Cape Film Office; and Tsietsi Themane, a Researcher at the National Film and Video Foundation.

A detailed account of the feedback from the key stakeholders is provided in Appendix 5.

Common themes identified by the stakeholders

From the interviews conducted with the stakeholders, there were some recurring themes that were present and flowed through all the interviews. The biggest identified theme was the lack of policy governing cultural and creative activities in the district. Even where the policy exists, the officials and employees within the sector are not knowledgeable, or well versed in it. This was also common in the interviews with the CCI owners, as well as the key stakeholders. Consequently, there is a lack of strategy and focus in the arts, cultural and heritage activities taking place around the district. Linked closely to this, is the lack of, and lack of knowledge on cultural policy regarding funding frameworks. As a result, funding takes place on an almost ad-hoc basis, with only internally-defined priorities and interests as a guide.

Where policy was found to exist, stakeholders argued that, frequently, it was more of an impediment, than an enabler, to cultural activity. It is apparent that there is a disconnection between policy formulation and implementation, as the formulation tools and calibrations are inconsistent with those of implementation, and there is a lack of congruency and convergence in the policy; all of which are requirements of a successful cultural policy (Howlett, 2009). The formulation does not take into account the size and shape of CCIs in the SBDM. It comes then, as no surprise, that employees and officials within the sector, are not knowledgeable on the policy within the sector, and lack understanding of the field.

Conclusion

This section provided a “hands on” and “first hand” approach to the experiences of CCIs within the SBDM, which also included assessing and analysing the characteristics of CCIs, as well as the CCI players within the sector. A wide and diverse array of firms were interviewed, and so the sample, whilst not fully conclusive, can be seen to be widely representative of cultural and creative firms in the SBDM. It is also noted that while many of the functions and operations of several CCIs in the district may be easily amenable to fit the funding policy framework requirements, there are some operations that are highly specific and specialised, and would not necessarily fit into the funding framework requirements. The policy, therefore, that is drafted for the SBDM must be inclusive, flexible, and allow for both project-specific, as well as multi-year funding frameworks, and must necessarily be accompanied by a monitoring and evaluation tool.

5.2 Cultural Events and Creative Cities

As a means of demonstrating the impact of the CCIs on economic growth and development, the economic impact of cultural event that takes place in a creative city- the National Arts Festival in Grahamstown, is investigated. This section therefore reports on the socio-economic impact of the 2016 National Arts Festival on the Grahamstown economy. This will also form the basis of the recommendations for the development of a regional cultural policy in an area that has a thriving arts and cultural sector, but without large cities and towns.

5.2.1 The Economic Impact of the of the 2016 National Arts Festival on Grahamstown

i) Estimating the number of festival attendees

In calculating the economic impact from the spending side, the first step is to estimate the number of festival attendees. In order to do this, two methods were used; the ticket sales method, and the accommodation method. Whilst each can be used separately, it is advisable to use both so as to eliminate error.

In using the ticket sales method, the number of tickets sold is divided by the average number of ticketed events attended by the respondents, in order to estimate the number of people that attended the festival. This includes the locals from Grahamstown.

A grand total of 147 384 tickets were sold on the Main and Fringe at the 2016 NAF. The average number of shows that were attended per person was 8. So, dividing the total number of tickets sold, by the average number of tickets bought, gives a total of 18 423 Festinos at the 2016 NAF. It should, moreover, be noted, that Festinos spent an average of 6 days and 5 nights at the Festival, thus, giving a total of 110 538 visitor days. It is then estimated, based on the findings of the consumer survey, that 20% of Festinos (3 685 people) were local Grahamstown residents, while the rest (14 738 people) were visitors from outside Grahamstown.

The accommodation method was also used to calculate visitor numbers. 20% of the visitors to the NAF reported staying in Rhodes University residences. So, accordingly, data was obtained from Rhodes University, on the number of bed-nights sold during the Festival, and this was

divided by the average length of stay of visitors who stayed in the residences. Since the percentage of locals is known, it is then possible to calculate the total visitor numbers.

A total of 16 000 bed-nights were sold by Rhodes University during the NAF, and those who used this type of accommodation stayed for an average of 5.3 nights. Therefore, dividing the total number of bed-nights by the average number of nights, gave a total visitor population of 3019 (20%), giving a total visitor number of 15 095. This number closely approximates that of the ticket sales method (14 738).

The average of the ticket sales and accommodation method (14 917) was used in the calculation of the economic impact.

Whilst both methods give a fairly accurate representation of festival attendees, they are both heavily dependent on a representative sample of Festinos from the population, to avoid an over- or understatement of important figures (Snowball, 2008).

Another issue of contention with these methods to estimate the number of visitors is what is known as the length of stay bias; visitors who attend the festival but stay for a shorter period of time, are less likely to be willing to complete questionnaires as they are generally in more of a hurry, than longer-stay visitors (Antrobus et al, 1997). This undoubtedly has a direct impact and effect on the calculation of festival visitor attendees, the visitor spending data, and consequently, the economic impact.

ii) Estimating spending at the NAF

Based on data collected in the consumer survey, Table 5 were the results of the average consumer spending:

Table 5: Visitors and Locals Spending

	Total Number	Average Spending (Rands)	Total Spending (Rands)
Visitors	14 917	3 814	56 893 438
Locals	3 685	1 628	5 999 180
TOTAL SPENDING (Visitors and locals)			62 892 618

Local Grahamstown respondents were alerted that in reporting their spending data, it is only their “spending in addition to your normal monthly expenses” that was required. As per Crompton’s (2006) arguments that spending by locals only ought to be included only if the event causes the locals to stay within the impact area than to leave it, or when a study of the economic influence of the event on the local area is done, it is this additional spending at the NAF of local Grahamstown residents that is reported, and that was used in the calculation of the economic impact. Interestingly to note is that average visitor spending is more than double that of locals; it is no wonder festival organisers seek to entice more visitors than locals to such events (Saayman and Saayman, 2004).

Further to visitor spending, producer spending, and media spending, in the impact area, need to be added when calculating total spending. Moreover, because this method may lend itself to double counting, it is important to then track the source, starting point, destination, and reason for expenditure (Tyrrell and Johnston, 2001). Sponsorship also needs to be added when calculating total spending, although, it is only the sponsorship from outside the impact area that needs to be included (sponsorship from within the region would have otherwise been used for something else, within the region; including it, then nullifies the aim of the economic impact: calculating the amount of new money that comes into the region)

In 2016, Producer and Media surveys were not conducted, which meant that their spending for 2016 was not captured. Figures from the 2013 survey were then used, and adjusted for inflation, as estimates for the Producer and Media spending in 2016.

iii) Estimating and Calculating the Economic Impact of the NAF on the Grahamstown Economy

Based on all the spending by the various groups, the total new money created, i.e., all the spending by the various groups, as well as the value of the sponsorships, gives the Gross Total Spending. The Gross Total Spending is:

Table 6: Gross Total Spending

Spending	Amount (Rands)
Total Spending by Visitors and Locals	62 892 618
Total Media spending	1 950 108
Total Producer spending	17 065 986
Sponsorship	32 384 840
GROSS TOTAL SPENDING	114 293 552

The Gross Total Spending/Impact, which is the spending that occurs in the first round by all groups, is calculated as being R114 million. Moreover, some of this spending leaves the region immediately, and so have no real impact on the economy; and this is referred to as outflows, or leakages. Outflows/Leakages are the benefits that are generated, but are not captured by, or within, the impact area (Edinburgh’s Year-Round Festivals, 2005). These benefits may be in the form of spending by visitors and festival organisers, but it flows out of the system immediately as profits and manufacturer margins.

The size of the leakages is dependent on the size of the economy (impact area), and the two are inversely related. The larger the economy (impact area), the smaller will the size of the leakages be, and vice versa. For example, in a study (Saayman and Saayman, 2006) that compared three South African Festivals; Aardklop that takes place in Potchefstroom, KKNK that takes place in Oudtshoorn, and the NAF, Grahamstown (the smallest of the three towns) was found to have higher leakages than both Potchefstroom and Oudtshoorn (Saayman and Saayman, 2006). This also confirms Snowball and Antrobus’s (2003) study on the Grahamstown economy, where they found that 87% of stock was brought in from larger cities (i.e. outside Grahamstown) within the province. This therefore implies that leakages from Grahamstown are expected to be large.

Organisers indicated that about 73% of their spending occurred in Grahamstown, whilst the remaining 27% was paid to non-local artists who performed on the Main, technical service providers (from outside Grahamstown), programme printing, as well as hiring of temporary seating in venues (Lankester, personal communication, 2016).

Based on previous years (Snowball and Antrobus, 2001, 2002, 2003, 2006, 2013), and in order to avoid over-stating the economic impact figure, an immediate outflow of 30% was assumed (just over R34 million), and leaving a net impact of just over R80 million.

The Multiplier

Whilst the first round of spending occurs directly, other successive rounds of spending by various groups, as a result of the initial spending, do occur within the impact area, and this is called the multiplier effect (Snowball, 2008; Saayman and Rossouw, 2011). A multiplier is, therefore, a measure of the number of successive rounds of spending that occur, as a result of the initial round of spending. It investigates the additional indirect and induced impact that occurs per R1 of direct impact.

The multiplier, does, however, depend on the leakages that occur in the impact area because as more money leaves the impact area, less is available for successive rounds of spending within the impact area. Using the results from Saayman and Saayman's (2006) study discussed above of three South African Festivals (Aardklop in Potchefstroom, the KKNK in Oudtshoorn, and the NAF in Grahamstown), which found that Grahamstown, which was smaller than Potchefstroom and Oudtshoorn, had the largest leakages (Saayman and Saayman, 2006), a smaller multiplier can be then expected for Grahamstown, than for, other two towns. It can therefore be concluded that the level of leakages, and consequently, the size of the multiplier, will be affected, and determined by the level of imports into the impact area (Saayman and Saayman, 2004; Snowball, 2008).

Estimating the size of multipliers can be done through meta-analysis of similar studies, where geographic variables are compared with tourist variables, in order to come up with a multiplier size. Another very similar method to estimate the multiplier would be to compare the multipliers used at other festivals, and use those as starting points to estimate the lower and upper bounds of the multiplier (Snowball, 2008). One very important factor in the calculation and estimation of the multiplier is the size of the region, as well as its location. Shahidsaless *et al.* (1983); Baaijens and Nijkamp (2000); and Greenberg *et al.* (2002) all found a positive correlation between the size of the multiplier, and the population size of the region. Crompton (1995), moreover, cautions against a copy-and paste use of a multiplier, based on similar studies in other communities because "the combinations of business interrelationships in communities are structured differently, so linkages and leakages will be different" (Crompton, 1995: 29).

Based on the results of Snowball and Antrobus (2013), a multiplier of 1.18 was used in this study. This was also based on studies of expenditure multipliers in the Eastern Cape (Saayman

and Rossouw, 2011); Kavese, 2012), rough-set analysis (Baaijens and Nijkamp, 2000), as well as an Economic Impact Calculator, developed for the Georgia Department of Economic Development (Seaman, 2012), but adjusted for South Africa.

The reasoning for the size of the multiplier could be that, as has been previously mentioned, Grahamstown is a small town which imports 87% of its stock from other cities within the province (Snowball and Antrobus, 2003; Saayman and Saayman, 2006), and is in close proximity to Port Elizabeth and East London; Central Place Theory then suggests that the closer the impact area (Grahamstown) is to a larger market, the more likely it is that it will rely on that larger market for goods and services; and the result is, greater leakages from the impact area, and a smaller multiplier.

The Economic Impact

After taking into account the effect of the outflow, as well as the multiplier, it is then possible to find the economic impact of the NAF:

Table 7: The economic impact of the 2016 NAF on the Grahamstown economy

Spending and Impact	Amount (Rands)
Gross Total Spending	114 293 552
(Minus) Immediate Outflow (30%)	34 288 066
Net Total Spending	80 005 486
(Multiply by) Multiplier	1.18
TOTAL ECONOMIC IMPACT	R94 406 474

The economic impact of the 2016 NAF was calculated to have been R94.4 million on the Grahamstown economy.

As economic impact aims to answer the question “What would the loss in revenue have been, had the event not taken place”, it is then possible to answer this question by saying, had the 2016 NAF not taken place, the loss in revenue to the Grahamstown economy would have been R94.4 million. This calculation, however, does not measure or account for the other non-monetary gains and benefits of the NAF, neither does it include the other positive spillovers

and positive externalities (for example, job creation, growth and development of the town), nor the knock-on effects, that are as a result of the NAF taking place. Moreover, the economic impact is indicative of the positive effects of the NAF on economic growth and development of Grahamstown, and the SBDM, an attainment of the main research goals.

Crompton (2006), also cautions against using economic impact studies as a Cost-Benefit Analysis (CBA) to the impact area and host city; so, for example, if more is spent on a cultural event than is generated in income, this does not serve as a good reason for discontinuing it, as this does not take into account the benefits to the community and residents that accrue as a result of the cultural event; the community residents are the ones who pay the council taxes anyway (Snowball, 2008).

Shortfalls of using the Economic Impact method

Whilst the economic impact study has revealed that the economic impact of the NAF on the Grahamstown economy is R94.4 million, nothing has been said about which particular areas in Grahamstown have benefited from this figure.

Grahamstown comprises two 'districts', namely, Grahamstown West and Grahamstown East. Grahamstown West comprises Rhodes University, a few private schools, residential areas of the middle-to-upper income population, as well as sections of the CBD (Snowball *et al*, 2008). Grahamstown East, on the other hand, comprises the lower-income population, is more densely populated, and is much larger than Grahamstown west (Snowball *et al*, 2008).

According to van Graan (2013), Grahamstown has an unemployment rate of over 70%, of which most of the unemployed reside in Grahamstown East. Van Graan (2013) suggests that even though the NAF does indeed make an impact on the economy of Grahamstown, it is Grahamstown East that primarily benefits from the NAF (van Graan, 2013). This links directly to Stern and Seifert's (2007) argument that an expansion of arts and culture in a district leads to gentrification, as well as increased income inequality

Saayman *et al* (2013), in their study of the Zion Christian Church Pilgrimage in Limpopo, note that one of the limitations of using the economic impact method is that it does not factor in displacement, of local residents or visitors into the area, that occurs as a result of the event

taking place, which may ultimately mean that the positive impacts of the event are offset by this negative outcome.

In as much as the economic impact looks at the “new money” that is created in the region as a result of the NAF, the actual level of money supply in the economy has not changed because of the NAF; therefore, the spending and “new money” created represents the opportunity cost to the other sectors of the economy; as the spending would have otherwise occurred in another sector of the economy (Crompton, 2006).

One of the debates surrounding economic impact studies as well as their validity lies around the subject of capturing values; economic impact studies are important for capturing economic and monetary values, but fail to account (or do so minimally) for the intrinsic and non-monetary values.

Whilst in this study, some non-monetary benefits of the NAF were captured, as with all arts events, the intrinsic value was not captured. The major debates focus on the point that the arts should be valued for themselves, that is, their intrinsic value, and not be valued only for what they produce economically (Joffe and Newton, 2007).

5.2.2 The non-market benefits of the NAF

As has been mentioned, the arts, culture and heritage possess an economic value (the value that can be directly measured using the market analysis, as well as non-market values; those are not directly measurable using market analysis. The non-market values are usually grouped into social values, as well as intrinsic values.

Social values are those benefits that accrue to society as a whole such as social cohesion, education, creativity and innovation (Bohm and Land, 2012), and intrinsic values are the symbolic nature of the good i.e. those that invoke feelings of the partaker of that good (Snowball *et al.*, 2016).

According to the Chief Executive Officer (CEO) of the NAF, some of the aims and objectives of the 2016 NAF included:

- “To be a “debating ground” for the “big issues” and a home to the “activist artist”;

- To reflect the cultural diversity of South Africa and to foster social cohesion;
- To foster collaborations between South African artists, and between South African and international artists;
- To attract a diverse audience and develop their understanding and appreciation of arts and culture.”

(Lankester, personal communication, 2016)

It then becomes evident that some of the objectives of the NAF listed above are indeed to provide non-market benefits, and these objectives are indeed in line with those of the NDP (discussed in Chapter 2 and 3). Furthermore, some of these objectives align with those of culture-led regional growth and development (discussed in Chapter 2).

It is therefore necessary to conduct an evaluation into the non-market values and benefits of the NAF.

The non-market values of the NAF

As has been stated earlier, non-market values (social and intrinsic), by their nature, are difficult to measure, particularly intrinsic values, as they cannot be tracked directly in the market, using, for example, price. These non-market values may, indisputably, be just as important, if not more so, than the economic ones (Snowball, 2011) in measuring cultural value.

Throsby (2001:44) refers to this as ‘cultural capital’, which are a means of “representing culture which enables both tangible and intangible manifestations of culture to be articulated as long-lasting stores of value and providers of benefits for both individuals and groups”. As is the case with other types of capital, a failure to invest, and re-invest, results in depreciation of ‘cultural capital’.

Snowball (2016) developed The Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage, whose aim was to “demonstrate the value of the arts to communities and funders”, and to “account for the use of public funds, and designing policy interventions” (Snowball, 2016: 1). Essentially, one of the goals of the Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage (hereafter referred to as the M&E Framework) is to assess and evaluate whether the aims and objectives of the

particular project have been met. Five themes of cultural development are identified by the M&E Framework, and they are: Audience development and education; Human capital and professional capacity building; Inclusive economic growth; social cohesion and community development; and, Reflective and Engaged citizens (Snowball, 2016). These themes encapsulate the economic, social, and intrinsic values of arts, culture and heritage.

The findings from the 2016 NAF revealed that in line with both the aims of the NAF, as well as the M&E Framework, the NAF does indeed play a key role in audience development, building cultural capital, and education of the arts, culture and heritage, through increasing the understanding and enjoyment of arts and culture. In fact, 83% of respondents felt more compelled to take ‘artistic risk’ by attending other shows that were new to them, whilst 92% of the respondents agreed that the Festival offered them a platform for experiencing new forms of art, they otherwise would not have been able to see, had they not been at the NAF. Table 8 below lists the specific questions (and indicators) that were asked in the survey, related to the aim of Audience Development, and Figure 13 illustrates the results from this.

Table 8: Audience Development

Aim (Theme)	Indicator	Question
Audience Development	Risks	“When I am at the Festival, I am more likely to take risks and go to shows and events that are new to me, and that I haven’t experienced before”
	Exposure	“The Festival gives me the chance to see artists and events that I would otherwise not be able to see”
	Cultural Capital	“Festival shows have increased my understanding and enjoyment of arts and culture”

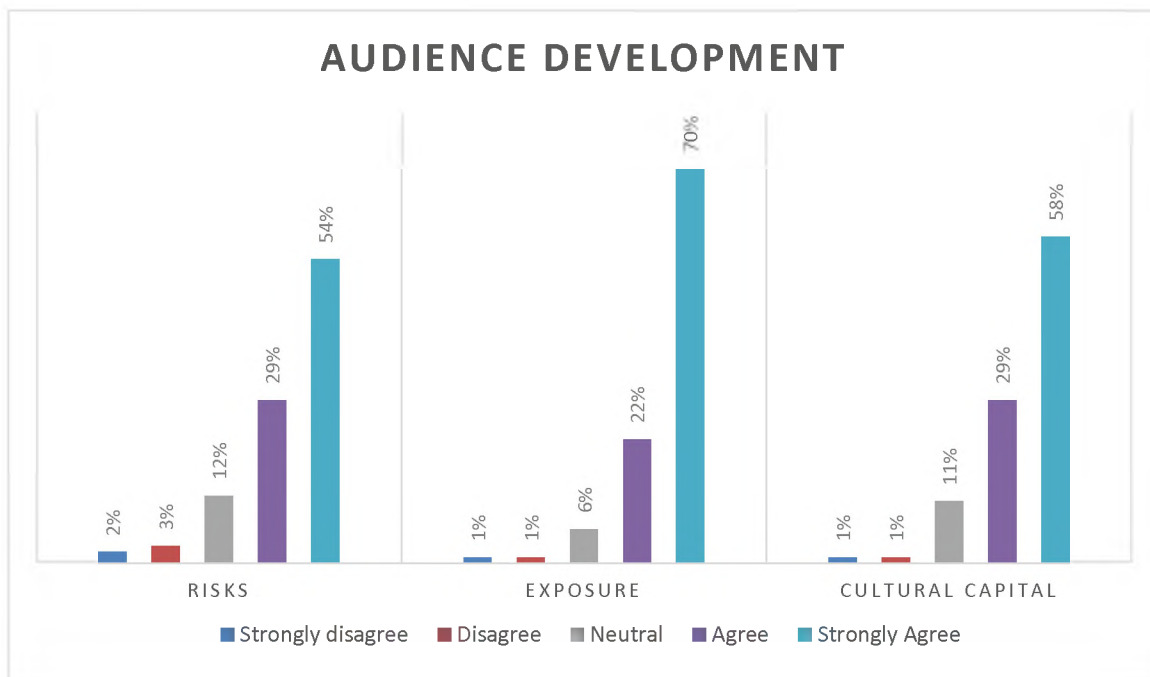


Figure 13: Non-market values: Audience Development

The NAF also plays a significant role in increasing social cohesion and community development, based on the wide variety of people, from diverse backgrounds and cultures that attend the NAF. 84% of respondents at the NAF agreed to the statement that the NAF plays a significant role in social cohesion, while 68% of the respondents agreed to the statement that “The Festival increased my understanding of other cultures” (A significantly high number of respondents - 22%, were neutral to this statement). Table 9 below lists the specific questions (and indicators) that were asked in the survey, related to the aims of Social Cohesion and Community Development, and Figure 14 illustrates the results from this.

Table 9: Social Cohesion and Community Development

Aim (Theme)	Indicator	Question
Social Cohesion and Community Development	Social Capital	“The Festival provides me with new and interesting topics for socialising and talking about”

	Social Cohesion	“The Festival is an event where people from different cultures and backgrounds can meet and talk together”
	Inter - Cultural	“The Festival increased my understanding of other cultures”
	Place - Making	*“The Festival is NOT an important part of what makes Grahamstown special” (*This question was deliberately phrased in the negative, as a validation check, to ensure that Festinos were actually responding carefully and thoughtfully to statements, instead of, for example, agreeing or disagreeing, with all statements.)

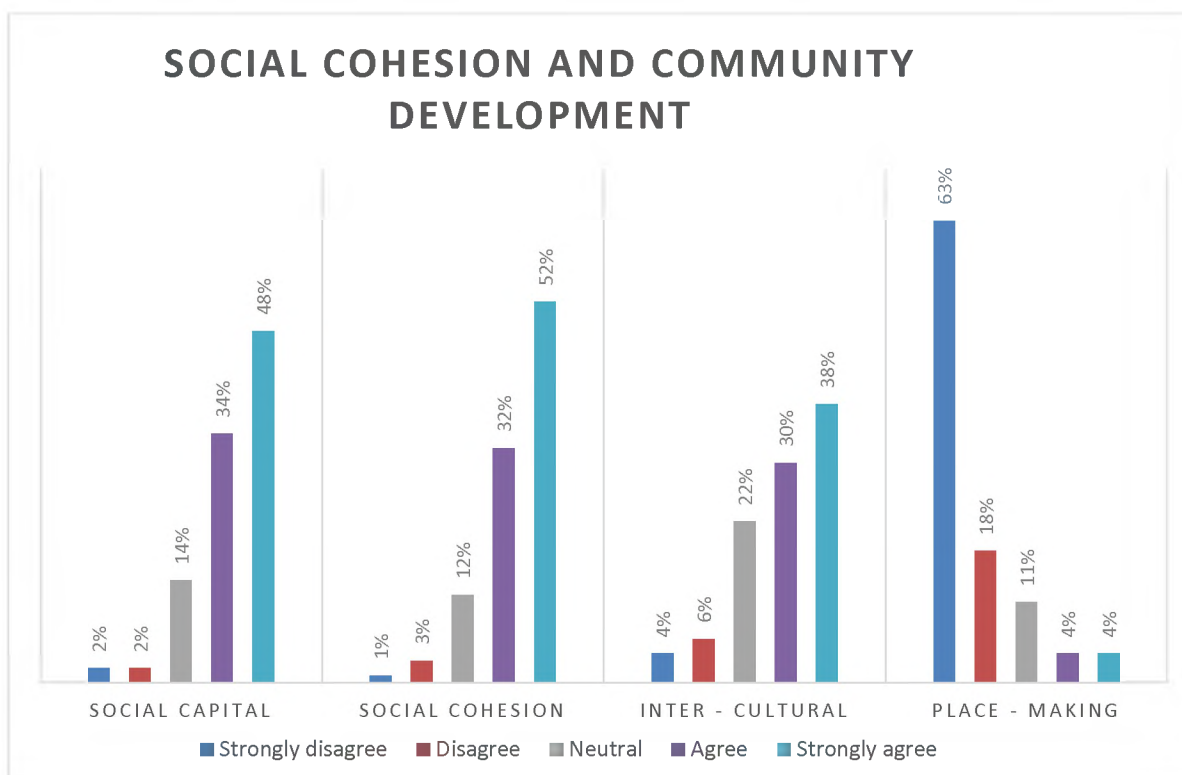


Figure 14: Non-market values: Social Cohesion and Community Development

Evidently, the aims of the NAF, the M&E Framework, as well as the Mzansi Golden Economy (discussed in Chapter 3) were met, and this highlights the importance of the non-market values of the arts, culture and heritage.

It can therefore be concluded that an economic impact analysis, by itself, is inadequate-the true impact of a cultural event ought to have a non-market analysis as well.

5.2.3 Discussion: NAF, Creative Cities, and the Creative Class

An interesting debate in literature is that which is centred around Florida's (2002) work on the Creative Class; where he states that a region is able to grow as long as it is able to attract the creative class (Florida, 2002). This cause-and-effect relationship has been argued and debated; is it the presence of CCIs that attract the creative class, or is it the creative class that move into a region, and thereby make it attractive? (Snowball, 2008). Further, areas that have schools and tertiary education institutions in them tend to be more creative (Florida, 2002).

Grahamstown, through the National Arts Festival, in 2014, took on the pilot "Creative City" project in South Africa. The National Arts Festival not only started the project, but are also responsible for coordinating, operating, implementing, managing, and driving the project. As has been mentioned earlier, a Creative City is one that drives its growth and development through creativity (UNESCO, 2016a).

According to Lankester (personal communication, 2016), there was a realisation to actively drive the creative sector, thereby enabling it to contribute to the local community. Over and above the National Arts Festival, which is the largest arts festival in Africa (National Arts Festival, 2016), Grahamstown also hosts the National Schools Festival, a national arts and cultural festival aimed at enriching and exposing final year high school students to the arts (Grahamstown Foundation, 2016.). Grahamstown, through Rhodes University, also hosts several arts departments such as Music, Drama, Fine and Visual Arts. Also present and headquartered in Grahamstown, are the National English Literary Museum (NELM), as well as the Library for the Blind.

In a partnership with Makana Tourism, Makana Local Municipality, the provincial (Eastern Cape) government, Rhodes University, as well as the European Union, the National Arts Festival took on the Creative City project.

The aims of the Creative City project are to: realise, foster, develop and guide local talent; grow and drive the creative sector; and boost the local economy through creativity (Lankester, personal communication, 2016). It is apparent that the aims of the Grahamstown Creative City project are in line with those of the creative city literature (discussed in Chapter 2). Furthermore, the creation of the Makana Arts Academy, a virtual creative academy that is responsible for identifying local talent, ensures that social and cultural infrastructure are developed; a feature of creative cities, according to Throsby (2010).

The aims of the Creative City project are also couched within the economic and cultural objectives of cultural policy (discussed in Chapter 2), recognising the social, intrinsic and economic values of culture. This not only adds to the authenticity of culture, which, according to Mulcahy (2017), is essential for informing national identity, but also encourages formulation of regional public policy that encourages, promotes, and supports the arts and culture.

The characteristics, aims and objectives of the Grahamstown Creative City project resemble those of the European Capital of Culture (bar the allocated time for being considered a ‘Capital of Culture’). The ability of the creative economy to benefit, not just the artists and performers, but the economy as well, as the benefits spiral into the technical and supporting industries, as well as tourism and hospitality, creating a virtuous circle of culture, enable the city to promote growth and development through culture. It is apparent, then, that the Creative City plays a vital role in developing regional cultural policy that encourages economic growth and development.

Other projects of the NAF

Further to the main event of the National Arts Festival, the National Arts Festival itself, the National Arts Festival (NAF) is involved in several ‘projects’ under the Creative City umbrella.

These projects include Masicule, a choral concert which sees almost 1000 singers from all around the city trained, and perform in the large choral festival; Cinema Under the Stars, an

open-air movie-showing ‘cinema’ event which occurs several times throughout the year; The Gruffalo Live on Stage, a South African version of the book, *The Gruffalo*, produced and directed in Grahamstown, and featuring an all-Grahamstown cast; as well as the Visual Arts sponsorship project-which sees the NAF sponsoring visual arts teachers to teach in various schools around the city. The NAF is also involved in the Fingo Festival, a community-run arts festival in a township in Grahamstown; and it is also responsible for murals around the city.

These short-term projects and events could be seen drivers towards a more sustainable Creative City model. In fact, the Creative City model itself could also be seen as a way to link the short-term events to a more sustainable development model, that promote both economic, and cultural, objectives of cultural policy.



Figure 15: A conceptual Concentric Circles model for the Creative City, Grahamstown

5.3 Towards a cultural policy for small cities and towns

The CCIs have been identified as one of the fastest growing sectors in the economy (van der Pol, 2007). In fact, Howkins (in van der Pol, 2007) claims that “the creative economies in the OECD countries grew at an annual rate twice that of service industries and four times that of manufacturing”. This is also in line with UNCTAD’s (2015) report, that tracks, and shows, the ever-increasing share of global trade that is attributed to the CCIs. Therefore, the development of cultural policy is illustrative of this global trend towards acceptance and appreciation of the CCIs as drivers of economic growth, and pursuing government macroeconomic goals. This is particularly important for a developing country such as South Africa, which suffers from high unemployment (Statistics South Africa, 2017a), to utilise the CCIs to alleviate poverty and develop infrastructure; where this has happened, the result has been growth of the CCIs (Flew and Cunningham, 2010).

Over and above the economic arguments and justifications for and of the CCIs, the social and intrinsic values of CCIs also need to be considered, thereby capturing the full cultural value of CCIs, in, not only justifying investment into CCIs, but also towards creating cultural policy that maximises, and ensures, funding towards the CCIs and cultural domains, that yield the highest and most effective, cultural value.

Cultural value consists of Instrumental and Intrinsic values. Instrumental values refer to the economic (and social) benefits of culture that are measurable and captured in the market (Holden and Baltà, 2012) while intrinsic values refer to the public good benefits and values, so, the “symbolic, artistic nature of the product itself” (Snowball, 2016: 7). Whilst the instrumental values are somewhat easier to measure as it is possible to quantify and capture them in the market, these values by themselves do not give an accurate reflection of the CCIs, and they do not provide a case for subsidising the CCIs, as would the intrinsic values from the public good benefits (Collins and Snowball, 2014). Using just the instrumental values has also been associated with commercialisation of the arts, and Seaman (1987) warns against this, when he states that “Arts proponents are involved in a dangerous game when they resort to impact studies. In a sense, they are choosing to play one of their weakest cards, while holding back their aces”. Intrinsic values, on the other hand, are difficult to measure as they cannot be directly captured in the market using prices to calculate economic impact, even though they are just as important, if not more so, than the instrumental values (Snowball, 2011).

Further, cultural policy ought to be aligned with the intrinsic and social goals and objectives of national government; in the case of South Africa, the NDP (2013) identifies these as nation-building, and social cohesion. Snowball (2016) further acknowledges that whilst governments and funders tend to be more concerned with the economic values, this does not render them more important than the intrinsic ones.

The awareness of all cultural value associated with cultural goods and services, and its congruency and compatibility with cultural policy is part of the process geared towards formulating cultural policy. So, the first step towards developing a cultural policy will be identification of the resources that are present in the area. This will include looking into the presence of human resources, soft infrastructure, as well as hard infrastructure. Whilst cultural investment tends to be skewed towards investment in hard infrastructure, Florida (2002) argues that regions that have an established cluster of cultural professionals (so, a well-established network of human resources, which, consequently results in investment in the cultural sector), tend to exhibit the largest growth rates; the resources are indicators of a comparative advantage.

Identification of the resources in the area then enables the next step of creating cultural policy, identifying the clusters, to be executed. This ultimately must provide an answer to the question, “where are the clusters located?”. As it has already been noted that CCIs tend to cluster (Lazzeretti *et al*, 2010), CCIs are then able to have a regional competitive advantage in the particular sector in which they specialise, as a result of clustering (Porter, 2000). This promotes efficiency, and consequently, economic growth, both of which are objectives of public policy (Throsby, 2010). The clustering of CCIs also promotes sustainability. Cultural policy must therefore encourage sustainability and efficiency, both of which are present in cultural clusters.

For example, from the SBDM, of the 441 CCI firms identified; 32.9% of these were in the Dr. Beyers Naudé Local Municipality (of which Visual Arts and Crafts, and Cultural Heritage accounted for 49.7% and 24.8% of entries, respectively-both of these domains being the highest, overall, in the SBDM), whilst 25.6% were in the Makana Local Municipality, of which Performance and Celebration, Design and Creative Services, and Audio Visual and Interactive Media accounted for 28.3%, 19.5%, and 6.2% of the entries, respectively (of the 25.6% of CCIs located in Makana). There is evidence of clustering happening especially in the Dr. Beyers Naudé and Makana Local Municipalities. Furthermore, there is also evidence of clustering of CCIs in the Visual Arts and Crafts and Information, Books and Press domains (41% and 21% of all CCIs identified in the SBDM were in the Visual Arts and Crafts and Information, Books

and Press Domains, respectively), in particular, in the Dr. Beyers Naudé and Makana Local Municipalities. It is evident that the SBDM has its competitive advantage in the Visual Arts and Crafts sector, as well as in the Information, Books and Press.

Therefore, cultural policy ought to encourage investment of limited public resources in sectors in which competitive advantage already exists, as there is a greater chance of sustainability, and a market already exists. In the case of SBDM, the policy ought to encourage investment in the Visual Arts and Crafts sector, and in the Information, Books and Press sector, more than the others, as these are seen to be having a competitive advantage. Additionally, the investment would be encouraged more in the Dr. Beyers Naudé and Makana Local Municipalities, as they are seen to be the cultural hubs; the areas where the clusters are largest, as there are more CCIs there. Grahamstown (which is in Makana Local Municipality) has taken on the Creative Cities project; essentially, the cultural hub that is therefore present there should be supported by the cultural policy i.e. the policy ought to capitalise on the substantial number of resources that are available, as a result of the Creative City project. The National Arts Festival's role as the coordinator of the Creative City project in Grahamstown indicate a comparative advantage in human resources-an area which the cultural policy ought to capitalise on.

Whilst the technological age and development may result in funders shifting their focus from more traditional domains (e.g. cultural heritage) to more modern ones (e.g. Audio-Visual and Interactive Media), it ought to be borne in mind that investing in these sectors, when no competitive advantage exists, may result in market, and policy, failure. In discussions with the SBDM officials, for example, they were enthusiastic about exploring the potential of the film industry in the district. However, only 11 firms currently exist in the Audio-Visual and Interactive Media domain in the SBDM, in comparison to the 179 firms in the Visual Arts and Crafts domain. Competitive advantage in the SBDM exists in the Visual Arts and Crafts domain and not in the Audio-Visual and Interactive Media domain. An attempt to invest shift funding focus to the Audio-Visual and Interactive Media domain may result in market, and policy failure.

The policy framework must then, acknowledge, and engage with, the cultural life, diversity, and heritage, of the place. This encourages a coordinated framework between stakeholders; the funders, and the creative players. Failure to engage fully with the resources that are present will result in policy failure. Furthermore, engaging with the cultural life of the region will ensure that investment and infrastructural improvements for cultural and creative use are channelled

to promote the cultural value of the region, thereby encouraging tourism, and simultaneously driving the DAC's (2017) goals of social cohesion, and nation-building.

In developing countries such as South Africa, that have a history of coloniality, and in smaller, less developed regions, such as the SBDM, it is important to then analyse the labour markets, as well as the ownership patterns, of CCIs. This is particularly true given the low levels of literacy, as well as the high levels of unemployment, often found in developing countries. One of the macroeconomic goals of policy is equity, the fairness with which resources are distributed and allocated (Throsby, 2009). It was also noted that whilst one of goals of policy is efficiency, efficient outcomes are not always equitable. So, in designing cultural policy for regions that are less developed, it is therefore important to find a balance between efficiency and equity; so, the policy ought to encourage efficiency, but simultaneously encourage equity.

In the SBDM, it was found that the majority of the employees (59%) in the CCIs were women, and a further 82% of all CCI employees in the CCIs were black. Whilst this is illustrative of a move in the right direction in terms of "transformation", and in light of the "women empowerment" agenda, CCI ownership patterns reveal that less than half of the CCIs are black owned, or female owned. Therefore, cultural policy ought to encourage the correction of past injustices (such as coloniality), and encourage equity. An example of this in South Africa is the use of the B-BBEE Act (2003) in funding applications, as per the requirements by the Department of Trade and Industry (DTI) in their film and TV incentive funding (Collins and Snowball, 2015).

The B-BBEE Act (2003) (Broad-Based Black Economic Empowerment) necessitates that all firms play an active role in transformation: in increasing black participation in the market, including black ownership and management of assets, skills development of, as well as prioritising procurement from, black people (B-BBEE Act, 2003). All firms are then required to report back on their B-BBEE status, using a scorecard, as stipulated by the Codes of Good Practice on B-BBEE (2007). The DTI, therefore, in an attempt to pursue transformation, and increase economic participation of black people, requires, as a prerequisite for all funding and subsidy applications in the film industry, that firms report on their B-BBEE status, as per requirements of the Codes of Good Practice on B-BBEE (2007; Collins and Snowball, 2015).

Where there are high levels of inequality and unemployment, the cultural policy ought to be directed towards strategic cultural and creative clusters, where skills development can be harnessed as a tool for economic growth, which will, in turn, reduce the levels of

unemployment, and inequality. In the case of the SBDM: which is in the Non-Metro area of the Eastern Cape, whose unemployment rate stood at 35.6% in 2017 (Statistics South Africa, 2017c); and where inequality was at 0.607 (ECSECC, 2017), according to the Gini Coefficient, areas of identified cultural activity such as Grahamstown and Graaff-Reinet could be used as strategic points to harness economic growth, and decrease the level of unemployment, as well as inequality. This is also in line with, the national, provincial, and district goals of job creation (NDP, 2013; SBDM IDP, 2012), and consequently serves as a viable justification for investment in the CCIs.

Creating successful and innovative cultural policy also requires an identification, overview and analysis, of challenges and opportunities that are faced by the CCIs themselves, the government departments responsible for the CCIs, and for creating and implementing policy, as well as any other key stakeholders that may be directly or indirectly involved in the functioning of the CCIs (for example, those in the tourism domain). Engaging with the lived, on-the-ground, first hand cultural experiences aids in identifying the challenges and opportunities, which serve as a useful tool and guide when creating cultural policy. Innovative cultural policy must capitalise on the opportunities that the stakeholders involved in the CCIs see as being beneficial in terms of their operation, while simultaneously addressing the challenges that have been identified. Furthermore, it must also capitalise on the opportunities that the location itself present; for example, a sound cultural policy will, identify and take advantage of, the location advantages of Grahamstown, because it has an abundance of resources which are linked to the Creative Cities project.

As it has been established that a major challenge that is faced by CCIs, especially the cultural firms, is that they are often faced with financial problems (Anheier, 2009), as they tend to rely on subsidies. It is therefore expected that stakeholders may highlight financial problems (e.g. insufficient or lack of, funds, high operational costs) as being the main challenge. Other challenges may include volatility and seasonal demand, lack of equipment, and crime (corruption, shoplifting, piracy), as was identified in the SBDM. Some other challenges may be that the stakeholders who are responsible for the governing of the CCIs may, themselves, not be well versed with the knowledge of the current policies in place that govern CCIs.

It is therefore important that when developing a regional cultural policy, the challenges and opportunities that stakeholders identify, place a key role in the design process of the policy, as they will determine the effectiveness and the successfulness of the policy. Whilst some of the

identified challenges may be difficult to address, some, for example, the lack of knowledge on CCIs by officials at Departments of Arts and Cultures, may be addressed through enhanced training of officials at the Departments.

In line with Howlett (2009) and Throsby's (2010) recommendations for successful cultural policy, it is also important that cultural policy for small cities and towns, be aligned, and coherent, with already existing national, provincial, and regional policy, and, be based on 'best practice' and international experience. This will ultimately create an effective arts, culture and heritage policy for the small town or city.

Therefore, cultural policy for small cities and towns ought to promote socio-economic benefits of the CCIs and CCI activity, based on empirical research and findings; essentially, the policy must be based on, and encourage, research and development into the socio-economic impact of the CCIs. This means identifying the clusters of cultural and creative activity hubs, which will, ultimately translate into unlocking, and capitalising on, the economic potential of CCIs, thereby encouraging growth and development, as well as reducing the levels of unemployment and inequality (Snowball *et al*, 2016).

Finally, the framework (Figure 16) must promote those sectors and domains that possess the highest potential in terms of growth, and overall success. The policy and framework must prioritise those sectors and domains that will yield the highest social, cultural, and economic impact, thereby enabling the growth of CCIs to continue.



Figure 16: Guidelines to Developing Cultural Policy

5.4 Developing a monitoring and evaluation model for funding framework

As has been mentioned, it is important that publically funded arts projects be monitored and evaluated, in line with the predetermined goals and objectives of the project. Monitoring and evaluation is part of the process of developing cultural policy (Teaiwa, 2012), and so, it is, therefore necessary, that a monitoring and evaluation model accompanies an arts, culture and heritage policy that is developed.

Snowball (2016) distinguishes between monitoring and evaluation; monitoring observes the progress over the short to medium term, but does not assess the project or policy in terms of achieving the goals and objectives. Evaluation, on the other hand makes its final assessment at the end of the project, and evaluates the successfulness of the project, or policy, based on the goals and objectives (Snowball, 2016).

As the arts, culture and heritage sector has been seen to be very diverse, spanning across the cultural domains and related domains of the UNESCO FCS (UNESCO, 2009), the M&E Framework must therefore be flexible enough to consider the multiple forms CCIs and CCI activity can take, but still be effective, thereby ensuring that the limited funds are allocated to those projects that display the highest level of potential for, the attainment of policy goals and objectives, which are in line with national, provincial and municipal policy and macroeconomic goals, as well as overall success (Snowball, 2016; Snowball *et al*, 2016). A well-established M&E Framework therefore aids in, identification of these projects, as well as in reporting on the region's activities.

In order, then, for a policy to be monitored and evaluated, it is important that its full cultural value be explored and communicated. Further, themes for cultural value must be well defined, in order to, not only aid in the reporting by the artistic producers and organisations, but to also communicate and provide accountability to the funders, especially financial accountability, as the goals and objectives of the policy, are explicitly aligned with the evaluations of the artistic producers; providing a “common language” (Snowball, 2016: 39) between the two stakeholders.

Therefore, a successful and practical M&E framework must be one that encapsulates fully all the economic, social and intrinsic elements of cultural value. As was illustrated in the

calculation of Socio-economic impact of the 2016 National Arts Festival, it is possible (although with somewhat more complexity) to measure the instrumental values of culture. Further, there are also benefits that accrue to the informal economy which even the Socio-economic analysis fails to capture; therefore, an M&E Framework that is more inclusive, and captures the elements of cultural value, is more likely to capture even the benefits that accrue to the informal activity, which would otherwise be concealed, because of the unregulated nature of the informal market (Joffe, 2013).

Snowball (2016) identifies five key themes of cultural value and development in the South African M&E Framework, which are in line with national arts, culture and heritage policy, as well as international examples. Each of these themes is linked to a set of indicators, which could be used to measure the themes (Snowball, 2016). It is important, then, that the indicators be “practicable, achievable, meaningful and measurable” (Teaiwa, 2012). The identified key themes, which capture the economic, intrinsic and social values, are; Audience development and Education; Human Capital/Professional capacity building; Inclusive economic growth; Social Cohesion and Community Development; and, Reflective and Engaged Citizens” (Snowball, 2016:27-28). A detailed table of the themes and indicators is provided in Appendix 7. Whilst these themes are broadly representative of the Arts, Culture and Heritage sector in South Africa, they are not invariable; they may be different, and therefore adaptable, to each context.

As the priorities and objectives of cultural policy should be aligned to funding priorities as well, in order to encourage cultural and economic activity and excellence, the M&E framework, must therefore, ensure that the funding allocations that are made not only promote these, but also have the highest economic, social and intrinsic impact, thereby encouraging strategic development of the arts, cultural and heritage sector.

Conclusion

This chapter has given insight on the shape, size and characteristics of the cultural sector, and the CCIs in the SBDM. The results from the CCIs in the SBDM delineated that the most widespread representations were in the Visual Arts and Crafts; Information, Books and Press; and Cultural Heritage domains. A study of the 2016 National Arts Festival revealed that it had

an economic impact of R94.4 million, and that the National Arts Festival's role as a coordinator of the Creative City project places it as a central driver of cultural growth and development.

The study of the SBDM and NAF illustrated the influence of the CCIs on growth and development of small cities and towns, and further served as a basis for providing guidelines on creating regional cultural policy for areas with small cities and towns.

It was concluded that, in order for regional cultural policy to be successful, it is necessary to identify the resources that are present (an indication of a district's comparative advantage), identify where the clusters are, carry out an analysis of the labour markets, identify the challenges and opportunities that are faced by the creative players, and finally, design a regional policy that aligns with provincial and national policy objectives.

6 Summary and Conclusions

This thesis sought to provide guidance, recommendations, and insights on how to create cultural policy for small cities and towns, based on the economic, social, and intrinsic impacts and contributions of the cultural and creative industries to economic growth and development. Studies have shown that cultural and creative goods and services provide not just economic, but social and intrinsic values as well - with the social and intrinsic being more difficult to quantify and measure. Therefore, the full cultural value of cultural goods and services consists of the economic, social, and intrinsic values.

For regional cultural policy to be developed, and for it to be considered successful, its aims and objectives must align, and be coherent, with those at national, provincial and regional levels. Furthermore, it must promote government macroeconomic goals such as efficiency, equity job creation and economic growth, and it must also promote cultural goals, that seek to maximise cultural value. Since cultural goods are seen to exhibit public-good characteristics, cultural policy ought to promote their provision. Where cultural policy is unsuccessful in achieving its goals, the result may be policy failure, as well as market failure.

6.1 Summary of Principal Results

Using the Sarah Baartman District Municipality (SBDM) in the Eastern Cape in South Africa as a case study, a mapping study was undertaken in order to identify and locate the CCIs within the district, and their concentrations. A study and review of culture led development theory, as well as of current arts and cultural policy in South Africa at regional, provincial and national level, informed this mapping exercise. It was initially based on a national mapping study that had been commissioned by the Department of Arts and Culture (DAC), but also drew on internet searches, as well as word of mouth from other creative players - this enabled the easier identification of “creative hotspots”-areas in which there is a large concentration of CCI activity, and therefore represent the largest strategic development potential. Interviews and surveys were held with stakeholders (the CCI firms and owners), as well as key stakeholders (officials, including DAC officials, who are responsible for the running and functioning of the

CCIs in the SBDM), and these provided key first-hand perspectives into the activities that occur, and those that yield the greatest potential for growth and development.

It was found that, in line with the theory of CCI clustering development (Flew, 2010; Lazzeretti *et al*, 2010), the CCIs in the SBDM also developed in clusters, thereby rendering the support of their use in regional and economic growth and development, as per global practices (Florida, 2002; Jarvis *et al*, 2009; Wansborough and Mageen, 2010; Gregory, 2016). Furthermore, it was found that the specific local municipalities within the SBDM that had a larger concentration of CCIs, also experienced better socio-economic welfare (as represented by higher economic growth, higher employment rates, higher education levels, as well as internet access) (Drummond and Snowball, 2016).

It was also evident, based on the interviews and feedback from stakeholders, that immense potential exists in the development of the SBDM, through CCIs, yet again, in line with international literature (Urbact, 2006). The CCIs have the potential to create employment, and aid in regional growth and development, as well as partner with related industries (for example, tourism), in order to drive and contribute to growth and development.

In exploring the impacts of CCIs on growth and development through cultural events and Creative Cities, an economic impact study was done at the 2016 National Arts Festival (NAF). As part of the study, the non-market values and benefits of the NAF were also explored-this provides a basis, and strengthens the arguments for funding towards the arts, culture and heritage, because of their non-market benefits.

The first section of determining the value of the 2016 NAF on Grahamstown involved calculating the economic impact. Festinos at different venues, attending a variety of shows, and across a variety of demographics (the quotas were based on previous studies conducted at the previous Festivals) were interviewed during the course of the Festival, to illicit responses on their spending patterns, as well as on their non-market valuations of certain aspects of the Festival. The economic impact, which aims to answer the question, “What would the loss in revenue have been, had the event not taken place?”, was calculated to be R94.4 million to the Grahamstown community. It is then possible to answer the question by saying “Had the 2016 NAF not taken place, the loss in revenue to the Grahamstown economy would have been R94.4 million”.

As part of the 2016 NAF study, a section exploring the non-market benefits and values of the NAF to Grahamstown residents and visitors was done. In line with research proving the non-market benefits of culture, previous research has proven the same of the NAF. Based on a previous study (Snowball and Antrobus, 2013), which was also based on a study at the Edinburgh Festival (2011), Festinos were asked to respond to statements about the Festival, using a Likert scale (calibrated from 1 to 5; where 1 meant “strongly disagree”, and 5 meant “strongly agree”). Results showed that the Festival plays an important role in audience development, nation building, as well as social cohesion. A Monitoring and Evaluation Framework of Arts, developed by Snowball (2016), was also utilised in the assessment of the non-market benefits of the NAF, and it was found that the NAF is largely successful in fulfilling its aims and objectives (audience development, education of the arts).

Grahamstown, through the NAF, took on the pilot Creative City project in South Africa. The Creative City concept aims to identify cities that place culture and creativity as its main drivers of sustainable growth and development (UNESCO, 2016). Therefore, Grahamstown (through the NAF), with its abundant cultural and creative resources, partnered up with the local and provincial governments, Rhodes University, Makana Tourism, as well as the European Union. This project has cemented Grahamstown’s dedication to the arts, and has been a platform for education, training, and employment creation of the arts.

Moreover, whilst the results may have been in support of the theory of the positive influence and impact on economic growth, and on support of the CCIs as drivers of regional growth, it must still be noted that unemployment rates remain very high. Whilst employment has undoubtedly been created (the DAC even claims to have created more than 50 000 cultural jobs since the launch of the MGE, DAC Annual Performance Plan, 2014/2015: 12), most of the jobs in the cultural sector tend to be on a part time or contractual basis, with most employment occurring in the informal sector (Siebert and Wilson, 2013; Hadisi and Snowball, 2016; Lankester *et al*, 2016). Furthermore, the volatility of employment in the cultural industries, as a result of the vulnerability of the cultural industries to economic downturns also makes employment very unstable (Hadisi and Snowball, 2016).

Studies have also shown that cultural workers tend to have higher levels of education and training, than the non-cultural workers (Hadisi and Snowball, 2016). However, the 2016 study in the SBDM revealed that only 18% of the employees in the CCIs that were interviewed had any form of post-school qualification, while only 20% had had formal industry training (It is,

however, accepted that the majority of respondents had received informal industry training). Additionally, whilst the correlation between CCIs and economic growth has been proven, growth rates in the SBDM still remain rather low.

This may, in actual fact, be indicative of a vicious circle of culture (Bonet, 2017), as the influence of the CCIs has not been as large as was predicted. This also seems to confirm Bonet's (2017) arguments that the virtuous circle may not work in developing countries, given the low levels of professional training, but instead, gives rise to the vicious circle.

6.2 Implications for regional Cultural Policy

The presence of expansive cultural resources in the SBDM, as well as their impact on economic growth and development, presents a strong case for investment into the CCIs within the district; however, the lack of cultural policy within the district makes it necessary to develop guidelines for developing cultural policy for areas such as the SBDM, with no larger cities or towns. It is imperative that spending priorities and coherent strategies that aim to achieve macroeconomic and cultural goals (Howlett, 2009; Throsby, 2010), as well as provide positive externalities and spillovers (Peacock, 2006).

In order to develop successful regional cultural policy, it is necessary, first to identify what resources are present (human resources, soft and hard infrastructure)- this demonstrates the comparative advantage of that district. It then becomes necessary to identify the clusters, and where they are located. Based on Porter's (2000) study of clustering, it is more worthwhile to invest in clusters (this is also in line with the theory of cluster development of CCIs). Clustering encourages regional competitive advantages.

Creating cultural policy also requires an analysis of labour markets, and ownership patterns. Small cities and towns, which are often characterised by high unemployment, or developing countries such as South Africa, which may have a history of coloniality (Mulcahy, 2017), will strive to have a policy that drives inclusion and skills development, and encourages employment creation. In order for cultural policy to be deemed successful, it is necessary that it capitalise on the opportunities, and simultaneously attempt to correct the challenges faced, by the practitioners. Importantly as well, the policy ought to be aligned with all regional, provincial, and national policy aims and objectives. Where the policy aims and objectives at

different levels are not aligned to each other, there may be a clash of policies, resulting in policy failure (Howlett, 2009). Finally, designing and implementation of the policy can take place, but there must be a monitoring and evaluation tool that evaluates the performance of the policy against its stated aims and objectives.



Figure 16: Guidelines to Developing Cultural Policy

6.3 Ideas for further research

The flexible nature of this model allows it to be recreated, tried, and tested in other areas, regions that suit the same criteria and conditions of the SBDM. This would not only provide results on the usefulness of the model, but would further advance the understanding of cultural policy in areas with no large cities and towns. It may also be useful to conduct this same application in another developing country that has similar characteristics and conditions as the SBDM. It may also be useful to extend this model to include the effect of cultural policy on intrinsic values.

Looking at Grahamstown; one of the prominent features of the city is Rhodes University. Furthermore, the presence of the NAF in Grahamstown, as well as the Creative City project in Grahamstown, make it a compelling case study in exploring Florida's (2002; 2006) arguments about the presence of the creative class in creative cities, and regions that are characterised by tertiary education institutions. Furthermore, a case of whether there is an influx of the "creative

class” during the 11-day period of the NAF could also be further investigated, as it presents an interesting dimension to the creative cities discourse.

One of the other findings from the literature (Cole, 1987) was that the Creative City also has some negative characteristics associated with it, such as gentrification. Therefore, exploring the Creative City in Grahamstown, and gentrification would also be a logical extension of the research presented.

Finally, the GIS mapping that was done for the SBDM, using the results of the 2014 Mapping Study, could be extended to include those of the 2016 study.

Nonetheless, as the transition from the traditional, industrial economy into the knowledge economy continues, the role of the CCIs in achieving economic growth and development is also being recognised more, with the debates on their usefulness continuing as well. This trend will undoubtedly lead to growth in the cultural policy discourse, as well as greater recognition of its role in achieving macroeconomic aims and objectives.

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Appendices

Appendix 1: Key Stakeholder interview questionnaire

The National Arts Festival, in conjunction with Rhodes University, is conducting a commissioned mapping study on behalf of the Sarah Baartman District Municipality into the cultural and economic impacts of the creative industries across all 9 localities within SB’s purview.

The intention of the research is to provide the SB Municipality with a set of recommendations to inform the development of a District-wide funding framework for the creative sector. We are currently engaged in mapping the spread of creative activity across Sarah Baartman to identify what kinds of activities are taking place where. Identification of creative “hotspots” will be complemented with fieldwork surveys with a select number of respondents, to elucidate the sites and sectors offering the greatest potential for strategic development and investment.

As an important stakeholder in the development of the District, we wish to engage your first-hand perspectives on the challenges and opportunities regarding industry creative development regionally.

You don’t have to answer all the questions and you can stop any time you want to.

When I report the results of the interview, you can choose how you would like to appear: by name and position, by position only, or anonymously. Do you have a preference now, or shall I ask you again at the end of the interview?

Permission to record:

Would you mind if I record the interview? This will be a private record for me. After the interview, I will make some notes and send them to you to check, if you like.

Declaration:

Are you happy to carry on with this interview? [] Yes [] No

Questions:

1. Which regions would you regard as the most culturally active parts of the district and why?

2. How do you conceive of the “creative” vs. “cultural” industries? Are you familiar with UNESCO’s classification system of six cultural domains and if so, how pertinent do you feel these are to the local context?
3. Which creative activities in the district offer the most economic potential in your opinion? Why do you regard these as promising? How should cultural and economic policy be adapted to enhance the development prospects of these activities?
4. To what extent are you familiar with national, provincial and district policies to support the development of the creative industries locally?
5. What considerations or policy priorities inform your mandate and specific focus areas?
6. What challenges confront the development of the creative industries in the SB district?
7. What opportunities do you consider to exist for CCI development in the district? How could these opportunities best be capitalised on by District government?
8. [if sector-specific interest]: how do you feel about the direction in which this industry is headed currently? What issues or considerations are not being sufficiently heeded by government or industry leaders? What existing initiatives offer a promising step in the right direction?
9. What strategies for CCI (or sector-specific) development – undertaken across any local or global context – do you consider as a model? What interventions, public or private, would be needed to replicate this model in the SB district?
10. To what extent does thinking around regional cultural development inform the work that you do?
11. If you compare the current position of the local (*X* sector/ CCIs generally) to 10 years ago, what is your overarching assessment of how it has developed?

Appendix 2: Fieldwork survey

SARAH BAARTMAN DISTRICT MUNICIPALITY CREATIVE INDUSTRIES

MAPPING STUDY QUESTIONNAIRE

INTRODUCTION: Good morning/afternoon; the National Arts Festival, in conjunction with Rhodes University, is conducting a commissioned mapping study into the cultural and economic impacts of the creative industries in the Sarah Baartman district, on behalf of the Sarah Baartman District Municipality (SBDM).

The intention of the research is to provide the SBDM with a set of recommendations to inform the development of a District-wide funding framework for the creative sector. We have been engaged with mapping the spread of creative activity across the District to identify what kinds of activities are taking place where. The identification of creative “hotspots”, seen to offer the greatest strategic potential for regional development and investment, is being complemented with fieldwork surveys with a select number of creative players to understand the issues impacting individuals and businesses in the arts and culture industry.

We wish to engage your first-hand perspectives on the challenges and opportunities confronted by your organisation/business.

In the interests of ethical research practice, we would like to emphasise the fact that you do not have to answer all the questions in the survey, and you can stop any time you want to. As part of this project we will compile and supply the SBDM with a database of individuals and businesses in the arts and culture industry in the District. When I report the results of this interview, you can choose how you would like to appear: by name and position, by position only, or anonymously. Should you prefer the latter option, your responses to the general questions in the survey will not be associated with you or your business, and the results will only be reported in an aggregated format.

Do you have a preference now, or shall I ask you again at the end of the interview?

Permission to record (if applicable):

Would you mind if I record the interview? This will be a private record for me. After the interview, I will make some notes and send them to you to check, if you like.

Declaration: Are you happy to carry on with this interview? [] Yes [] No

PLEASE FILL IN YOUR DETAILS BELOW

Surname	
First Name(s)	
Position or title in Business or Organisation	
Name of Organisation	
Street Address	

Postal Address	
Telephone Number	
Mobile Number	
Email	

Q1

In which local municipality is your business or organisation based (i.e. in which localities do you have offices or branches)? SELECT ALL THAT APPLY

	Local Municipality based
Baviaans	1
Blue Crane Route	2
Camdeboo	3
Ikwezi	4
Kouga	5
Koukamma	6
Makana	7
Ndlambe	8
Sundays River Valley	9

Q2

Which of the following do you consider to be the MAIN focus or activity of your business or organisation? SELECT ONE ONLY.

	Main Activity
Cultural Heritage	
Museums (including virtual)	1
Archaeological and Historical Places	2
Cultural Landscapes	3
Performance & Celebration	
Performing Arts	4
Music	5
Festivals & Events	6

Visual Arts & Crafts	
Fine Arts	7
Photography	8
Crafts	9
Information, Books & Press	
Books	10
Newspapers & Magazines	11
Other Printed and Electronic Matter	12
Library (including virtual)	13
Book Fairs & Book Clubs	14
Audio-Visual & Interactive Media	
Film and Video	15
TV and Radio (including internet live streaming)	16
Internet Podcasting	17
Video Games (including online)	18
Design & Creative Services	
Fashion Design	19
Graphic Design	20
Interior Design	21
Landscape Design	22
Architectural Services	23
Advertising Services	24
Other	
Please specify	

Q3

What is the legal status of your business or organisation? SELECT ONE ONLY.

Close Corporation (i.e. abbreviated CC.)	1
Non-Profit Company/Organisation (i.e. abbreviated NPC/NPO)	2
Government-subsidised entity	3
Personal Liability Company (i.e. abbreviated INC.)	4

Public Company (i.e. abbreviated LTD)	5
Private Company (i.e. abbreviated PTY. LTD)	6
Unregistered	7
Not sure/Don't know	8
Other (Please Specify)	

Q4

In what year did your business or organisation start operating?

.....

Q5

Compared to 2 years ago, what is your general evaluation of how your organisation/business is currently faring? SELECT ONE ONLY.

Same	1
Better	2
Worse	3
Not sure/Don't know	4
Not Applicable	5

Q6

What is the race of the principal or majority owner(s) of your business or organisation? SELECT ALL THAT APPLY.

Black	1
White	2
Indian/Asian	3
Coloured	4
Other	5
Not Applicable	6

Q7

**What is the gender of the principal or majority owner(s) of your business or organisation?
SELECT ALL THAT APPLY**

Male	1
Female	2
Not Applicable	3

Q8

What is the age of the principal or majority owner(s) of your business or organisation? SELECT ALL THAT APPLY

Below 18 years	1
18-24 years	2
25-34 years	3
35-44 years	4
45-54 years	5
55 years and older	6
Not Applicable	7

Q9

**What is the nationality of the principal or majority owner(s) of your business or organisation?
SELECT ALL THAT APPLY**

South African	1
Non-South African	2
Not Applicable	3

Q10

**Is your business or organisation a member of any professional industry body or association?
SELECT ONE ONLY.**

Yes	1
No	2

Q11

ASK ONLY IF “YES” IN Q10: Which professional industry bodies or associations is your business or organisation a member of?

1.
2.
3.
4.

Q12

How many employees, including you, in your business or organisation fall within the following categories?

	Current number of employees
Gender	
Male	
Female	
Race	
Black	
White	
Indian/Asian	
Coloured	

Q13

How many people, including you, are currently employed in your business or organisation:

a - On a full-time basis?

b - On a part-time basis?

c - On a contract/freelance basis?

Current number of full-time staff	
Current number of part-time staff	
Current number of contract/freelance staff	

Q14

How many current employees are in each of the following categories in terms of their experience in your field of business?

a - Entry/Junior level (i.e. 0-2 years' experience)

b - Intermediate (i.e. 2-5 years' experience)

c - Senior (i.e. more than 5 years' experience)

Entry/Junior level (i.e. 0-2 years' experience)	
Intermediate (i.e. 2-5 years' experience)	
Senior (i.e. more than 5 years' experience)	

Q15

How many current employees have the following as their HIGHEST level of education or training?

a - Below Matric or Matric Complete

b - Post-Matric Certificate/diploma; University degree; or Post-graduate qualification

Highest Educational Level Attained	Number of Employees
Below Matric or Matric Complete	
Post-Matric Certificate/diploma; University degree; or Post graduate qualification	

Q16

a - How many current employees have undertaken formal and certified training relating to your field of business?

b - How many current employees have undertaken informal and uncertified training relating to your field of business?

Number of employees with formal and certified training	Number of employees with informal and uncertified training

Q17

Which of the following are sources of income for your business or organisation? **SELECT ALL THAT APPLY.**

	Income sources
Direct sales/services to buyers based in South Africa	1

Direct sales/services to buyers outside of South Africa	2
Royalties	3
International donors	4
Local government grant	5
Provincial government grant	6
National government grant	7
Funding agency grant	8
Other (specify)	

Q18

On average, what is your business or organisation’s monthly or, if you prefer, annual turnover/operating costs? [] Monthly [] Annual

Q19

What is the main market for your business or organisation domestically?

Within the Sarah Baartman District	1
Outside SBD, but in the Eastern Cape	2
South Africa	3

Q20

Do you sell any of your products/services internationally? That is, do you export or sell products/services directly to a buyer who is outside of South Africa, excluding selling products/services to foreigners visiting South Africa in South Africa. SELECT ONE ONLY.

Yes	1
No	2

Q21

ASK ONLY IF “YES” IN Q19: Approximately what percentage of your products/services do you sell internationally? %

Q22

What are some of the major obstacles or challenges that your business or organisation is currently facing?

Q23

What conditions or factors would enable you to conduct your business more successfully?

Q24

To what extent are you familiar with national, provincial and local policies to support and develop your sector?

Where do you access information about opportunities for government funding within your sector?



Q26

What opportunities exist to enhance the economic and creative potential of the region in which you operate your business or organisation?



THANK YOU FOR TAKING PART IN THE STUDY

Appendix 3: Thematic categorisation of survey responses to qualitative questions in CCI 2016 interviews

Q22:

What are some of the major obstacles or challenges that your business or organisation is currently facing?

- Product or service is undervalued / perception that cultural products and services are superfluous
- Small client budgets
- Lack of longer-term funding
- Geographic context (challenges pertaining to isolation and seasonal thoroughfare)
- Premises
- Bureaucracy and regulation
- Disconnect between sector and public officials
- Lack of government support (in terms of showcasing our work, and obtaining information)
- Lack of business or strategic know-how
- Opportunities for further artistic development
- Lack of Service/product exposure and participant reach
- Poor Socio-economic conditions in areas of operation
- Access to funding
- Local supply of skilled labour
- Supply of stock / raw materials
- Communications and information-sharing
- Prevailing economic conditions

Q23:

What conditions or factors would enable you to conduct your business more successfully?

- Improved local infrastructure and services
- Pragmatic government funding
- Information and communication relating to opportunities
- Opportunities for cooperation and partnership
- Less bureaucracy and relaxing regulation

- Equipment and materials
- Shift in prevailing mindsets about business development in the arts
- Availability of skilled labour and access to expertise
- Financial resources
- Adequate premises (workshop space, storage, performance venue or platform to showcase products)
- Transport
- More sustainable support across the board
- Opportunities for exposure and distribution

Q26:

What opportunities exist to develop the economic or creative potential of the region in which you operate your business or organisation?

Widen or leverage existing platforms for exposure

Invest in hubs of creative activity

Advance social cohesion and inclusivity

Develop communication infrastructure and widen access

Possibilities to develop and foster connections and partnerships

Potential for more active role for government in arts, culture and heritage

Opportunities to capitalise on resources unique to area

More support to local manufacturers and suppliers needed

Opportunities to further maximise positive spinoffs of National Arts Festival

Greater potential for community empowerment and skills development

Appendix 4: CCIs by local municipalities in the SBDM

The breakdown of CCIs according to the cultural domains of the FCS in the different local municipalities of the SBDM is shown below. In the instances where domains as well as their number of entries (and respective percentages) are indicated in **bold**, this indicates that the particular incidence of that domain in the local municipality was the highest overall in the SBDM.

Dr. Beyers Naudé

Table 10: Cultural Domains in the Dr. Beyers Naudé Local Municipality

	Number of entries (out of 145 for Dr. Beyers Naudé)	Percentage
DOMAIN		
Visual Arts and Crafts	72	49.65%
Cultural Heritage	36	24.83%
Information, Books and Press	15	10.34%
Performance and Celebration	11	7.59%
Design and Creative Services	10	6.9%
Audio-Visual and Interactive Media	1	0.69%

Makana

Table 11: Cultural domains in the Makana Local Municipality

	Number of entries (out of 113 for Makana)	Percentage
DOMAIN		
Performance and Celebration	32	28.32%
Visual Arts and Crafts	25	21.24%
Design and Creative Services	22	19.47%
Information, Books and Press	19	16.81%
Cultural Heritage	9	7.96%
Audio-Visual and Interactive Media	7	6.19%

Ndlambe

Table 12: Cultural domains in the Ndlambe Local Municipality

	Number of entries (out of 70 for Ndlambe)	Percentage
DOMAIN		
Visual Arts and Crafts	41	58.57%
Information, Books and Press	16	22.86%
Design and Creative Services	6	8.57%
Cultural Heritage	3	4.29%
Performance and Celebration	2	2.86%
Audio-Visual and Interactive Media	2	2.86%

Kouga

Table 13: Cultural domains in the Kouga Local Municipality

	Number of entries (out of 52 for Kouga)	Percentage
DOMAIN		
Information, Books and Press	20	38.46%
Design and Creative Services	12	23.08%
Visual Arts and Crafts	11	21.15%
Performance and Celebration	4	7.69%
Cultural Heritage	4	7.69%
Audio-Visual and Interactive Media	1	1.92%

Blue Crane Route

Table 14: Cultural domains in the Blue Crane Route Local Municipality

	Number of entries (out of 28 for Blue Crane Route)	Percentage
DOMAIN		
Visual Arts and Crafts	14	50%
Information, Books and Press	8	28.57%
Cultural Heritage	3	10.71%
Design and Creative Services	2	7.14%
Performance and Celebration	1	3.57%
Audio-Visual and Interactive Media	0	0

Koukamma

Table 15: Cultural domains in the Koukamma Local Municipality

	Number of entries (out of 18 for Koukamma)	Percentage
DOMAIN		
Visual Arts and Crafts	14	77.78%
Information, Books and Press	4	22.22%
Audio-Visual and Interactive Media	0	
Cultural Heritage	0	
Design and Creative Services	0	
Performance and Celebration	0	

Sundays River Valley

Table 16: Cultural domains in the Sundays River Valley Local Municipality

	Number of entries (out of 15 for Sundays Rivers Valley)	Percentage
DOMAIN		
Information, Books and Press	9	60%
Visual Arts and Crafts	3	20%
Performance and Celebration	2	13.33%
Design and Creative Services	1	6.67%
Audio-Visual and Interactive Media	0	
Cultural Heritage	0	

Appendix 5: Key stakeholder Interviews

Feedback from Mr. Chris Wilken (Manager of the SBDM Development Agency)

In addition to the feedback provided by Mr. Wilken which had a common theme with the other interviews held with the other key stakeholders, Mr. Wilken was vehement that in order for the CCIs within the district to thrive, they need to capitalise on the presence of the tourism sector, especially for areas such as Tsitsikamma and Storms River, in order to give visitors a “full experience”, and in so doing, attracting more, and retaining old, visitors. He argued that it is important for visitors to get a unique encounter that will draw them back to the region; with the large volumes of visitors that pass through the area, it is important to transform the disinterested travellers and volumes of traffic into something that will yield positive economic returns for the region. Tourism supports about 2000 industry jobs, and about 4500 jobs within the tourism sector in the SBDM (SBDM, 2016), and it is the second biggest economic contributor to the region (SBDM, 2016); and given the relation between tourism and CCIs, it is therefore very important that tourism be incorporated in arts and cultural policy planning.

In order to achieve and maintain the “activities-driven tourism” that will provide the “full experience” to the visitors to the SBDM, thereby providing positive outlook for the CCIs, Mr. Wilken believes it is essential that a cogent marketing plan is developed. He does, moreover, acknowledge the SBDM’s current efforts of marketing itself as a district to visit. Moreover, these marketing strategies do need some fine-tuning, in order to support the growth of the district through route tourism.

Feedback from Ms. Bulelwa Bam

Ms. Bam, as with Mr. Wilken, also highlighted the importance and significance of the Koukamma municipality, in particular, Tsitsikamma and Storms River. These are significant,

not only for their cultural heritage value, but also for regional growth and development. She notes the importance of establishing a craft hub in the district, and used the Tsitsikamma Khoisan Village in Tsitsikamma as an example. The cultural centre at the Village is now defunct, though.

Further, Ms. Bam recognises and highlights the importance of creating connections amongst local arts and cultural heritage practitioners. Forming networks, according to Flew (2010) is what makes the practitioners successful. She also notes that there can be significant improvement within the sector, and amongst the practitioners themselves, if these networks are created, and if all the practitioners and creative players comprehend that their activities contribute holistically to the creative identity of and for the SBDM.

Feedback from Mr. Hastings Mqhayi

Mr. Mqhayi further argues that a broader definition of creative activity needs to be adopted. Several intangible cultural practices, traditions and observances occur throughout the SBDM, but are not captured, due to the limitations of the current policy. This inevitably means that the contribution and output of creative activity is captured incorrectly, and is undervalued. It is therefore important that the definition of creativity be re-evaluated, and re-worked, to incorporate these intangible cultural practices occurring all around the SBDM.

Feedback from Ms. Nomaswazi Mtshibe

Ms. Mtshibe, as the Manager of the Eastern Cape Film Office, had more sector-specific challenges that were constraining the functionality of her office. The biggest challenge that her office is faced with is that of very limited funds and tight budgetary constraints. The result of this is that less importance is now placed on the growth of the film sector, and focus has had to shift to allocating funds to local projects.

Regarding the practicality and feasibility of developing a film industry in the SBDM, Ms. Mtshibe argues that there are no necessitating measures in place to justify investment in, or development of, a film sector in the SBDM. The lack of data, or its availability in minimal amounts means that the necessary grounds for investment to take place do not exist, as large amounts of capital are needed to invest in infrastructure.

Feedback from Mr. Tsietsi Themane

As a Researcher at the National Film and Video Foundation (NFVF), Mr. Themane also shared the same sector-specific sentiments as Ms. Mtshibe. Furthermore, he states that the absence of provincial film policy to accompany the Eastern Cape Film Commission, as well as appropriate municipal by-laws are key hindrances to the development and progression of the sector. He also cites the absence of a framework that guides the focus of activities in the film sector as a major drawback; this essentially means that the Eastern Cape Film Office funds and supports film projects in an ad hoc manner, based on available resources and project needs, without necessarily focussing on the maximum impact of the overall project.

Appendix 6: National Arts Festival Visitor (Festino) Survey

National Arts Festival Visitor Survey 2016: Face-to-face interview

Hi! I am [name] from [name] and we are conducting a Festival visitor survey. Would you be willing to spend about 10 minutes answering some questions? Yes: Thanks!

This survey is part of the ongoing research into the cultural and economic value of the Festival, undertaken by [name] on behalf of Festival organisers. The information will be used to monitor and improve Festival planning and in academic research. The questionnaire is anonymous and voluntary. You can stop at any time, or leave out questions you don't want to answer.

Are you happy to carry on? Yes No

Are you a local Grahamstown resident? Yes No

If yes and beyond your quota, hand over self-completion form and thank person for their help.

If no, proceed with interview.

A. This first section is about what you do at the Festival – the shows you go to, where you stay, how many times you have been before and so on. OK?

1. How many of each of the following kind of Festival events do you intend seeing this year?

1.1 Ticketed shows on the Main and Fringe _____

1.2 Free performances (e.g. Sundowners/street theatre) _____

1.3 Visits to craft markets _____

2. How many ticketed shows are you attending today? _____

3. Are you going to any jazz shows at the Festival this year? Yes No Don't know

4. Do you ever go to other jazz festivals? Yes No

5. Are you going to any of the productions or exhibitions by the 2016 Young Artist Award winners?
 Yes No Don't know

6. Excluding this year, how many times have you been to the Festival before? _____

7. Would you recommend the Festival to other people? Yes No

For non-local visitors only:

[For locals, go to Part B]

8. In which country is your permanent residence?

South Africa

Other (please specify) _____

9. For South Africans: Which province do you come from?

1 Eastern Cape 2 Free State 3 Gauteng

4 KwaZulu-Natal 5 Mpumalanga 6 Limpopo

7 Northern Cape 8 North West 9 Western Cape

10. How many days and nights do you intend to stay in Grahamstown?

No. of days _____ No. of nights _____



11. Where are you staying in Grahamstown?
 1 Hotel or bed & breakfast 2 University residence
 3 School hostel 4 Camping or backpacking
 5 Friends or relatives 6 Rented house or flat
 7 Day visitor 8 Other (please specify) _____
12. Is the Festival the main reason you came to the Eastern Cape?
 1 Yes 0 No (Please indicate main reason) _____

B. Thanks! The next section is about your spending at the Festival, and how you rate your experiences. OK? [Grahamstown Locals: Since you live in Grahamstown, please report only spending in addition to your normal monthly expenses].

13. How much do you intend to spend in total at the Festival on the following items?:

- 1 Accommodation: R _____ 2 Shows: R _____
 3 Food & drinks: R _____ 4 Shopping: R _____
 5 Transport: R: _____
 6 Other (please specify) _____

14.1 Are these figures for: 1 only yourself 2 your whole travelling group/family

14.2 If for a group: How many people are you paying for at the Festival? _____

For those who do not normally live in the EC:

14.3 Excluding the amount you spent at the Festival, please estimate how much your travelling party spent in the Eastern Cape R _____

14.2 What was your non-Festival spending in the EC mostly on?
 Accommodation Food Transport Other: _____

15. How would you rate your experiences at the Festival **in terms of value for money**; where 1 is bad and 5 is excellent?

15.1	Your accommodation (non-locals only)	1	2	3	4	5
15.2	Restaurants	1	2	3	4	5
15.3	Main Shows	1	2	3	4	5
15.4	Fringe Shows	1	2	3	4	5
15.3	Craft Markets	1	2	3	4	5
15.5	Fringe Shows	1	2	3	4	5

16. Please tell me what you feel about the following statements, where 1 means you strongly disagree; 3 means you are neutral (neither agree nor disagree); and 5 means you strongly agree:

Statement	Rating				
	1	2	3	4	5
16.1 When I am at the Festival, I am more likely to take risks and go to shows and events that are new to me, and that I haven't experienced before.	1	2	3	4	5
16.2 The Festival provides me with new and interesting topics for socialising and talking about	1	2	3	4	5
16.3 The Festival gives me the chance to see artists and events that I would otherwise not be able to see	1	2	3	4	5
16.4 The Festival is NOT an important part of what makes Grahamstown a special place	1	2	3	4	5
16.5 The Festival increased my understanding of other cultures	1	2	3	4	5

Festino Survey: Festino Demographics

Table 17: Gender and language

	2006	2013	2016
Sample size	669	682	613
Women (%)	59.4	54.2	59.6
Men (%)	40.6	45.8	40.4
Afrikaans (%)	11.4	10.5	14
English (%)	64.2	60.6	65
Xhosa (%)	10.9	14.7	9.5
Zulu (%)	4.2	3.1	5.3
Other (%)	9.3	11.1	6.2

Table 18: Festino origins

Country of permanent residence	2013 (%)	2016 (%)
South Africa	91	94
Elsewhere in Africa	2	2.4
Other	7	3.6
South Africans' home province		
Eastern Cape	46	33
-Grahamstown	20	16
-Other Eastern Cape	26	17
Gauteng	21	24
Western Cape	19	22
KwaZulu-Natal	7	10
Free State	3	2.5
Other	4	8.5

Table 19: Household and Individual Net Monthly Income

Net HH Income p/m	% in category	Net Individual Income p/m	% in category
Declined to answer	17	Declined to answer	14
< R5000	5	< R5000	9
R5001 – R10 000	10	R5001 – R10 000	15
R10 001 – R20 000	13	R10 001 – R20 000	18
R20 001 – R30 000	20	R20 001 – R30 000	18
R30 001 – R40 000	15	R30 001 – R40 000	12
R40 001 – R60 000	21	> R40 000	14
> R60 000	<1%		

Appendix 7: Cultural Value Themes

THEME	INDICATORS
Audience development and education	Demographics (age; race; gender)
	Origins (local [LM]/visitor; rural/urban; province; nationality)
	Employment status, income and education groups
	Participation and time-use
	Sales (tickets; products; services)/participation (numbers)
	Media coverage (incl. value of)
	Strategies for attracting new audiences
	New platforms for exposure
	Workshops & arts appreciation
	Attendance at "new" kinds of arts, culture and heritage
	Appreciation of arts, culture and heritage
Human capital/professional capacity building	Training offered (education/business/artistic development)
	Experience gained
	Volunteers and interns
	Impact on local SMMEs (established)
	Impact on event traders and hawkers
	Opportunities & partnerships with local artists
	Opportunities & partnerships with local stakeholders
	Opportunities for cultural entrepreneurs
	Development of artistic quality
	Awards/industry recognition
Showcasing South African art and artists	
Inclusive economic growth	Organiser spending
	Earned income/turnover
	Sponsorship (and sources)/partnerships
	Cross-sector cooperation
	Audience spending
	Producer spending
	Media representative spending
	Length of stay (bed nights)
	Tourist leverage (extended trips)
	Contribution to gross geographic growth/gross value added
	Number & types of jobs created
Sustainability (organisational and environmental)	
Social cohesion & community development	Artist/producer demographics (diversity)
	Artist/producer origins (diversity)
	Audience diversity
	Cultural offerings (local arts/heritage/languages)
	Cultural distinctiveness/showcase "brand SB"
	Audience motivation for attendance
	Audience & producer opinions
Quality of life & wellbeing	

	Trust
	Inclusiveness
	Marketing & place identity
Reflective & engaged citizens	Reflectiveness
	Empathy
	Appreciation of diversity
	Community engagement
	Transformative self-knowledge
	Fostering dialogue & strengthening democratic institutions