

**Cultural Clusters as a Local Economic Development Strategy
in Rural, Small Town Areas: The Sarah Baartman District in
the Eastern Cape of South Africa**

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By:

Fiona Jane Drummond

13d4591

Supervisor: Professor J.D. Snowball

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Abstract

It is increasingly recognized that the cultural and creative industries (CCIs) can play an important role in economic growth and development. Governments around the world, including South Africa, are implementing culture-led economic growth and development strategies on national and regional scales. CCIs tend to cluster around large cities because of existing hard and soft infrastructure such as networking advantages and access to skilled labour, however, much less is known about the potential of the CCIs to drive rural development. This thesis thus investigates the potential of the CCIs to cluster in small towns and rural areas. Moreover, it examines the relationship between the CCIs and socio-economic development.

The CCIs have been touted as a catalyst for economic growth and development and so have often been used in urban regeneration schemes. The Sarah Baartman District (SBD) of South Africa's Eastern Cape has identified culture as a potential new economic driver. Establishing a new development path is necessary as the former economic mainstay, agriculture, has declined in the region, creating poverty and unemployment problems. However, the SBD has only small towns which, according to the literature, are not suited to CCI clustering. Despite this, there is evidence of cultural clustering in some of the SBD's small towns like Nieu Bethesda and Bathurst. This research therefore conducted an audit of the CCIs in the district and used geographic information systems (GIS) to map their locations by UNESCO Framework of Cultural Statistics (FCS) domains in order to determine the extent to which clustering has occurred in a small town setting. The audit identified 1 048 CCIs operating in the district and determined that clustering is possible within some small towns, depending on their demographic, economic, social, geographic and historic characteristics. For small towns where clusters exist or the potential for cluster formation is present, the domains in which the town holds a comparative advantage, based on domain proportions and location quotients, should be pursued for local economic development (LED). In this case, Visual Arts and Crafts and Cultural Heritage were prominent throughout the district while Design and Creative Services and Performance and Celebration had small regional concentrations.

Theory suggests that the presence of CCIs is linked to higher levels of economic development as the creative class is more likely to be attracted to more highly developed areas, usually large cities. Furthermore, spillover effects from cultural activity promotes further development under the virtuous cycle. To investigate the relationship between CCI clusters and socio-economic development, the locational data of municipal level CCI numbers is overlaid with a regional development indicator, a socio-economic status index, which is based on census data and includes economic and social components. Results show that there is a general positive trend of CCIs locating in larger numbers (clustering) in areas with higher socio-economic development performances.

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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.

Abbreviations

ACH	-	Arts, Culture and Heritage
CCI	-	Cultural and Creative Industry
DAC	-	Department of Arts and Culture
DSRAC	-	Department of Sports, Recreation, Arts and Culture
EC	-	Eastern Cape
ECPACC	-	Eastern Cape Provincial Arts and Culture Council
FCS	-	Framework for Cultural Statistics
GDP	-	Gross Domestic Product
GIS	-	Geographic Information Systems
GNSS	-	Global Navigation Satellite System
GPS	-	Global Positioning System
GVA	-	Gross Value Added
LED	-	Local Economic Development
LQ	-	Location Quotient
MCA	-	Multiple Correspondence Analysis
MGE	-	Mzansi Golden Economy
NDP	-	National Development Plan
PCA	-	Principal Component Analysis
SA	-	South Africa
SBD	-	Sarah Baartman District
SBDM	-	Sarah Baartman District Municipality
SEEDS	-	Socio-Economic and Enterprise Development Strategy
SES	-	Socio-economic Status Index
SMME	-	Small, Medium and Micro-Sized Enterprise
UK	-	United Kingdom
UNCTAD	-	United Nations Conference on Trade and Industry
UNDP	-	United Nations Development Programme
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
USA	-	United States of America

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Chapter 1: Introduction

1.1. Introduction

Culture and creativity have become dynamic focus areas for scholarly research across a range of disciplines including economics, human geography, urban studies, sociology, anthropology, organizational studies and art history amongst others (Bain, 2016: 266). It has been placed at the heart of the knowledge economy as creativity is vital to the generation of new knowledge and innovation (Landry, 2012: 5). Furthermore, within South Africa, the cultural and creative industries (CCIs) have been described as the “new gold” due to their potential to increase economic growth and create job opportunities (Mzansi’s Golden Economy Guidelines, 2016: 5).

Relatively recently, the cultural and creative industries have become popular policy tools for promoting economic growth and development. This is especially true for post-industrial cities where the CCIs are used to promote urban renewal (Florida, 2003: 16; Landry, 2012: 14). Accordingly, most academic and industrial research focuses on cities in developed countries (Gregory and Rogerson, 2018: 32). There is however, a growing interest amongst developing countries on the potential of CCIs as new growth engines, though this has mainly been focused in urban areas (Flew and Cunningham, 2010: 114). Furthermore, there is a growing body of literature on the CCIs in non-metropolitan spaces within developed countries including the United Kingdom (Bell and Jayne, 2010) and Australia (Waite and Gibson, 2009; Daniel, 2014; Daniel *et al*, 2016). The research seeks to contribute to and expand the scope of the literature with a developing world small town perspective.

This introductory chapter begins by setting out the rationale for this study by providing a brief overview of the rise to prominence of the CCIs internationally, the CCIs in Africa, clustering and culture-led development. Examples from developing countries will also be presented in order to illustrate pertinent points from these topics. A brief introduction to the study area, the Sarah Baartman District, is also provided, with an accompanying overview of the major

trends in South African small towns which have had an influence on the small towns within this district. This is followed by sections on the goals of the research and an overview of the structure of this thesis before concluding.

1.2. Rationale of the Research

1.2.1. The Rise to Prominence of the Cultural and Creative Industries

The cultural and creative industries as an economic driver and a policy focus area first came to prominence in the late 1990s, making it a relatively recent field of economic, political and academic interest. The concept of the CCI was first brought into the public domain in the United Kingdom (UK) by Prime Minister Tony Blair's Labour Government with the establishment of a Creative Industries Task Force as a central activity under the newly created Department of Culture, Media and Sport (Flew and Cunningham, 2010: 113). The task force conducted two major mapping studies on the UK's creative economy which proved instrumental in gaining economic respect for the sector and opening the doors for government support and funding (Pratt, 2005: 33). The investigation into the CCIs was prompted by the decline of manufacturing in the UK and the consequent assertion that 'knowledge' should be used to maintain their competitive advantage (Pratt, 2005: 33). The creative industries were thus placed alongside high-technology, bio-technology and pharmaceutical industries as potential new economic drivers that are central to the post-industrial economy (Pratt, 2005: 33; Flew and Cunningham, 2010: 113). Furthermore, the Task Force also attempted to propose a working definition of the CCIs (Pratt, 2005: 32). To date, there is no universally accepted definition of the CCIs and the question of definition is subject to debate. However, for the purposes of this research, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) definition will be used. This is the definition being used in the current South African debates surrounding government policy for the arts, culture and heritage sector (ACH) sector under the Revised White Paper (2017), that will be discussed further in the context chapter. Following its success in the UK, the creative industries policy discourse was then adopted and adapted from the UK model by a number of other countries including the United States of America (USA), China, Singapore, Hong Kong,

Australia and New Zealand as well as the European Union and Scandinavia (Flew and Cunningham, 2010: 114).

The international interest in the CCIs began with the mapping studies of the UK's CCIs which revealed the potential of the creative economy, as in 1998, it employed 1.4 million people, accounted for 5% of total national income and was growing at approximately double the rate of the British economy as a whole (Flew and Cunningham, 2010: 113). Moreover, the interest in the use of the CCIs to promote urban renewal can be traced back to the 'Cool Britannia' place branding and urban redevelopment initiatives (Miles, 2005: 891). This links urban development with the tendency of CCIs to cluster and cultural tourism. For instance, under the 'Cool Britannia' scheme, the Tate Modern (a modern art gallery) was promoted as a cultural flagship institution around which a cultural precinct grew on the south bank of the Thames (Miles, 2005: 891). The Tate Modern is just one example of successful urban renewal and development through the CCIs, as it receives large numbers of visitors and has become a key node of creative city life (Miles, 2005: 891). Accordingly, the Tate Modern and its surrounding cluster thus became the cultural centre of London by becoming a new creative and social space (Miles, 2005: 891). It is this success which has attracted both public authorities and private developers to the strategy of culture-led development and urban renewal (Miles, 2005: 891).

However, it was not until the publication and subsequent promotional book tour of Richard Florida's "The Rise of the Creative Class" in 2002 that the CCIs as a policy and developmental discourse gained worldwide popularity (McGuigan, 2009: 291-292). Florida's work sparked a renewed interest in the CCIs as a means of promoting economic growth and regional development through the 'rise of the creative class' (creative individuals and professionals) and the concentration of 'technology' (high-technology industries), 'talent' (individuals with high levels of human capital) and 'tolerance' (a diverse and creative atmosphere) in successful cities (Florida, 2002a: 743). In his book, Florida reverses the traditional theory in economic geography that people follow jobs and instead suggests that the creative class is highly mobile and can be attracted to a place, as they prefer locations that are highly developed, have a wide range of amenities, are 'cool' and are tolerant towards different types of lifestyle and personal orientation (sexual, religious, political, etc.) (Florida, 2002a: 745-747; Sacco *et al*,

2014: 2809). Places, usually advanced post-industrial cities or 'creative cities', can therefore attract talent and once there, these pools of talent will attract high-technology industries, promote innovation, create jobs and prompt economic growth and development (Florida, 2002a: 744; Landry, 2012: 23-24).

Florida's work is, however, highly controversial and as such it has been hotly disputed and widely critiqued. In particular, it has been criticized for being characterized by a "typically managerialist rhetoric that over-simplifies and, to an extent, bowdlerizes social-scientific reasoning and research" (McGuigan, 2009: 292). Much of the criticism is based on the definition of the creative class encompassing a wide range of contemporary society, cities pandering to the needs of the creative class and neglecting other societal groups, a focus on economic growth rather than cultural policy, the promotion of fast policy and a lack of causality and a reliance on anecdotal evidence within the research (Markusen, 2006: 1937-1938; McGuigan, 2009: 298). Despite this, Sacco *et al* (2014: 2809) assert that "judging in terms of mass media exposure and worldwide consensus, the most successful culture-led developmental scheme available today is certainly Richard Florida's creative class one". Moreover, questions surrounding cultural policy and culture-led development based on Florida's theories are of particular interest and importance given that governments around the world, including South Africa, are implementing culture-led economic growth and development strategies that have been influenced by Florida and his contemporaries (Sacco *et al*, 2014: 2807). However, there is still debate about how effective the CCIs can be in promoting regional development because of their tendency to cluster around large cities (Florida, 2003: 3; Peck, 2005: 746; Pratt, 2008: 111; Flew, 2010: 85-86; Sacco *et al*, 2014: 2809). Therefore, due to the considerable impact and popularity of Florida's work, this thesis will utilize some of Florida's concepts in the analysis and interpretation of CCI activity in the Sarah Baartman District.

1.2.2. A Brief Overview of the Cultural and Creative Industries in Africa

Africa is usually thought about in terms of its rich natural resources, but it also has a wealth of largely untapped specifically African cultural resources of a wide variety including art, music, dance, languages, writing and heritages (Tsegaye, 2016: 37). However, it is suggested that there is a lack of capacity and infrastructure to transform this cultural potential into actual socio-economic development results (De Beukelaer, 2015: 18). Despite the low profile of the CCIs on the continent, the sector was recognized by the Organization of African Unity, and its successor, the African Union as a potential source of inclusive, sustainable and people-centred development due to Africa's comparative advantages in the sector (Tsegaye, 2016: 38). Accordingly, these organizations have been attempting to develop cultural policies and programmes over the past 50 years with a view to developing the CCIs and reaping the benefits of spillovers and innovation (Tsegaye, 2016: 49). However, while there are good policies in place, there is a gap between the policies and strategies and their implementation on the ground (Tsegaye, 2016: 49). Furthermore, in a similar situation to developed countries, cultural ministries and policies tend to focus on the economic potential of the sector in order to bid for public and private support (De Beukelaer, 2015: 19). This economic focus has become particularly important in developing countries, as the CCIs must compete for limited funding with other sectors that are crucial to improving development levels, like health care and education (Snowball and Antrobus, 2002: 1299).

There are some success stories in Africa where the potential of the CCIs has been unlocked. One of the major African successes has been the film industry in Nigeria or 'Nollywood' (De Beukelaer, 2015: 69). Nollywood has become one of the biggest film industries in the world as it generates sizable revenues despite relatively low levels of investment, is a large employer and it tells relatable stories for an African audience (De Beukelaer, 2015: 69). However, the cultural and creative economy in most African countries like Burkina Faso and Ghana are still in an infant stage (De Beukelaer, 2015: 72). In many respects, this is due to a lack of understanding of the discourse that surrounds the CCIs (Tsegaye, 2016: 37). In this instance, government officials, private proponents of the arts and cultural and creative practitioners themselves do not understand the role of the CCIs in development through innovation and

spillovers to other sectors of the economy as well as improvements to social quality of life through the intrinsic value of the arts (Tsegaye, 2016: 37). Despite this, recognition of the potential of the CCIs is increasing as national governments are introducing their own policy documents so that CCI policy is being extended beyond overarching organizations like the African Union (De Beukelaer, 2015: 73; Tsegaye, 2016: 49). The growing interest in the CCIs as an economic growth and development engine means that the CCIs are likely to increase in prominence in African economies. Therefore, research into the CCIs within African countries is necessary as there is currently a gap in the literature on the creative economies of developing countries and African countries.

The largest body of work on CCIs for the African continent has occurred in South Africa where there is a public authority, private industry and academic interest. Within South Africa, the CCIs have been recognized as an important industry for the nation's economy and as a potential development driver by the national government. The importance of the CCIs is illustrated by new president, Cyril Ramaphosa's reply to the State of the Nation Address in which he stated that "the cultural industries make a significant contribution to our economy and employ many people... [and] ... cultural industries have great potential for growth, but require closer attention and backing from government" (Ramaphosa, 2018). This recognition at the highest government level is encouraging for proponents of the creative economy as it indicates a growing interest in the CCIs which may result in future policy and financial support.

The economic contributions of the CCIs have been well documented in mapping studies of the creative economy in many developed countries. South Africa has followed suit in conducting its first national mapping study in 2014 under the Department of Arts and Culture (DAC). The study found that the CCIs contributed R90.5 billion to GDP, which was 2.9% of total GDP (DAC, 2014a: 96-97). Moreover, a study on employment conducted in 2015 by Hadisi and Snowball (2017: 26) found that when all three components of the creative trident – specialists, non-specialists and embedded cultural workers (Higgs *et al*, 2005: 6-7) - are considered, then cultural and creative employment accounts for 6.72% of total jobs in South Africa. The CCIs have thus become an important sector to the South African economy and as such, need to be the subject of further research.

1.3. Clustering and Culture-led Development

There is a tendency for CCIs to develop in agglomerations or clusters and as such, location is an important aspect in the formation, expansion and success of CCIs. A cluster is defined as “geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also co-operate” (Porter, 2000: 15). An often cited example of a CCI cluster is the film and television industry in London where major broadcasters, producers, studios, distributors and specialized suppliers are concentrated in and around the district of Soho (Turok, 2003: 553). The concentration is illustrated by employment statistics for the industry as, in 2003, 70% of all UK jobs in film production and distribution and 55% of jobs in television were housed in the city (Turok, 2003: 553). The industry concentration is further reinforced by the links to the advertising, publishing, music and entertainment industry clusters in other parts of the city which shows that networks and collaboration are important to the CCIs (Turok, 2003: 553).

Clusters of CCIs like the film and television hub in London form to take advantage of location proximity benefits. For instance, the benefits of CCI clustering include the development of a competitive advantage within a particular sector in a region through the grouping of firms, as the cluster will experience greater productivity and cost advantages related to the development and easy access to specialist skills and other inputs, group marketing and inter-firm trade, co-operation and competition, as well as a larger amount and faster pace of innovation due to spillovers (Porter, 2000: 21-25; Florida, 2003: 4-5). Clustering is also important for CCI success as they require a fast rate of innovation and co-operation, as well as the horizontal, forward and backward linkages that characterize clusters. Furthermore, clusters tend to concentrate around big cities due to the soft and hard infrastructure associated with them (Flew, 2010: 86).

CCI clusters have also been identified as drivers of development on a global scale. There are various means of achieving culture-led development including the formation of clusters, urban renewal strategies, spillover effects and cultural tourism. All of these tend to overlap

and so work in conjunction to promote socio-economic development. A set of examples from developing countries and rural areas will be used to illustrate how the CCIs have been harnessed for development.

Firstly, the CCIs are frequently used in urban renewal initiatives, often driven by governments, for run-down areas of the inner-city (Gregory, 2016: 159). Urban renewal initiatives seek to regenerate old and neglected areas of inner-cities through the formation of CCI clusters which gentrify the place, attract locals and tourists and have spillover effects on other associated sectors of the economy like hospitality (Gregory, 2016: 168). For example, in China, the Shanghai Municipal Government noticed a trend of creative individuals establishing cultural businesses in old abandoned industrial buildings in the inner-city that they converted into studio spaces (Wang, 2009: 318). Following the conversion, the renovated buildings acted like magnets to the creative classes and visitors who began to move into the decayed urban areas which were transformed into developed or gentrified spaces (Wang, 2009: 319). The economic and spillover effects were substantial and the Shanghai Municipal Government recognised this as an opportunity to push forward economic restructuring and urban renewal. Thus, in 2004, the Shanghai Sculpture Space plan was tabled for the renovation of non-functional industrial buildings that would also preserve China's industrial heritage (Wang, 2009: 321-322). Accordingly, Red Town has become a successful example of CCI clustering and urban renewal as it is a designated Creative Industrial Agglomeration Area which has converted abandoned factories into art exhibition spaces as well as studios and offices for the CCIs, while harking back to the heritages encapsulated in the buildings of China's industrial past (Wang, 2009: 322). The success of regeneration of urban spaces surrounding Red Town was noticed by the central Chinese government who launched a publicity campaign stressing that urban development occurs "when the creative industry dances with industrial heritage" and calls for "learning from Shanghai" (Wang, 2009: 319).

Urban renewal has also been used successfully in South Africa in the creation of the Cultural Arc in inner-city Johannesburg. Following international precedents and the policy suggestions of Florida, the Johannesburg Metropolitan Municipality sought to establish a CCI cluster in the inner-city as a means of urban regeneration (Pieterse and Gurney, 2012: 194). The 'Cultural Arc' was thus developed with Newtown at the core and nodes at CCI activity, or clusters, in Braamfontein and Constitution Hill (Pieterse and Gurney, 2012: 201). The Arc

spans an area rich in South Africa's history and includes a range of pre-established artistic institutions and spaces, as well as a university (Pieterse and Gurney, 2012: 197). Despite some difficulties, including gentrification, the strategy has been successful as abandoned buildings are being redeveloped as arts and retail complexes, and visitor statistics doubled for evening visitors and tripled for daytime visitors between 2003 and 2009 (Pieterse and Gurney, 2012: 198-202).

Secondly, some of the largest economic and social benefits of the CCIs and clusters accrue as spillover effects or positive externalities, and this has a developmental effect on the local economy as a whole. Spillovers refer to "the process by which an activity in one area has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital" (CCI Spillovers Report, 2015: 8). A good example of CCI spillover effects and the resultant development is the Isle of Mull in Scotland. While Scotland is not a developing country, the Isle of Mull is a remote and rural area as it can only be accessed by ferry and has only small towns (Connell, 2005: 229). It is thus an interesting example due to its similarities with the Sarah Baartman District which is also a rural area with only small towns. The Isle of Mull has benefited greatly from the screen tourism spillover effects generated by the production of 'Balamory', a children's television programme, which used Tobermory, a small seaside village with a row of colourful houses as its setting. There now exists a significant tourism industry on the island as tourist numbers have increased by an additional 150 000 visits per year with people bringing their children to see the iconic location (Connell and Meyer, 2009: 197). Accordingly, income has increased substantially for the businesses on the island related to tourism like restaurants and hotels, and hard infrastructure has been improved to cope with the large tourist numbers (Connell, 2005: 240-241). However, the benefits of tourism were highly concentrated in Tobermory and so benefit sharing plans like guided tours of the island and package deals have been tabled (Connell, 2005: 248).

Lastly, an increasingly popular means of cultural development is through cultural tourism (Richards, 2011: 1225), often linked to clustering and place rebranding strategies. For instance, the United Arab Emirates and Qatar have identified culture as a means of diversifying their economies since they recognize that a reliance on oil, a finite resource, is risky since commodity prices are prone to frequent and sometimes drastic changes (Hazime,

2011: 4736). Furthermore, cultural tourism is viewed as a means of development as the CCIs are high economic value-added activities. Abu Dhabi and Doha, the respective capital cities, are thus the subjects of vigorous place branding campaigns to attract tourists (Hazime, 2011: 4735). The place branding of Abu Dhabi and Qatar is based on aviation hubs (Etihad and Qatar airways operate from the cities), prime real estate, high class events and exhibitions, hosting international sporting events and cultural attractions (Hazime, 2011: 4736-4741). Cultural attractions have become central to the development strategies of the two countries and their hopes to transform into “advanced countries” by 2030 (Hazime, 2011: 4739-4740). Flagship cultural institutions like the Guggenheim Abu Dhabi and Doha’s Islamic Art Museum, are crucial to their development strategies as they are used in place rebranding of the two countries as tourist destinations for culture, sport, education, shopping and entertainment (Hazime, 2011: 4736-4741). The United Arab Emirates and Qatar have been largely successful in diversifying, place rebranding and promoting cultural tourism as visitor numbers have increased substantially and the countries have garnered international reputations for high quality services, luxury and leisure that are attractive to many tourists (Hazime, 2011: 4740). Moreover, the spillover effects from encouraging tourism, such as job creation, have also been substantial as the number of hotels, restaurants and other tourist facilities have increased rapidly (Hazime, 2011: 4736).

These examples prove that it is possible for developing countries and rural areas to have successful cultural and creative sectors and that policies aimed at their development can be highly rewarding. However, due to a lack of research, questions relating to the suitability of policies that target the cultural and creative industries as drivers of regional growth for small town and rural development have been raised. Most studies focus on urban areas and highlight the advantages of cities to cultural development, such as their established hard and soft infrastructure which is suited to clustering (Flew, 2010: 86). Consequently, culture has not been well studied in rural small town areas, including those in South Africa. Within South Africa itself, research is particularly lacking in the Eastern Cape where neither large urban centres, like Port Elizabeth and East London, nor small towns, like those in the Sarah Baartman District, have been adequately studied. Therefore, this research seeks to help fill a gap in the literature by studying the extent to which cultural and creative clustering has occurred in a

small town setting as well as to investigate the relationship of the CCIs to economic and social development.

1.4. Economic Geography and the use of Geographic Information Systems

The locational aspect of clusters links them to the field of economic geography. A useful tool in analysing the locational aspects of culture and creativity is geographic information systems (GIS). GIS has not been used very often in culture and creativity related studies as its potential and capabilities are not that well known. However, interest in GIS is increasing and it is highly likely that it will become a popular tool of analysis in the near future (Brennan-Horley *et al*, 2010: 92). Various GIS techniques have been utilized in studies of Australian CCIs. For example, in a study on the presence and character of the creative industries in the small, remote city of Darwin, GIS was used to enhance the ethnographic methodologies – specifically interviews – used in the study (Brennan-Horley *et al*, 2010: 92). Darwin has a unique set of geographical circumstances that set it apart from the traditional creative cities studied in the literature and researchers found that traditional quantitative methods were insufficient in answering questions on where creativity exists in the city and how it relates to Darwin's internal structure (Brennan-Horley *et al*, 2010: 93-94). Thus, GIS was introduced to broaden the scope of qualitative data generated through interviews which proved to be much more valuable in generating geographically specific data on Darwin's CCIs (Brennan-Horley *et al*, 2010: 92). Another advantage of GIS in this case is innovative results communication through interactive maps that could be easily understood by a wide audience including participants (Darwin's creative class) and policy makers (Brennan-Horley *et al*, 2010: 92). For the purposes of this research, GIS will be used to help identify clustering, prominent CCI activities (UNESCO domains) and investigate the relationship between the CCIs and development in a small town setting.

1.5. A Brief Introduction to the Sarah Baartman District

The Sarah Baartman District (SBD) is the largest district in the Eastern Cape, yet it has no large urban centres and is predominantly rural with generally low levels of income and employment. Despite this, the Sarah Baartman District Municipality (SBDM) has identified culture as having a strong regional development potential as the Socio-Economic and Enterprise Development Strategy consists of several initiatives that either directly or indirectly target culture through supporting the arts and tourism that is based on history, festivals, fine arts and crafts and natural heritage (SBDM, 2016). The SBDM's interest in using the CCIs as a new economic growth driver stems from the post-productivist shift that has occurred across small town South Africa due to the contraction of the former economic mainstays of agriculture and mining (Nel and Binns, 2007: 197-198). The contraction of the traditional industries has resulted in problems of severe unemployment, poverty and inequality as well as economic decline in the majority of South Africa's rural small town areas (Hoogendoorn and Visser, 2016: 97).

In order to combat these issues, small towns and rural areas need to identify new development opportunities, the most successful of which have relied on the characteristics of the town that make it special rather than the rural hinterland (Hoogendoorn and Nel, 2012: 31; Toerien and Marais, 2012: 5). This relates to sense of place and the significance of place as local characteristics and assets; cultural, historical and physical, are given economic value (Halseth and Meiklejohn, 2009: 293; Ingle, 2012: 209). Therefore, many small towns, including some within the SBD, are pursuing culture-led development, mainly through tourism (Hoogendoorn and Visser, 2016: 99; Irvine *et al*, 2016: 386-387). It is thus hoped that the CCIs will be part of the solution to the problems that affect small towns, including those in the SBD, in a manner that Florida suggests: attracting the creative class (either permanently or as visitors) will result in job creation and economic growth. The activities of the creative class would be multiplied throughout the economy as the hospitality, tourism and transport industries to name a few, would benefit from the activities of the CCIs (CCI Spillovers Report, 2015: 8). Given the setting of the SBD and its interest in culture-led development, it is an

interesting case study of the possibility of small town clustering and the link between the CCIs and socio-economic welfare.

1.6. Goals of the Research

This research seeks to uncover whether cultural clustering is possible in a rural, small town context, and if it can be used as an LED strategy.

The objectives of the study are as follows:

- Firstly, to use GIS to map the locations of the cultural and creative industries within the SBD and thereby establish whether clusters have formed in particular towns.
- Secondly, to analyse the relationship between the CCIs and socio-economic development on a municipal scale within the SBD using a socio-economic status index.
- Lastly, to find out which cultural domains are prominent in the SBD so that potential areas of comparative advantage can be identified, and effective regional cultural policies can be designed.

It should be mentioned that, with regards to the second objective, this research differs from the work of Florida as it does not investigate economic growth and the CCIs. Accordingly, this research uses a much broader indicator of socio-economic status, which is often correlated with economic growth, as this accounts for poverty and so may be more appropriate in developing country contexts.

1.7. Thesis Structure

This thesis is made up of six chapters. The first chapter is the Introduction which sets out the rationale and aims and objectives of the study.

Chapter two is the Literature Review. This section begins by defining what is meant by the CCIs as this determines the data that will be collected. The phenomenon of cultural and creative clustering is then explored in both urban and non-metropolitan environments. Clustering and cultural tourism are closely related and so have been harnessed for culture-led development initiatives in both urban and rural spaces. The chapter also presents the culture/growth debate and reviews how GIS has been applied to studies of the cultural and creative industries.

The third chapter is the Context section, which describes the economic and social position of South Africa. The national CCI performance and policies on the Arts, culture and heritage sector are set out. Before the focus is narrowed to the provincial and local levels, the situation in South African small towns is examined in terms of its demographic, economic and social trends. For the Eastern Cape, the socio-economic standing and relevant cultural policies are discussed. Finally, the study area of the Sarah Baartman District is presented with an overview of its geography, economy, social development level and cultural policy environment.

The research methods are presented in the fourth chapter, which discusses the research methodology and describes how data was collected to create the micro-regional database for the SBD. This is followed by an explanation of how the municipal level socio-economic status index was constructed by using multiple correspondence analysis (MCA). An account of how the three maps of the SBD were produced using GIS is then offered.

The fifth chapter is the Results and Discussion. In this section, the results of the micro-regional database are presented. A GIS map is used to help answer each research question. The breakdown of the UNESCO domains that are found within the district are analysed with the help of location quotients, and the policy implications of this are discussed through the

identification of comparative advantages. This is followed by an investigation into whether CCI clustering has occurred in non-metropolitan spaces and to what extent. The nature of CCI activity and possible explanations for it are also considered. Finally, the relationship between the CCIs and socio-economic development is interrogated through the use of the socio-economic status index.

Lastly, the sixth chapter is the Conclusion which considers the contributions that this research has made. This chapter therefore sums up the main findings of the study and discusses the success of the methods used to collect and analyse the data. The section also examines how the CCIs can be harnessed for development given the results of the study and makes some policy suggestions for developing the CCIs in a rural, small town area of a developing country.

1.8. Conclusion

The introductory chapter has set out the rationale for the research by discussing the rise to prominence of the CCIs as an economic driver and a policy tool for development. The CCIs tend to locate and form clusters in post-industrial cities where they are often used as catalysts to promote urban renewal and development. However, they also have potential to form clusters and promote regeneration and development in non-metropolitan spaces. This is important for South Africa as many of the country's small towns have entered into a phase of decline due to the contraction of the former economic mainstays; agriculture, mining and railways (Nel and Binns, 2007: 197-198). This contraction has resulted in increasing levels of unemployment, poverty and inequality within rural small town South Africa. In an attempt to address these issues, many small towns have adopted post-productivist strategies in which consumption-based activities like lifestyle, leisure and tourism become economic goods (Hoogendoorn and Nel, 2012: 25). Accordingly, many small towns are attempting to develop their CCIs through the promotion of clusters and cultural tourism (Hoogendoorn and Nel, 2012: 25).

Some of the towns within the study area, the Sarah Baartman District, have identified the CCIs as potential new economic drivers and as such, the question arises as to whether

clustering is possible in the rural South African small town context because clustering is crucial for culture-led development success. These questions surrounding clustering and culture-led development are especially important given the lack of research into the CCIIs on the African continent. The next chapter will present a review of the relevant literature surrounding the clustering of CCIIs and their potential for culture-led development in urban and rural spaces. Before this, the definition of the CCIIs for the purposes of this research is discussed. The culture/growth debate and the various GIS techniques used as an analysis tool in studies on the CCIIs is also examined.

Chapter 2: Literature Review

2.1. Introduction

The concept of the cultural and creative industries emerged in the late 1990s primarily as a policy discourse in the UK, Europe and the USA (Miles, 2005: 889; Flew and Cunningham, 2010: 113). However, the field was popularized by Richard Florida with the release of his book “The Rise of the Creative Class” in 2002, and the subsequent world tour to promote its ideas of culture-led urban development, the creative class and the concentration of talent, tolerance and technology in successful cities (McGuigan, 2009: 291-292). Since then, the field has been the subject of widespread academic research and debate. The literature has focused mainly on urban areas and developed countries, but this is gradually changing. Relatively recently, developing countries have begun to study the CCIs in their cities and non-metropolitan spaces have begun to be studied in developed countries. Accordingly, this research helps to fill a gap in the literature by investigating the potential of clustering in a non-metropolitan area of a developing country.

The chapter thus begins by defining the CCIs for the purposes of this research. This is followed by an examination of cultural and creative clustering with international examples from both cities and small towns. The chapter continues with a section on culture-led development and how it has been applied to cities and non-metropolitan spaces. The culture/growth debate is then presented before the chapter concludes with a discussion of the use of GIS in cultural economic geography studies.

2.2. Defining the Cultural and Creative Industries

Definitional questions have been central to debates surrounding the cultural and creative industries since the popularization of the field (O’Connor, 2010: 56). The definition of the CCIs guides the statistical mapping and analysis of the sector’s size, scale, scope and distribution and so can have a significant impact on study results (O’Connor, 2010: 56). Furthermore, definitions have been a crucial feature in discussions and decisions surrounding government

policy, support and intervention in the sector as the economic importance of the CCI is used to lobby for this support (O'Connor, 2010: 56). The use of a range of definitions in academic research makes it difficult to compare results on national and international levels. Accordingly, international organizations like the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Conference on Trade and Development (UNCTAD) have attempted to produce a common definition and understanding of culture and the CCIs in order to allow for research to be conducted in the area and cultural impacts, both social and economic, to be measured and compared on an international level (UNESCO, 2009: 9). However, there are various internationally accepted definitions and so there is no universally accepted definition that can be used in studies of the CCIs. Consequently, this research utilizes the UNESCO definition of the CCIs to make it internationally comparable and to align with earlier studies on the South African CCIs. Moreover, this aligns with South African national policy as the version of the White Paper on Arts, Culture and Heritage that is currently under discussion uses the UNESCO classification system. Therefore, this section will focus on UNESCO's definition of culture and how to measure the CCIs through the Framework for Cultural Statistics (FCS).

It should however be noted that the cultural industries and the creative industries, though often presented as one term or used interchangeably, are not the same thing. In fact, they have "almost totally distinctive modes of production, institutional bases and aesthetic content... [but] that is not to say that the two do not engage, interact and inspire each other" (Cooke and Lazzeretti, 2008: 1). The cultural economy is undervalued by the market as the social benefit is greater than the private benefit and thus cultural goods and services are under-consumed (Cooke and Lazzeretti, 2008: 1; Snowball, 2008: 34). This market failure means that the cultural economy is considered to possess merit good aspects and is thus subsidized or sponsored by both the public and private sectors (Cooke and Lazzeretti, 2008: 1; Snowball, 2008: 34). Furthermore, entrance to many publicly owned cultural economy activities like museums and art galleries is often free or at a reduced price so that ticket revenue is seldom sufficient to cover costs (Cooke and Lazzeretti, 2008: 1-2). On the other hand, creative industries are profitable and mostly unsubsidized (Cooke and Lazzeretti, 2008: 2). The creative industries also cover a wider range of activities including film and television, music, video games and fashion design. Consequently, UNESCO's FCS attempts to capture and

categorise the wide range of activity in both the cultural economy and the creative industries in a set of six mutually exclusive domains.

In the FCS, UNESCO attempted to produce an internationally recognized definition of culture so that the cultural economy and the creative industries, or the cultural and creative industries, could be studied. 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.” The definition illustrates the intangible nature of culture as beliefs and values cannot be directly measured, but it is possible to measure their associated behaviours and practices (UNESCO, 2009: 9). It is these behaviours and practices which represent cultural and creative activity and are captured in the set of six domains.

The definition of a cultural domain begins with a number of industries that can be formally defined through the use of existing international classification systems such as the International Standard Classification of Occupations (ISCO) for cultural employment (UNESCO, 2009: 9-18). A domain includes social and informal activity that occurs under its heading (UNESCO, 2009: 18). For example, cinema statistics include the formal activities of commercial cinema production and ticket sales as well as the informal activity of producing and viewing home-made movies (UNESCO, 2009: 18). The domains have an economic activity representation (the production of cultural goods and services) as well as social representation (participation in cultural activities) (UNESCO, 2009: 10). The FCS follows a flexible approach and thus it uses a pragmatic definition of culture which is derived from the UNESCO definition of culture (UNESCO, 2009: 22). The pragmatic definition is “based on the representation of culture by domains for which the purpose is to measure cultural activities, goods and services that are generated by industrial and non-industrial processes” (UNESCO, 2009: 22). Cultural goods and services are characterised by artistic, aesthetic, symbolic and spiritual values that differentiate cultural goods and services from other products as their process of valorisation is linked to pleasure and appreciation of the cultural product (UNESCO, 2009: 22).

There are six domains that the FCS identifies (see figure 2.1) which are mutually exclusive: 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. Thus, although music spans the domains of Performance and Celebration and Audio-Visual and Interactive Media, as it consists of both live performance and recorded music, it is placed in a single category, Performance and Celebration, as the FCS categorises items in accordance with the subject rather than the form in which it appears (UNESCO, 2009: 23-25). Categorizing in this manner means that double counting is avoided. In addition to these, there is the Transversal Domain of Intangible Cultural Heritage, which is linked to all six of the Sectoral Domains and includes what is traditionally thought of as a people's culture: language, rituals, social practices and oral traditions and expressions (UNESCO, 2009: 23). These domains represent the minimum number of core cultural domains that UNESCO recommends for data collection (UNESCO, 2009: 23). A sense of the structure of the CCIs is thereby provided in addition to specifying the breadth of the sector (UNESCO, 2009: 23).

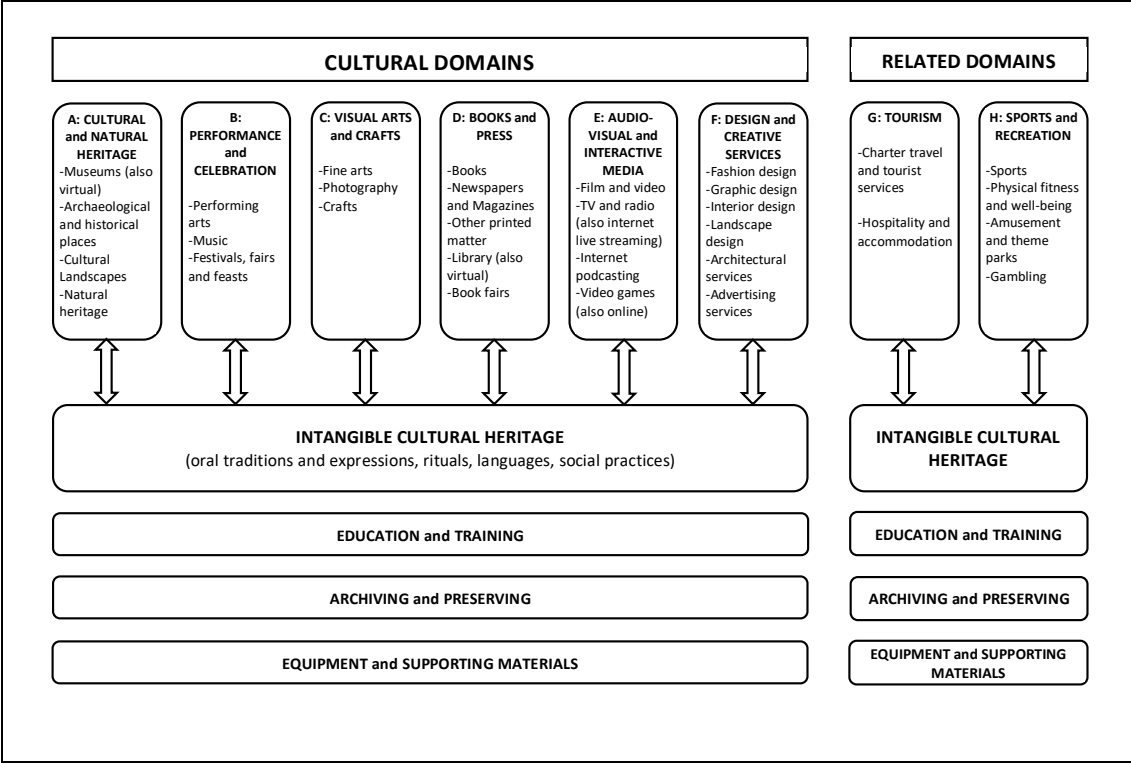


Figure 2.1: UNESCO Framework for Cultural Statistics

Source: (UNESCO, 2009: 24)

Three other Transversal Domains are included for their important role in the culture cycle: Education and Training; Archiving and Preserving; and Equipment and Supporting Materials.

These occur across the range of the Sectoral 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 Related Domains are Sports and Recreation as well as Tourism (UNESCO, 2009: 10).

As an example, Nieu Bethesda (a small town in the Eastern Cape) has a thriving tourism industry that is promoted by the arts. Athol Fugard (a South African playwright) used the town as the setting for his play “The Road to Mecca” (1984) which sparked interest in the town that has since been sustained through local policies of tourism development (Irvine *et al*, 2016: 386-391). The title references the sculptures of pilgrims and their camels facing Mecca in the “Camel Yard” of the Owl House museum which was created by and showcases the art of resident artist, Helen Martins, on whose life the play is based (Irvine *et al*, 2016: 386). Visitors to Nieu Bethesda are drawn by the cultural significance of the town and engage with the cultural and creative activities it offers such as the museum, artwork, craft markets and the play itself (Irvine *et al*, 2016: 386-388). These aspects span several of the FCS Cultural Domains and the Related Domains, which serves to illustrate the connectivity between them.

The FCS has been beneficial in terms of delimiting cultural activities by defining what is to be included in the cultural domains as well as describing precisely which activities are included in each domain so that each activity’s economic and social impact can be measured (Usero and del Brío, 2011: 194). The FCS has thus harmonized methods of cultural impact measurement as it clearly defines culture and the domains, which allows data to be efficiently gathered and statistical analysis to be conducted (Usero and del Brío, 2011: 196). In light of the cultural sector’s growing importance, a common framework is all the more necessary as reliable data needs to be captured and compared so that the status of the cultural sector, its strengths and weaknesses can be ascertained, and effective policies can be introduced, validated and reviewed based on robust data (Usero and del Brío, 2011: 196-197). However, despite its advantages, the framework must evolve with the CCI in order to remain relevant. Debates must also be conducted around definitions and best practice of data collection and

statistics generation so that the framework becomes applicable to more countries (Usero and del Brío, 2011: 195).

2.3. The Culture/Growth Debate

The CCIs as a means of development, primarily economic, was brought to the forefront in 2002 with the publication of Richard Florida's book "The Rise of the Creative Class". The creative class is made up of two segments: the super creative class and creative professionals. The super creatives include artists, educators, librarians, scientists, engineers as well as computer and mathematical occupations, while creative professionals include lawyers, managers, technicians and 'high-end' sales personnel (Florida, 2002b: 330). The distinguishing characteristic of the creative class according to Florida (2002b: 68), is that its members engage in work whose function is to "create meaningful new forms". In his book, Florida drew attention to the fact that cities with better economic growth performances tended to have a high incidence of the creative class and agglomerations or clusters of CCIs (Sacco *et al*, 2014: 2809). He therefore suggested that economic growth and value has become knowledge rather than production driven, and thus cities and regions should seek to attract members of the mobile creative class in order to be successful (Florida, 2003: 3; Sacco *et al*, 2014: 2809). This links to Charles Landry's 'creative city' which highlights the benefits of the city to the CCIs and other knowledge industries as well as the advantages of city living that is attractive to the creative class. In this case, the creative class is seen as a key factor of production in the knowledge economy and so the long-established economic geography theory that people follow jobs is turned upside down (Houston *et al*, 2008: 133). Instead, it is suggested that the presence of the creative class will attract high-tech industries that will result in the development of clusters and promote growth (Florida, 2003: 3; Pratt, 2008: 111). Florida's analysis of the role of the creative class has been hotly debated and contested on the grounds of the theory itself (is the creative class attracted by lifestyle?) and the questionable developmental impacts of the creative class on cities.

2.3.1. Creative Cities and the 'Three Ts'

In the 1970s and 1980s, discussion in economic geography circles centred on the crisis of cities caused by the shift of manufacturing to lower-wage regions and the decline of the inner city (Flew, 2010: 85-86). However, the rise of creativity has coincided with what Allen Scott termed the 'resurgence of cities' as it is cities that play host to the majority of cultural and creative activity and thus cities that receive the benefits of growth, development and renewal that creativity can bring (Flew, 2010: 85-86). According to Landry (2012: 8), "cities have one crucial resource – their people". Accordingly, cities can be centres for co-ordination amongst diverse knowledge bases due to the spatial agglomeration or clustering that often occurs in them which enhances innovation and flexibility by promoting the flow of knowledge, the spread of ideas and network formation (Flew, 2010: 86). Creative cities also tend to be centres of 'hard infrastructure' as they have a rich institutional depth of universities, research and development institutions, cultural flagship institutions like museums and galleries, government agencies and headquarters of major industry players which all feed into the creative and innovative milieu of the creative city (Flew, 2010: 86; O'Connor, 2010: 43-44). The hard infrastructure can act as a catalyst in the development of 'soft infrastructure' such as networks, knowledge exchange and sense of place that are associated with clusters (Flew, 2010: 86). Cities are especially suited to clustering due to the nature of work in the CCIs which is often project based, contractual and time dependent (Flew, 2010: 86). They thus act as talent managers in clusters as work emerges on a regular basis and networks ensure that the links can be reformed when needed (O'Connor, 2010: 44). Thus, cities tend to be the focal points of the creative and cultural industries, rather than small towns and rural areas.

It is thus people or human capital which allows cities to flourish and is the first of Florida's 'Three Ts' – talent. For Florida, a creative city has a fortuitous combination of talent, technology and tolerance (the 'Three Ts') which promotes economic growth. 'Talent' links to the creative class theory as it is defined as "individuals with high levels of human capital, measured as the percentage of the population with a bachelor's degree or above" (Florida, 2002a: 743). Talent is said to be highly concentrated in areas which they find attractive. Florida (2002a: 745-747) therefore suggests that members of the creative class choose to live and work in stimulating, diverse (in terms of race, ethnicity, sexuality and religion) and Bohemian locations with a wide range of amenities. Creative individuals will seek cities with 'lifestyle morph', in which the lifestyle of people in their twenties, with a focus on leisure and

personal development, is extended into their thirties and forties; as well as 'plug and play' societies which are those with low barriers to entry with immediate acceptance of newcomers and new lifestyles (Houston *et al*, 2008: 135). Lastly, informal 'no collar' workplaces are thought to be important magnets to the creative class as they encourage autonomy, creativity and the free flow of ideas (Houston *et al*, 2008: 135). These factors combine to give a place a certain 'coolness' which attracts talent and constitutes the second T – tolerance. Once talent locates in an area, they create a pool of skilled labour which in turn attracts high-technology industries to a region and thereby generates higher regional income and economic growth (Florida, 2002a: 744).

Many cities and regions are adopting Florida-influenced talent attraction economic development strategies and so the question arises as to whether talent attraction is enough to turn around the fortunes of mostly post-industrial cities by promoting urban regeneration and economic growth (Houston *et al*, 2008: 133; Findlay and Cranston, 2015: 23). For Landry (2012: 33), "the city is an engine of possibilities" where there are places where an evolving, adapting and creative community can "meet, talk, mix, exchange and play". City policy-makers are thus attempting to create CCI clusters, precincts or districts in order to attract the creative class and CCIs in order to promote development. Furthermore, the creative city should have a well-functioning physical environment where it is easy for both people and businesses to move around and connect (Landry, 2012: 34). If this is done successfully, Florida suggests that creative individuals and CCI organizations will remain in the creative city and will expand because the city caters directly to the lifestyle that they seek and provides an environment that is congruent to CCI success (Florida, 2003: 3; Houston *et al*, 2008: 135).

2.3.2. A Critique of Florida's Creative Class Theory

Academics have criticised Florida's discourse for being "typically managerialist rhetoric that over-simplifies and, to an extent, bowdlerises social-scientific reasoning and research" (McGuigan, 2009: 292). Firstly, Florida's (2002b: 73) creative class accounts for 38.3 million people or 30% of the USA's workforce (on which his analysis was conducted). This is a considerably large proportion of the USA's population. However, the occupations that Florida

identifies as constituting the creative class are what is routinely called the 'professional-managerial class' which also includes artistic occupations (McGuigan, 2009: 292). Furthermore, some of the occupations Florida lists, such as managers and 'high-end' sales personnel, are questionable inclusions to the creative class based on their ability to "create meaningful new forms" which is the defining characteristic of the creative class (McGuigan, 2009: 293). Florida does not define the creative class using a traditional Marxian class analysis as they do not occupy a unique position relating to the means of production and nor are they a subset of an already existing class (Pratt, 2008: 110). Instead, Florida reduces class to a taxonomy whose boundaries are poorly defined (Pratt, 2008: 110).

Florida's definition of 'talent' being based on education levels is contested as talent, skill and creativity are not synonymous with higher education (Markusen, 2006: 1921). People of all levels of education and 'non-creative' professionals are capable of creativity and inventiveness (Markusen, 2006: 1924). For instance, some high education jobs like accounting can be routine while other non-creative jobs like home care can involve considerable creativity in figuring out ingenious ways to help disabled patients (Markusen, 2006: 1924). It is therefore argued as being incorrect to label people into "large lumpy occupational groupings" (Markusen, 2006: 1924). This definition of talent is particularly problematic in the developing country and rural small town context as many people with little education produce CCI products, especially arts and crafts, and cannot be said to be untalented once what they are able to create is considered (Hay, 2008: 2; Rogerson, 2010: 120). Despite their flaws, the concepts of the creative class and talent will be used for the purposes of this research in terms of CCI goods and services production and consumption capabilities as those with a higher education are usually wealthier and so are better able to produce and consume CCI products. The consumption of CCI goods and services is an important aspect in the formation and sustainability of clusters and so the presence of the creative class and talent in small towns is likely to influence clustering potential.

The main criticism of Florida's work is that his statistical analysis does not prove causality, as it is not clear whether the creative class is attracted to a city because of the presence of the cultural sector, or whether the cultural sector developed because of their presence (Houston *et al*, 2008: 135). A study of Scots living in Dublin, Ireland, a city that represents a

cosmopolitan Bohemian location, revealed that the factors of a tolerant atmosphere as well as a connection to the Celtic culture that Scots are familiar with, were important draw cards (Houston *et al*, 2008: 135). However, these factors were not the main reason for relocating to Dublin, as job opportunities remained the primary driver of in-migration to the city (Houston *et al*, 2008: 135). Furthermore, the lifestyle that Florida believes attracts the creative class is not enough to prevent relocation as many of the Scots expressed a desire to return to Scotland at some point in the future (Houston *et al*, 2008: 135). Other labour migration studies have found that nothing is more discouraging to long term settlement of skilled transients than the belief that staying in one place too long will reduce their future prospects of international mobility and career advancement (Findlay and Cranston, 2015: 24). Thus, it is probable that people still follow jobs, and place attractiveness may not be as important as Florida presumes.

Attracting talented individuals, perhaps by creating job opportunities, is however, beneficial to development. For example, the development of a cluster of high-tech industries in Silicon Valley was largely based on the contributions made by skilled transnational workers (Findlay and Cranston, 2015: 24). Notably, it was the job opportunities that attracted these talented individuals to the area rather than a lifestyle (Findlay and Cranston, 2015: 24). This is an important finding that can be applied to the South African context, where small towns and rural areas would need to create job opportunities within the CCIs in order to attract talent and promote culture-led development. This is especially true when the lifestyle of small town, rural South Africa is considered, as these towns are unlikely to possess the 'tolerance' in atmosphere, population diversity, amenity variety or the 'plug and play' societies that 'talented' individuals and CCIs are presumed to seek. Moreover, a critique of the creative class attraction development method that is particularly worrisome for South Africa is that it tends to result in gentrification and the widening of socio-economic inequality (Peck, 2005: 746). The crowding of creative individuals into neighbourhoods with affordable studio space and accommodation often results in their gentrification which increases rental and property prices, thereby driving out the previous occupants and, somewhat ironically, eroding the diversity that the creative class craves (Peck, 2005: 746; Pratt, 2008: 111).

Peck (2005: 761) criticises Florida's account as 'fast policy' that shows little regard for those not in creative occupations or life situations that allow them to be spatially mobile, but instead pampers to the creative class and attempts to change the city to better suit their needs and desires. Pratt (2008: 108) suggests that a strategy that aims to attract the creative class and thereby spark growth is nothing but an exercise in place marketing. In addition to this, both Pratt (2008: 109) and Peck (2005: 747) criticise Florida's creativity index as it simply ranks one city above another and proposes simple policy measures to improve a city's ranking. The index promoted 'fast policies', as cities attempted to outdo each other, while the 'best' cities like San Francisco should be emulated, thereby discouraging unique, localized paths of development based on creativity (Peck, 2005: 747). Lastly, Pratt (2008: 110) critiques Florida's focus on creative consumption and the neglect of production which has been emulated in policies relating to the creative industries. In conclusion, Florida's work renewed interest in regional development strategies and linked economic growth directly to the CCIs. While this acted as a powerful catalyst for regional cultural policy world-wide, it still needs to be carefully considered and researched, especially in developing country contexts.

2.3.3. Cultural Spillovers

One of the most important values associated with the CCIs is positive externalities. These are commonly referred to as 'spillovers' within the CCI literature. There is no consistently recognised definition for spillovers in the ACH sector (CCI Spillovers Report, 2015: 14). However, in a recent report on spillovers in European CCIs, a definition was proposed which accounts for previous definitions but improves on clarity and coherence (CCI Spillovers Report, 2015: 14). Spillovers are thus defined as "the process by which an activity in one area has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital. Spillovers can take place over varying time frames and can be intentional or unintentional, planned or unplanned, direct or indirect, negative as well as positive" (CCI Spillovers Report, 2015: 15).

Three categories of spillovers have been identified in relation to the CCIs (see figure 2.2), though there is considerable flow and overlap between them (CCI Spillovers Report, 2015:

24). Firstly, knowledge spillovers refers to the “new ideas, innovations and processes” produced by CCIs that spread through the wider economy and society without directly rewarding the innovators themselves (CCI Spillovers Report, 2015: 8). Secondly, industry spillovers relate to the “vertical value chain and horizontal cross-sector benefits” of innovation, entrepreneurship and economic multiplier effects to the economy and society due to the presence of an active and expanding cultural and creative sector (CCI Spillovers Report, 2015: 8). Finally, network spillovers relate to the “impacts and outcomes to the economy and society that spill over from the presence of a high density of arts and/or creative industries in a specific location (such as a cluster or cultural quarter)” (CCI Spillovers Report, 2015: 8).

Knowledge Spillovers	Industry Spillovers	Network Spillovers
Stimulating creativity and encouraging potential	Improved business culture and boosting entrepreneurship	Building social cohesion, community development and integration
Increasing visibility, tolerance and exchange between communities	Impacts on residential and commercial property markets	Improving health and wellbeing
Changing attitudes in participation and openness to the arts	Stimulating private and foreign investment	Creating and attractive ecosystem and creative milieu, city branding and place making
Increase in employability and skills development in society	Improving productivity, profitability and competitiveness	Stimulating urban development, regeneration and infrastructure
Strengthening cross-border and cross-sector collaborations	Boosting innovation and digital technology	Boosting economic impact or clusters
Testing new forms of organization and new management structures		
Facilitating knowledge exchange and culture-led innovation		

Figure 2.2: Categories of CCI Spillovers

Source: (CCI Spillovers Report, 2015: 9)

Spillover effects help to justify the pursuit of culture-led development, especially through clustering. For instance, knowledge spillovers created by the CCI are embodied in mobile labour which drives innovation and productivity growth in other industries through the transfer of skills and training (Bakhshi *et al*, 2015: 6). Furthermore, network spillovers stimulate development both within the ACH sector and other sectors through collaboration and the production of a creative milieu within clusters which stimulates innovation (CCI Spillovers Report, 2015: 8). Additionally, regional attractiveness and place branding network spillovers are associated with clusters, which promote development through urban renewal, cultural tourism and the attraction of the creative class (CCI Spillovers Report, 2015: 41). Moreover, there are clear developmental advantages of improving productivity, competitiveness and investment across sectors that are promoted through industry spillovers, like the creation and adoption of new techniques and practices (Mateos-Garcia *et al*, 2018: 55).

Policies and initiatives that support the CCIs, especially clustering, thus need to account for spillover effects as they are substantial but are often overlooked (Mateos-Garcia *et al*, 2018: 33). These spillover effects constitute a market failure and so justify policy intervention in order to attempt to correct it. This market failure has been identified in a number of countries, both developed and developing, and so policy-makers are increasingly prioritising the CCIs for support and intervention based on their positive impacts on the wider economy (Bakhshi *et al*, 2015: 6). This is especially true in many European countries where the benefits of economic, innovation and social spillovers have been recognised and are being used to defend resource allocations to the CCIs (De Beukelaer, 2015: 19).

2.4. Cultural and Creative Industry Clustering

From the 1960s onwards, it became clear that cities in developed countries were going through a period of economic restructuring (Landry, 2012: 14). With the emergence of the post-industrial society and city, there came a new focus on knowledge and services rather than manufacturing (Landry, 2012: 14). The CCIs have become an important aspect of this new economic era and have often been used to promote development and economic growth

in the former industrial areas of the city. This has most commonly occurred through harnessing the tendency of the CCIs to cluster. Porter (2000: 15) defines clusters as “geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also co-operate.” The concept of clusters has been an important influence on thinking and policy in the CCIs (Sacco *et al*, 2014: 2807). Cities around the world are forming cultural districts, precincts or quarters through clustering in order to rebrand, stimulate cultural and creative activity and promote economic and social development from their direct effects as well as spillovers (Turok, 2003: 550-553; Oakley, 2006: 266).

2.4.1. Types of CCI Clusters

There are two broad categories of CCI clusters: (i) CCI ‘hubs’ which include a range of activities across domains or sectors and (ii) specialist clusters which specialise in a single domain or sector (Chapain *et al*, 2010: 29). The Biocca District in Milan’s northern quadrant was a former industrial site which had gone into decline in the 1970s (Sacco and Blessi, 2009: 1121-1122). However, a plan was developed to rejuvenate the area and create a new value for the site which was economic, social and environmental (Sacco and Blessi, 2009: 1122). A cultural and creative hub was built around flagship cultural institutions like the Arcimboldi Theatre and Hangar Biocca, a contemporary art museum (Sacco and Blessi, 2009: 1123-1124). Furthermore, an agency dedicated to the co-ordination of art, music, performance and leisure was formed to address the needs of those living and working in as well as visiting the district (Sacco and Blessi, 2009: 1124). CCIs in other domains then located around these core cultural institutions which were mainly visual arts and crafts and performing arts related businesses (Sacco and Blessi, 2009: 1125). This cultural focus was intended to promote social cohesion, rebrand, reinforce place identity, encourage tourism and promote economic growth and socio-economic development (Sacco and Blessi, 2009: 1124).

Manchester in the UK has a rich and distinctive musical history with many artists including 10CC, The Smiths, Oasis and Take That achieving international acclaim (Brown *et al*, 2000:

441). This success has contributed towards the formation of a specialist music industry cluster in the Northern Quarter on the edge of Manchester's city centre (Brown *et al*, 2000: 441). There are an estimated 200 music related businesses operating in the Northern Quarter including recording studios, record labels, record shops, music related retail outlets, music venues, music orientated bars and clubs, DJs, designers, fashion outlets and numerous offices and workshops used by SMMEs (Brown *et al*, 2000: 441-442). Consequently, Manchester has established a strong local music industry and the Northern Quarter cluster is suggested to be the most developed music industry outside of London, the UK's cultural and creative capital (Brown *et al*, 2000: 441). The cluster's economic activity, spillover effects and reputation have contributed towards the rebranding and rejuvenation of the city as well as promoting economic growth (Brown *et al*, 2000: 441).

However, a recent study by Mateos-Garcia *et al* (2018), revealed a plurality of cluster models. See figure 2.3. This study included differences in the settlement hierarchy as well as the types of CCIs operating in the cluster for the UK creative economy. Firstly, there are incipient clusters such as Liverpool which are younger and less stable with many new entrants but low business survival rates (Mateos-Garcia *et al*, 2018: 38). Secondly, creative districts like Brighton and Slough have many different sub-sectors and SMMEs with higher survival rates and fewer high-growth businesses (Mateos-Garcia *et al*, 2018: 38). This relates to the Biocca District as well as clusters like the Maboneng precinct and Cultural Arc in Johannesburg, which will be discussed in the culture-led development section. Thirdly, creative conurbations like Cambridge specialise in fewer sub-sectors and have more stable business trajectories where high-growth firms play an important role in job creation (Mateos-Garcia *et al*, 2018: 38). These would be the specialised clusters identified by Chapain *et al* (2010). Fourth, creative capitals are the large metropolitan areas in the UK like London, Manchester and Glasgow and tend to have more large and medium CCI businesses and high-growth firms (Mateos-Garcia *et al*, 2018: 38). These clusters link to the creative city as discussed by Florida (2002b) and Landry (2008) where the city attracts the creative class and CCIs. Lastly, creative challengers include large cities like Birmingham, Sheffield, Newcastle, Edinburgh and Cardiff that have experienced fast creative growth and are likely to become central nodes within the UK's creative economy (Mateos-Garcia *et al*, 2018: 38).

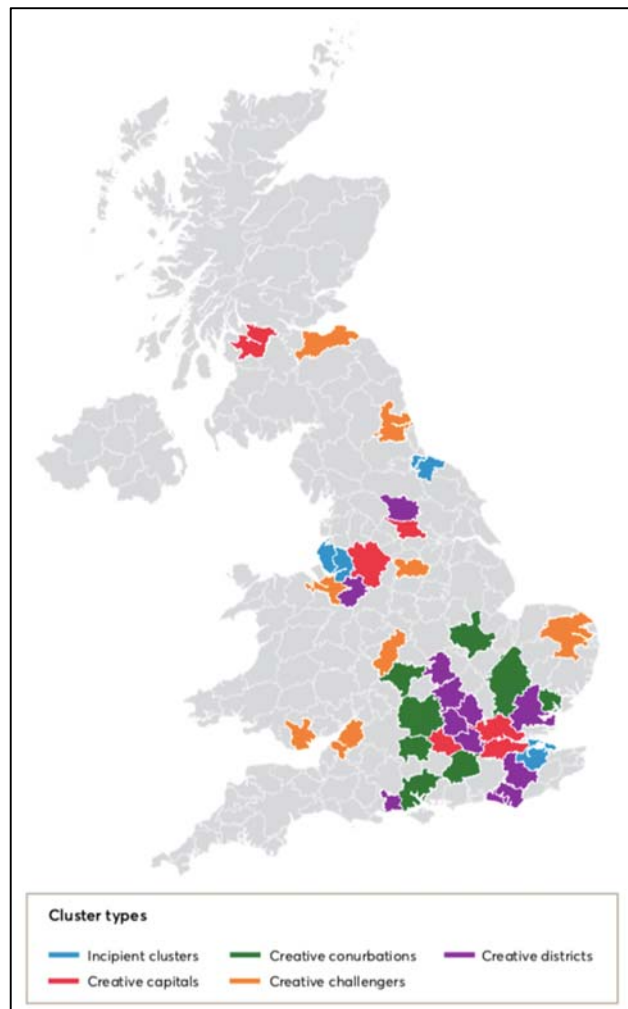


Figure 2.3: Locations of the Different CCI Cluster Types in the UK, 2016

Source: (Mateos-Garcia *et al*, 2018: 39)

2.4.2. Why do the CCIs Cluster?

Gong and Hassink (2017) identify three drivers of CCI clustering. Firstly, agglomeration economies act as magnets, fostering the incubation and attraction of CCIs in places with specific characteristics (localization economies) or large cities (urbanization economies) (Gong and Hassink, 2017: 586-587). This highlights the fact that the CCIs are not evenly distributed through space and concentrate in certain areas with suitable characteristics, or large cities. The central point in localization economies is that the concentration of the CCIs in a particular location generates external benefits for the firms within the cluster (Gong and Hassink, 2017: 587). This links to Porter's (2000) work on the co-location of firms within an

industry. These proximity benefits include the reduction of production, transaction and transport costs, increased efficiency of the factors of production and increased dynamic efficiency (Branzanti, 2015: 1401). Likewise, Amin and Graham (1997: 415) argue that localization promotes dynamic learning that both reinforces and is reinforced by the clustering of firms in the same industry. This dynamic learning or innovation is spurred on by the advantages of proximity such as information and tacit knowledge exchange, access to and exchange of goods and services and face-to-face contact, learning and incremental innovation associated with competitive collaboration which are the assets of comparative advantage within a global context of scientific knowledge and the information society (Amin and Graham, 1997: 415). Furthermore, firms benefit from access to skilled labour pools who are attracted to place (Florida, 2003: 7) as well as access to specialized buyers and suppliers and the production of knowledge spillovers (Mateos-Garcia *et al*, 2018: 27). Urbanization economies refers to the tendency of CCI to cluster in large cities and so links to the creative city literature (Florida, 2002b; Landry, 2008). In this case, the CCIs are drawn to cities because of their hard and soft infrastructural benefits, access to the creative class or talent, tolerant atmospheres, high-technology and institutional depth as set out in the Culture/Growth Debate section of this literature review.

The second driver of CCI clustering is spin-off activities. In this instance, any phenomenon can be quantified as a spin-off if it simultaneously fulfils three conditions: it takes place within an existing organization, usually called a 'parent organization'; it involves one or more individuals of various status and function within the parent organization; and lastly, these individuals leave the parent to create a new one (Gong and Hassink, 2017: 589). Spin-offs have been subdivided into two categories: university and corporate. University spin-off clusters tend to locate close to university campuses and reap the benefits provided by the university of access to state-of-the-art technology and knowledge spillovers, a pool of talented workers through university employees and graduates, larger consumer markets due to larger proportions of the creative class, tolerance, training and networks (Gong and Hassink, 2017: 590). This highlights the importance of universities to creative cities and especially creative small cities as they drive CCI activity and clustering (Waitt and Gibson, 2009: 1235; Mateos-Garcia *et al*, 2018: 48-49). On the other hand, corporate spin-off clusters tend to agglomerate close to their parent in order to learn from and emulate the parent's routines (Gong and Hassink,

2017: 590). Moreover, CCI firms with pre-entry experience tend to have better survival rates and are more able to overcome barriers to entry.

Lastly, institutions at all levels are crucial for the formation and development of CCI clusters as they help firms solve complex coordination problems with other economic actors (Gong and Hassink, 2017: 591). The survival and growth of CCI clusters is often dependent on the formal institutional and policy environment, support, public and private partnerships, training and funding (Gong and Hassink, 2017: 591). This highlights the role of government and policy-makers to the success of clusters (Daniel *et al*, 2016: 9-10). For example, local institutional support and funding were crucial to the developmental success of the Gateshead Quayside cluster in terms of redeveloping and rebranding the area and supporting flagship cultural institutions and iconic public art around which the cluster grew (Bailey *et al*, 2004: 57-58). Informal institutions like shared norms and values have also become important drivers for CCI clustering (Gong and Hassink, 2017: 592). Both Landry (2012: 52) and Florida (2003: 8) emphasise the role of networks in the formation and maintenance of a creative and innovative milieu and the creation of tolerant atmospheres that are attractive to the creative class.

In addition to Gong and Hassink's (2017) drivers of clustering, location itself is a crucial aspect of CCI clustering because of the difficulty of substituting capital for labour in most areas of CCI production (Hitters and Richards, 2002: 236). Many cultural production activities require specialized skills, held by the creative class, that make them unsuited to capital intensive production methods. It is thus difficult in most CCI domains to achieve significant economies of scale as the cost advantages associated with larger operation sizes and output is not easily implementable (Hitters and Richards, 2002: 236). Therefore, when it comes to the CCIs, economic advantage needs to be obtained from economies of scope (Hitters and Richards, 2002: 236). For cultural production, economies of scope arise through the spatial proximity of producers as the close spatial link allows producers to share production facilities, engage in collaborative marketing and draw on the same audience (Hitters and Richards, 2002: 236).

2.4.3. CCI Cluster Management

There is no consensus on the best management strategy of cultural clusters as each cluster possesses a unique set of locational, productive and consumptive characteristics as well as desired management styles and outcomes. However, the different strategies of cluster management have been identified by Brooks and Kushner (2001) who reviewed the operations of cultural districts across several American cities. See table 2.1. There are several cluster management strategies with differing degrees of intervention ranging from laissez-faire to centralized directive management. Despite these different techniques, it is suggested that CCI clusters require effective leadership and close collaboration between a wide range of actors, including the public, private and voluntary sectors in order to increase their chances of success (Brooks and Kushner, 2001: 8). In general, CCI clusters will assume “a hybrid form of cultural governance” as the combination of public and private sector intervention allows them the benefit of being more flexible in their response and adaptation to a rapidly changing urban economy and policy environment (Mommaas, 2004: 530-531).

Table 2.1: Management Strategies for CCI Clusters

Management Strategy	Characteristics
Designation	The local administration calls the area a ‘cultural district’ but makes no other specific interventions.
Development	Cultural district leadership is a catalyst for private participation and removing legal barriers to development.
Donation	The administration actively seeks external funding for independent district arts organizations. District administration strategy includes some active planning.
Direction	The district administration collects and distributes funds and engages in considerable planning efforts.
Domination	The administration supports and directs all aspects of district development and activity.

Source: (Brooks and Kushner, 2001: 7)

There is also a global element to cluster management as even if local management creates conditions for cluster affluence, their success is increasingly linked to the global cultural market (Hitters and Richards, 2002: 236). Many cultural clusters have also attracted branches of international companies which gives a local-global mix that is beneficial in terms of diversifying the range of cultural products as well as helping to create an international cultural atmosphere which is more attractive to consumers (Hitters and Richards, 2002: 238; Mommaas, 2004, 512). For example, the Tilburg cultural cluster in the Netherlands has been penetrated by large multinational companies such as Warner Music Clear Channel, and while this is beneficial, it creates a management challenge as both national and global capital interests need to be considered within the local cultural policy framework (Mommaas, 2004, 512). Thus, a more strategic interventionist approach on behalf of the local authorities is recommended in order to balance out the different interests (Mommaas, 2004, 526). However, there are negative aspects of globalization as there is a pressure that has been placed on cultural cluster management to raise the cluster's international profile and generate higher profits (Hitters and Richards, 2002: 236). A growing tension has thus arisen between commercial and cultural management as the intrinsic value of culture is side-lined in favour of greater profitability (Willis *et al*, 2012: 92). Furthermore, a more international focus is often at the expense of local artists and visitors, as the cluster and its surrounding locations are gentrified and prices are inflated, which tends to exclude locals.

2.4.4. CCI Clusters in Non-Metropolitan Spaces

Most of the literature on CCI clusters has focused on cities in developed countries. However, interest in the CCIs outside of large urban centres is increasing as these areas are also identifying culture and creativity as a means of promoting development and economic growth. This is based on the notion of the 'post-productivist countryside' where production has moved away from agriculture and towards consumption, tourism and leisure (Bell and Jayne, 2010: 210). Some types of CCI activity may be well suited to small towns and rural areas as not all CCIs require high technology inputs, extensive networks or long supply chains (Oakley, 2006: 267). Moreover, firms in the CCIs tend to be small, with a strong entrepreneurial drive (Turok, 2003: 549). The small nature of some cultural firms and

activities means that they could be well suited to the rural context as they do not require large labour forces or input materials. In order for the CCIs to have a significant positive impact on a place's development standing, they need to locate in relatively large numbers. In other words, they need to form clusters. However, a 'one-size-fits-all' model of transferring cultural policies and practices from urban to rural areas is unlikely to be successful as the CCIs in rural areas have different working practices, markets, aesthetics and roles within communities and local economies (Bell and Jayne, 2010: 211). Accordingly, academic interest in the CCIs and their clustering potential in non-metropolitan spaces has started to rise and, as such, a number of studies have been conducted. Research into CCI clustering in non-metropolitan areas has also mainly occurred in developed countries including the UK, USA, Canada, Sweden and Australia.

In terms of the CCI activities found within clusters, some domains appear to be better suited than others to rural environments. For instance rural Britain has a focus on Visual Arts and Crafts, antiques and festivals (Bell and Jayne, 2010: 210). This is true for the county of Shropshire in mid-west England where craft, design, art and antiques and music are the most prominent sub-sectors while designer fashion and film, TV and radio have a limited presence (Bell and Jayne, 2010: 213). This may be due to a lack of technology like broadband and hard and soft infrastructure. However, this is not always the case as music industry clusters have formed in the small towns of the Far North Coast of New South Wales in Australia. In this instance, recording studios, retail outlets, performance venues and music orientated bars and clubs have clustered in several small towns in the region like Byron Bay and Lismore (Gibson, 2002: 351). These small town music clusters are similar to the Northern Quarter in Manchester, as the region has also produced acclaimed artists, rebranded as a music destination and experienced economic growth and development (Brown *et al*, 2000: 441; Gibson, 2002: 343-344). Furthermore, CCI clustering in rural areas is impacted by the creative class as people relocate from the cities in search of a lifestyle change and set up CCI related businesses (Bell and Jayne, 2010: 216). This was also the case on the Far North Coast as immigration of the creative class from cities in search of a lifestyle change contributed to the development of the area and the formation of popular music clusters through changes in attitudes and demand (Gibson, 2002: 353). This case study will be discussed in further detail in section 2.7.

Clustering in non-metropolitan spaces has often been linked to tourism. For instance, Prince Edward County in Canada is an example of a rural community that is located on Lake Ontario and has harnessed its creative economy to create a desirable tourist destination (Stolarick *et al*, 2010: 238). In 2004, over 440 000 people visited Prince Edward County, spending an estimated \$65.4 million (Stolarick *et al*, 2010: 249). The tourists are attracted by the general domain activity CCI cluster which includes over 100 independent artists and galleries, craft stores, the Regent Theatre, historic sites and museums, tourism routes and the annual Jazz Festival (Stolarick *et al*, 2010: 249). Moreover, Jokkmokk in northern Sweden has also created a successful tourism industry with a cultural and creative aspect. Jokkmokk was settled by the Sámi people who used the area for trade and so has a rich cultural history which is capitalised on through the annual winter market which has been held in the village since 1605 (Brouder, 2012: 388). Furthermore, the Ájtte museum is a significant tourist attraction in the area and represents a cultural flagship institution (Brouder, 2012: 389). There is a concerted effort to preserve the Sámi culture in the village and tourists are invited to engage with this heritage (Brouder, 2012: 393). Moreover, there are frequent exhibitions of local artists throughout the town which are attractive to both locals and tourists and fosters a creative atmosphere within the village (Brouder, 2012: 392). Cultural tourism through CCI clustering can thus be an important aspect of development for small towns. It is clear that CCI clustering is possible in non-metropolitan spaces, but the limited body of literature focuses on clustering in developed countries. Therefore, the question arises as to whether CCI clustering is possible in non-metropolitan spaces of a developing country like South Africa.

2.5. Culture-led Development

2.5.1. Defining Development

Before a meaningful discussion can be conducted around the CCIs and their links with and potential impacts on the social and economic development of a region, in this case the Sarah Baartman District of the Eastern Cape, the definition of development chosen for this research must first be explained. The term 'development' has been applied to a range of different

principles, but perhaps the most important in recent times has been that of human development, which came to prominence with the publication of the first Human Development Report in 1990 and subsequently the Millennium Declaration in 2000 and the introduction of the Millennium Development Goals in 2001 (Thérien, 2012: 2-6). This concept of development can be traced back to President Harry S. Truman's inaugural address in 1949 in which he states that the benefits of industrial nation's scientific advances and industrial progress should be shared with "underdeveloped areas" (Truman, 1949). Since then, the concept has been evolving and it became globally significant when the United Nations (UN) made a definite move towards pursuing human development after the United Nations Development Programme (UNDP) released the 1990 Human Development Report (Thérien, 2012: 2). The Report identified "people [as] the real wealth of a nation" and defined human development as "a process of enlarging people's choices" related to health, income, education, political, economic and social freedoms as well as opportunities to be creative (UNDP, 1990: 10; Thérien, 2012: 3).

The UNDP definition suggests that there is more to development than just economic growth – human development is multidimensional (Alkire, 2002: 182). The definition has continued to evolve over time, but elements have remained the same in that economic expansion is not the only concern, but equally important are social progress and the improvement of human welfare (Alkire, 2002: 182). Using a concept of development where the economic side is not considered to be more valuable at the expense of the social is particularly apt for the CCIs as this sector has particularly important social and intrinsic values in addition to its economic benefits (Alkire, 2002: 182; UNESCO, 2009: 9-11). While the social value of the CCIs is recognized, there is a debate surrounding how it should be included in measurement studies as it is not easy to capture the social value.

2.5.2. The Rationale for Culture-led Local Economic Development

In the case of this research, the concept of human development is applied to a restricted geographical area – the Sarah Baartman District. Therefore, it refers to human development on a local scale, or, local economic development (LED) with an aim of promoting social and economic wellbeing. LED has been on South Africa's development agenda since the 1990s and has been encapsulated in various government policies and the constitution (Nel and Rogerson, 2007: 1). The implementation of LED strategies with a socio-economic focus was also formalized in the 2006 National Framework for LED which tasks local governments with facilitating development in their area (Nel and Rogerson, 2007: 2). The Framework aims to create "robust and inclusive local economies" which contribute towards national development objectives and address the needs of the locals by exploiting local opportunities, comparative advantages and real potentials (Department of Provincial and Local Government, 2006: 17). For some places, the local opportunity, comparative advantage or potential may lie in the CCIs. However, in practice LED schemes have tended to have an economic focus and so have been critiqued for overlooking the social aspects of development (Simon, 2003: 127). Furthermore, if LED strategies are to be successful, then they must follow inclusive processes, have a shared community vision for the future, strong leadership and community reconciliation and co-operation (Nel, 1994: 375). LED is well suited to small town development as it follows a context based approach by utilizing local knowledge, initiative, skills and resources, and allows the locals to be in control of the development process (Binns and Nel, 1999: 390; Simon, 2003: 128). This is well suited to the CCIs and cultural tourism which capitalizes on the special local characteristics of towns and is capable of harnessing local skills and knowledge for cultural and creative production. However, the possibility of achieving successful LED, which requires community participation, consensus and co-operation, may not be attainable in reality as South Africa is characterized by highly divided and fractured communities (Simon, 2003: 144).

Culture-led development has become a popular strategy around the world and it is not limited to large cities as more and more small towns have started implementing LED schemes with a cultural and creative focus (UNESCO, 2009: 11; Sacco *et al*, 2014: 2807). There is a general

acceptance amongst politicians and economists that 'culture matters' when it comes to development and growth and so there is currently a global policy mainstreaming of culture (Sacco *et al*, 2014: 2807). The popularity of culture as an engine for growth and development is linked to the acknowledgement of the economic potential of the CCIs (Caves, 2003: 74), or the understanding of the links between the CCIs and participation and the economics of the post-industrial city (Landry, 2008: 6; Sacco *et al*, 2014: 2808). In the first case, the argument is that the CCIs make significant contributions to GDP through cultural production and consumption and so are relevant economically (Caves, 2003: 81; Sacco *et al*, 2014: 2808). There is also some evidence that the CCIs are growing faster than the rest of the economy. For example, in Scotland the CCI contribution to GDP increased by 4% from 2014 to 2015, which is greater than the economy as a whole, which experienced a growth increase of 1.7% (Office of the Chief Economic Advisor, 2016: 1). This is an instrumental argument as culture matters because it is a source of economic value added and so represents a demand-side approach (Sacco *et al*, 2014: 2808). The instrumentalist side prompts local impact studies of arts and culture to advocate for social commitment and funding (Sacco *et al*, 2014: 2808). This can be applied to small towns through their desire to diversify their economies through the inclusion of value-added industries like the CCIs.

In the second case, the argument is functional: in today's world, culture is more relevant for the organization and functioning of the post-industrial city and thus, it generates a relevant amount of economic value adding (Landry, 2008: 20; Sacco *et al*, 2014: 2808). This is a supply-side approach where economic value is connected to innovative capacity, social cohesion and the quality of educational systems (Sacco and Segre, 2009: 284). Under this approach there is thus cause to support cultural and creative activities even if they are not economically profitable as they are a source of indirect economic and social benefits (Sacco and Segre, 2009: 290). These two parts of the economic rationale for culture-led development are largely complementary (Sacco *et al*, 2014: 2808). The functionalist side drives local communities to design strategic cultural planning initiatives to act as a guide in creating a new model of economic and social organization (Sacco *et al*, 2014: 2808).

Since the 1980s, in the UK and USA, arts and culture have been included as key role-players in solving urban problems as they are seen as a means of providing a new economic base for

post-industrial cities (Miles, 2005: 889). The most common form of this culture-led development in cities is urban regeneration, especially in the inner city. This development strategy usually occurs through the promotion of cultural and creative clustering (Flew, 2010: 87). Often, the regeneration strategy is centred around a new cultural flagship institution such as the Tate Modern in London or the Guggenheim in Bilbao (Miles, 2005: 889). Other CCIs are then encouraged to locate around this main attraction in order to take advantage of tourist demand for CCI goods and services, networks and other benefits of clustering and the creative atmosphere ('tolerance' or 'buzz') that exists in these areas (Florida, 2003: 10; Landry, 2012: 34). Another popular strategy is the redesign of a district as a cultural precinct or quarter such as the Rope Walks Quarter in Liverpool (Miles, 2005: 889). In this instance, a certain area is designated as a location or hub for a variety of CCIs with a café culture and other activities which are attractive to locals and tourists. This approach attempts to capitalize on place attractiveness and place branding. Furthermore, in many cases, the two strategies have been combined. For example, the El Raval district in Barcelona was re-designated as a cultural quarter which is centred around the Museum of Contemporary Art, Barcelona (Miles, 2005: 889).

2.5.3. Harnessing the CCIs for Urban Regeneration through Clustering

There are several well documented international examples of the CCIs and their tendency to cluster being used to promote development and regeneration in urban areas such as Gateshead in Newcastle (Bailey *et al*, 2004) and Bicocca in Milan (Sacco and Blessi, 2009). Urban regeneration tends to be pursued by cities in developed countries (Gregory, 2016: 159). However, the CCIs have also been used to promote urban development and renewal in developing countries and research is starting to be done on these cities. This is true for Johannesburg, South Africa's largest city and economic powerhouse, which has sought to regenerate the run-down inner city through the CCIs.

The inner city of Johannesburg is the "old soul" of the city as it is the site where the city "found its voice" with the discovery of gold and other minerals at the end of the 19th century (Pieterse and Gurney, 2012: 195). It was also the seat of colonial power and hosted the original central

business district (Parnell and Pirie, 1991: 130). As a cradle of urbanism, the inner city reflects the complex socio-cultural history of racial, ethnic and class conflicts that played out on the streets of the city (Parnell, 2003: 307). However, by the early 1990s, the inner city was suffering from capital flight, poverty, deindustrialization and long-term public neglect (Parnell and Pirie, 1991: 131). In the new era of democracy, the Johannesburg Metropolitan Municipality set out to reverse the decline of inner city Johannesburg which, from 2000 – 2010, was influenced by global creative cities discourse and so took a cultural focus (Pieterse and Gurney, 2012: 195).

2.5.3.1. The Cultural Arc

To salvage Newtown and its associated nodes across the inner city, a 'Cultural Arc' was created with Newtown at the core and extending to Braamfontein, encompassing the University of the Witwatersrand (Wits), and continuing up to the Johannesburg Theatre and the Constitution Hill precinct (Pieterse and Gurney, 2012: 197). The Arc therefore covers an area with a rich history that spans several stages of South African development as well as established artistic and knowledge institutions and spaces such as Wits University, the famous Market Theatre and Museum Africa (Pieterse and Gurney, 2012: 197). The formation of the Arc has also prompted a significant amount of commercial development as a formerly derelict area has been transformed into the Newtown Junction which comprises a hotel, retail shopping centre and an office block (Pieterse and Gurney, 2012: 200). In the Braamfontein node, a cultural hub has consolidated along Juta Street which comprises: commercial art galleries; a creative precinct which hosts various art, design, food and retail enterprises; a hotel that also acts as a live music venue; a growing number of arts and cultural producers operating from bases in the area; and cultural institutions such as the French Institute of South Africa and an art gallery sponsored by Wits University are either moving to or being built in the area (Pieterse and Gurney, 2012: 201). The Braamfontein node has thus been successful in promoting urban renewal and development. This can also be seen in the increase in visitor numbers as daytime visits tripled (240 000) and evening visits doubled (150 000) between 2003 and 2009 (Pieterse and Gurney, 2012: 198). The final node at the Constitution Hill precinct has also been successful as it was built on the site of the Old Fort Prison and Women's Jail and is the location of the country's Constitutional Court (Pieterse and Gurney,

2012: 201). It is thus a mixed use area that includes elements of law, heritage, museums, exhibitions and performance spaces which attracts tourists and acts as an important site of social conscience (Pieterse and Gurney, 2012: 201).

However, the 'Cultural Arc' is not without fault as the Newtown node itself has been criticized for being overly designed and engineered which has stunted organic creativity and resonance, thereby muting invention and innovation (Pieterse and Gurney, 2012: 202). Newtown has failed to live up to its potential as the vision for the node has not been its reality. Several reasons for this have been suggested including poor planning, missed opportunities, inner-city perception problems, an inadequate private-public sector mix, a lack of a residential spine as well as poor public transport to the area and inadequate infrastructure commitment (Pieterse and Gurney, 2012: 200). In addition to this, the urban renewal approach that focuses on generating profitable property returns for investors is suggested as inappropriate and misplaced as it cannot foster open-ended dynamics that draw on the interests and desires of residents and (informal) economic groups (Pieterse and Gurney, 2012: 202). It is therefore suggested that a better approach to urban renewal that will be more successful and sustainable over the long run must account for the pre-existing cultural entrepreneurs and populations from the strategy planning stage and should include the local community (Pieterse and Gurney, 2012: 202).

2.5.3.2. The Maboneng Precinct

The Maboneng Precinct is located on the eastern fringe of Johannesburg's inner city and is not far from the three nodes of the Cultural Arc. It is quite distinctive because unlike most cultural and creative clusters, including the Cultural Arc, it has been driven by only one private developer (Gregory, 2016: 162). The CCIs assumed a pivotal role in the rebranding of this precinct since its inception in 2008 and the consequent transformation of the formerly redundant inner-city space with neglected industrial buildings, little local economic activity, limited street life and perception of being a dangerous area (Gregory, 2016: 162-163; Propertuity, 2016: 1). According to media reports, the regeneration of Maboneng has "provided an infrastructure for collective encounters, new engagements and an energetic neighbourhood contributing to a unique African urban experience" (Gregory, 2016: 163). The

redevelopment began with the developer purchasing derelict construction offices and warehouses and converting it into the 'Arts on Main' complex which houses a mix of studios, galleries and creative office spaces and hosts a creative community which includes some of South Africa's leading artists (Gregory, 2016: 163). Additional developments soon followed and transformed more unused and neglected buildings and spaces into a hotel, residential buildings, a museum, galleries and studios, restaurants and entertainment spaces as well as outdoor creative spaces (Gregory, 2016: 165; Propertuity, 2016: 15).

Overall, Maboneng is a successful example of property and culture-led urban regeneration (Gregory, 2016: 166). Within the precinct, arts, design and creativity were used as tools to upgrade and redevelop abandoned spaces and transform them into mixed use spaces for artistic, creative, commercial and residential purposes (Gregory, 2016: 167). The development has thus successfully regenerated a run-down area of the inner city: the developer reports that property prices in the area are growing annually by 10% -15%, which is substantially higher than the national average of 6.2% (Gregory, 2016: 164). Furthermore, the area is now perceived as a destination for entertainment and arts consumption which attracts thousands of visitors, mostly over weekends, from Johannesburg's wealthy Northern suburbs and tourists (Gregory, 2016: 167). Maboneng thus has a local and tourist appeal which is important for long-term sustainability and success.

There is, however, a growing international concern that a focus on culture-led development may only be beneficial to high-income and educated segments of society in the long-run (Zukin, 2008: 724). This is due to the tendency of culture-led development of "exacerbating socio-economic polarization, gentrification and exclusion" which is a criticism that has also been levelled at the Maboneng Precinct (Gregory, 2016: 169). The sole private development of the district has been critiqued for causing the exclusion of low income residents as public space has been privatised and there is a high private security presence within the area which makes people from lower income backgrounds feel unwelcome (Gregory, 2016: 167). It has also been suggested that not enough is being done to include local residents in the development of the Maboneng Precinct which means that it has not been inclusive (Gregory, 2016: 167). Furthermore, the rise in property prices is forcing some locals out of the area as they cannot afford rent and increased property taxes (Gregory, 2016: 168). This phenomenon

is also negatively impacting some CCI small, medium and micro-sized enterprises and new start-ups as well as many employees in the area as they cannot afford rental prices of commercial and residential space (Gregory, 2016: 168). Additionally, the use of art and culture for regeneration and the creation of aesthetically pleasing spaces that are dedicated to the marketisation of the arts (like Maboneng and the Cultural Arc) may result in the arts losing their critical and radical edge (Miles, 2005: 891). Therefore, while it may be successful economically, the Maboneng Precinct has not promoted social development in the inner city. The socio-economic divides, exclusion and gentrification that has occurred in Maboneng is reminiscent of the experience of culture-led urban renewal in many developed country cities (Peck, 2005: 760; Oakley, 2006: 270-271; Pratt, 2008: 111). Therefore, a social aspect to cultural development is important, but there are also concerns relating to the arts being stretched far beyond their traditional aesthetic and functional purposes and being touted as a large part of the solution to a variety of social problems by many policy-makers (Miles, 2005: 894). For example, community arts centres in several poor areas in USA cities which provide creative activities for youth, are also expected to fulfil social aims of raising morale, decreasing delinquency and preventing crime (Miles, 2005: 894).

2.5.4. Culture-led Development in Non-metropolitan Spaces

The two examples of urban renewal in Johannesburg are illustrative of the potentials and pitfalls of culture-led development in urban areas. However, culture-led development is also becoming popular in non-metropolitan spaces through clustering and cultural tourism. Often these two factors combine and feed off of one another in small towns. There is a substantial body of cultural tourism literature which shows that it has become an important economic and developmental phenomenon in both urban and rural areas (Richards, 2011: 1239). The tourism industry has been identified as a potential major economic driver of small town South Africa and appears to be the most favoured component of post-productivist economic activity in small town policy discourse (Hoogendoorn and Visser, 2016: 99). Tapping into tourism is viewed as one of the few ways to bring under-utilized or unused local resources in a small town's economy into production as well as attracting external expenditure to the town

(Hoogendoorn and Visser, 2016: 99). Therefore, while a local market is important to the demand for CCI goods and services, it can be supplemented by tourism or outside markets.

Richards (2011: 1239) identifies three models of creative tourism related development from the literature: creative spectacles, creative spaces and creative tourism. Firstly, creative spectacles refer to the hosting of events by both cities and rural places which attract tourists into the space (Richards, 2011: 1239-1340). A good example of cultural events that draw large numbers of tourists and promote economic and social development through the economic impact of the event itself and spillovers as well as improving cultural connectedness and reinvigorating local culture is festivals (Richards, 2011: 1240). Within the SBD, this type of development exists in towns like Grahamstown which hosts the National Arts Festival and attracts vast numbers of tourists, has a significant economic impact and considerable economic and social spillovers (Lankester, 2014). Secondly, the creative spaces model refers to the physical manifestation of the relationship between tourism and creativity – clusters (Richards, 2011: 1240). In this case, the cluster attracts tourists as it has a lively atmosphere, usually a café culture and is filled with CCI businesses like African arts and crafts, small local designer stores and souvenir stores that are appealing to tourists (Rogerson, 2010: 115-116; Landry, 2012: 34). In turn, tourists increase demand for cultural and creative goods and services within the cluster which promotes the continued development and success of the cluster (Richards, 2011: 1241). Clusters and their related tourism are being used to develop both cities (especially inner-city areas) as well as rural areas and small towns through the emergence of the ‘creative countryside’ (Bell and Jayne, 2010: 209). Lastly, there is a growth of creative tourism itself in both urban and rural environments where people travel specifically to engage in cultural and creative activities such as arts and crafts courses and workshops, learning a specific cultural dance style or visiting sites of cultural heritage (Richards, 2011: 1242). All of these models can be applied to both urban and rural spaces.

There are many small towns around the world and in South Africa that have created successful tourism industries related to arts, culture and heritage that have promoted development. Within the SBD, the village of Nieu Bethesda in the Dr Beyers Naudé Municipality (formerly Camdeboo) has experienced a successful post-productivist revival and now has a thriving tourism industry. Tourism in Nieu Bethesda is based on and promoted by

art (another post-productivist activity) as Athol Fugard's popular play "The Road to Mecca" (1984) sparked considerable interest in the village (Irvine *et al*, 2016: 386). The play centres on the life and work of resident artist Helen Martins who transformed her home, 'The Owl House', with sculptures, mosaics and paintings as a "reflection of her quest to bring wonder, magic and light into her existence" (The Owl House, 2018). The title of the play refers to the sculptures in the 'Camel Yard' of the Owl House of pilgrims and their camels facing Mecca (Irvine *et al*, 2016: 386). A cluster of cultural and creative activity has grown around the Owl House to take advantage of the cultural tourism associated with the play (Irvine *et al*, 2016: 391-392). Visitors to Nieu Bethesda are thus attracted by the cultural significance of the town and engage with the many cultural and creative activities on offer such as the Owl House, the Owl House Museum, historic buildings, a fossil museum, festivals, artwork, crafts and the play itself (Irvine *et al*, 2016: 391-392). This cultural tourism and clustering in accordance with the creative spaces model has created employment opportunities, increased local incomes, resulted in local skills development, increased revenue for businesses and improved infrastructure in the village (Irvine *et al*, 2016: 391).

Despite this, the phenomenon of cultural tourism and tourism in general is not without flaws. In the case of Nieu Bethesda, there have been significant benefits of cultural tourism and clustering with the village experiencing socio-economic development and upliftment in general. However, Nieu Bethesda, like many small towns with significant cultural tourism industries, experiences a highly seasonal form of tourism and so grapples with problems of workers receiving unreliable employment and incomes as well as being paid low wages in strenuous working conditions during the peak season (Xuza, 2012: 343; Irvine *et al*, 2016: 395). Moreover, the benefits of tourism that Nieu Bethesda has experienced are not inclusive as they have not reached the adjoining township (South African version of a slum or ghetto) of Pienaarsig since there is little involvement of the community in tourism initiatives and decision-making, few people own businesses in the cluster and employment is seasonal (Irvine *et al*, 2016: 396). Tourism has thus widened the divide between the affluent white population group who have the means and skills to take advantage of the tourism industry, and the poorer black population group who are largely excluded (Irvine *et al*, 2016: 399). Plans do exist however, to attempt to spread the benefits to Pienaarsig through the development

of 'township tourism' which aims to increase income, employment and the number of tourist related businesses (including CCIs) within the township (Irvine *et al*, 2016: 391).

In many small towns, especially coastal towns, an overdependence on tourism has arisen as this sector has been targeted for development and expansion as a major economic contributor (Xuza, 2012: 342). This overdependence is dangerous in itself as tourism is a fickle industry and if it were to collapse, the towns would be left with drastically reduced incomes and increased unemployment. Furthermore, any clusters that had developed to take advantage of the tourist market would be likely to collapse due to the loss of consumers. In addition to this, the dependence on tourism has caused problems for the housing market as house prices have increased beyond the range that most locals can afford, especially in towns with substantial second home demand, causing a deepening of structural inequality between the few wealthy permanent and part-time residents and the large marginalized communities (Hoogendoorn and Visser, 2010: 54). This is often the result of the gentrification of areas associated with tourism and second homes (Donaldson, 2009: 89; Hoogendoorn and Visser, 2010: 53). The market for second homes does, however, generate benefits in the form of increasing income in the area through the purchase of properties, the additional spending by second home owners and the employment of domestic workers (Donaldson, 2009: 97; Hoogendoorn and Visser, 2010: 62). Moreover, concerns have been raised over the maintenance of sense of place, as the expansion of the tourist industry in some small towns, like Nieu Bethesda, threatens to change perceptions of the town at the cost of what makes it distinct and thus losing what makes it attractive to tourists (Irvine *et al*, 2016: 394-395).

2.6. Economic Geography and the use of GIS in Cultural and Creative Studies

Geographical concepts and metaphors have been infused with studies on the cultural and creative industries as 'clusters', 'creative precincts', 'cultural districts' and 'networks' have become part of the accepted terminology to describe phenomena within this field (Brennan-Horley and Gibson, 2009: 2595). In part, this is due to the important role that geographers have played in studying the nature of the CCIs. Moreover, there is a need to analyse and

understand the locational aspects of firm location choices, clustering, proximate learning, spillovers and the importance of area specific atmospheres or 'buzz' effects on CCI firms, which falls under the sphere of economic orientated (Brennan-Horley and Gibson, 2009: 2595). These spatial characteristics link cultural economics to geography and allow for an inter-disciplinary approach to CCI research. This requires a new blend of methods which can produce a nuanced and geographically rich picture of different aspects of CCI activity within space (Brennan-Horley and Gibson, 2009: 2598). One such blended method that can be used to understand creativity within space is to enhance data from interviews, censuses and so on by physically mapping the data using geographic information systems (GIS) and conducting an analysis on the resultant maps. This can be a powerful research tool as it allows for the relationships between space and economics to be visually represented and analysed in a variety of ways. However, the potential of GIS to be used in studies on the CCIs is not yet well known as it is generally considered as a tool to be used in applied research in the physical environmental sciences (Brennan-Horley *et al*, 2010: 92). Therefore, it has not been incorporated into CCI related studies very often. Despite this, interest in GIS as an analysis tool is increasing as its capabilities and potential applications are becoming better recognised within the social science and humanities spheres (Brennan-Horley *et al*, 2010: 92). Cultural economic geography studies that have utilised GIS (mostly in Australia) have done so in a range of environments including cities, rural areas and on the national scale where it has been applied to a variety of research questions.

2.6.1. Mapping the CCIs on a National Level

While many national mapping studies of the CCIs have been conducted, few have created actual physical maps of the CCIs. This is however beginning to change as two recent studies conducted on the UK's CCIs have included a physical mapping analysis component. The first of these studies, conducted by Bakhshi *et al* (2015), included a sub-regional analysis of the geography of the creative and high-tech economies. In this case, location quotients (LQs) for the proportion of an area's workforce in a given activity relative to the share of that activity in the UK workforce as a whole, were used to identify areas of concentration of creative and high-tech economic activity (Bakhshi *et al*, 2015: 57). This was done on the smallest possible spatial scale for which information was available as CCI clustering usually occurs within small

distinct areas such as the visual effects industry cluster in the Soho district of London or the Maboneng precinct on the eastern inner-city fringe of Johannesburg (Bakhshi *et al*, 2015: 57; Gregory, 2016: 163). This research will also utilise LQs to help identify comparative advantages in particular domains for the SBD.

The LQ results were then mapped, with darker colours representing areas with a higher proportion of employment in the particular creative or high-tech activity relative to the national level. This was done using the components of the 'Creative Trident' of cultural and creative employment: 'specialists' or those working in creative occupations in the CCIs; 'non-specialists' or those working in the CCIs but who are not themselves employed in a creative occupation; and 'embedded' or those working in creative occupations outside the CCIs (Higgs *et al*, 2005: 6-7). Figure 2.2 shows the results of this mapping for the creative economy (all three components of the trident). The map shows that the wider creative economy is a major employer in East and West Inner London; West, North West and South Outer London; and Surrey, Brighton and Hove (Bakhshi *et al*, 2015: 60). There is also a concentration in the west of London in Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes as well as to the north in Hertfordshire and Cambridgeshire (Bakhshi *et al*, 2015: 60). Furthermore, in the north of the UK, there are also concentrations in Glasgow and Edinburgh (Bakhshi *et al*, 2015: 60). In this case, GIS mapping has helped to show that the CCIs are the most highly concentrated in the large urban centres within the UK but are not exclusively located in London. However, the more rural and remote areas have less cultural and creative activity. In part, this result supports the creative city literature in suggesting that cities are the main locations for CCI clustering (Florida, 2003: 7; Landry, 2012: 33), but, it departs from it in identifying smaller CCI clusters in non-metropolitan areas. The small scale of the LQ analysis also helps to identify possible CCI clusters within larger areas such as London by highlighting certain parts of the city that employed more creative workers rather than identifying the city as a whole.

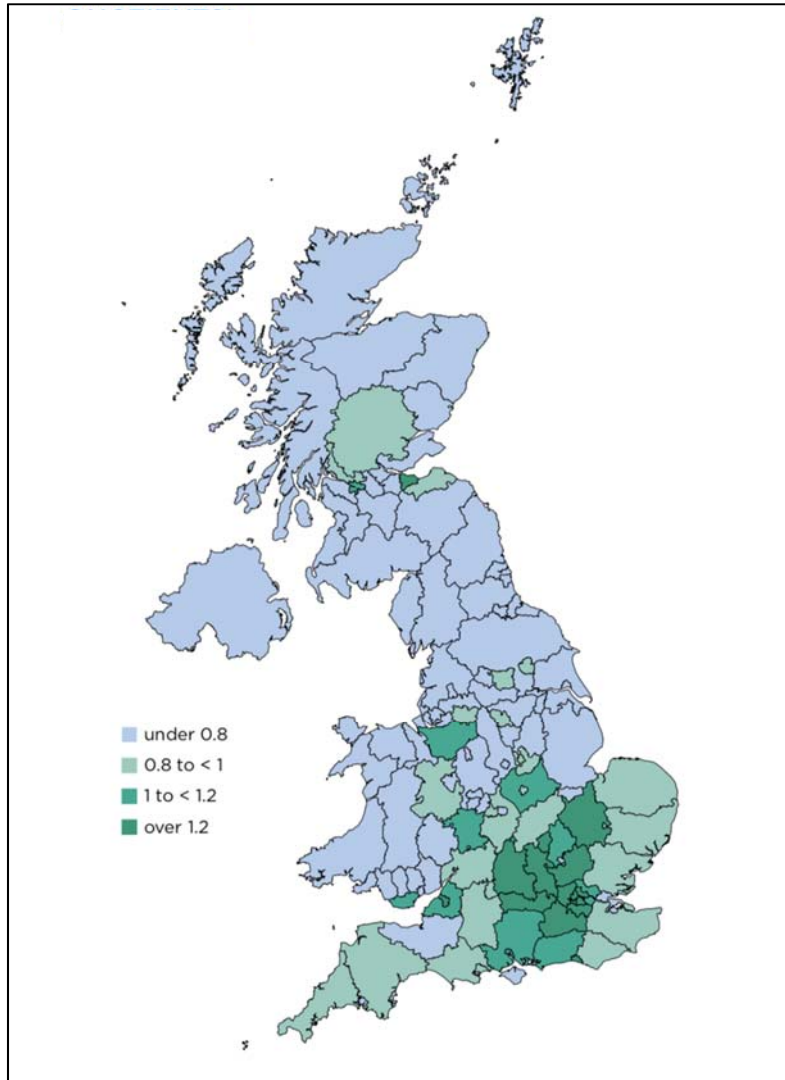


Figure 2.4: Geographical Distribution of Employment in the UK Creative Economy, Average 2011-2013 (Location Quotients)

Source: (Bakhshi *et al*, 2015: 60)

The most recent study on the UK's creative economy sought to analyse the potential of other regions of the UK to benefit from the creative economy, or whether the benefits of CCI growth will be concentrated in the large urban centres like London and Glasgow (Mateos-Garcia *et al*, 2018: 5). This study also utilised LQs to compare the level of creative activity within a small area compared with the UK average and found that CCIs tend to cluster in cities, especially in London (Mateos-Garcia *et al*, 2018: 21-24). It therefore supports the results of Bakhshi *et al* (2015) and the theory of creative cities. However, an interesting application of GIS has been

to illustrate the linkages across the country in terms of creative research collaborations and the interconnectedness of creative communities. To the author's knowledge, this is the first study on the CCIs to use GIS to analyse links and networks across space. Networks and collaboration have been identified as particularly important to the CCIs for innovation and represents one reason for forming clusters (O'Connor, 2010: 45). Universities are important partners for the CCIs as they are a vital component of the creative landscape since they develop talent, provide support services and access to cultural infrastructure, as well as conduct research which is relevant to the CCIs (Mateos-Garcia *et al*, 2018: 48). Moreover, universities are seen as being an important component of what constitutes a creative city, and especially a creative small city, as they generally encourage creativity and innovation and attract the creative class (Gibson, 2002: 340; Waitt and Gibson, 2009: 1235; Landry, 2012: 53-59). They thus have a number of roles in creative innovation systems including enhancing connectivity through collaborating with local CCIs and linking up with wider networks to exploit potential synergies between clusters across the UK (Mateos-Garcia *et al*, 2018: 48).

To explore these links, networks of academic-private collaborations (determined through fuzzy matching methods within the Gateway to Research dataset) were mapped per creative sector such that areas of intense colour represent frequent connections or where collaboration lines have crossed frequently (Mateos-Garcia *et al*, 2018: 48-49). See figure 2.5. The set of maps show that London is generally a significant hub across sectors and so illustrates the city's importance to the creative economy in the UK (Mateos-Garcia *et al*, 2018: 50). Furthermore, the set of maps show that creative research collaborations occur across the UK and in many cases, connect creative communities that are located far away from one another (Mateos-Garcia *et al*, 2018: 50). Overall, the maps show just how interconnected the CCIs are across space and the importance of networks and collaboration. However, the different creative sectors also have different levels of collaboration, which suggests that networks are more important to some types of CCI activities than others.

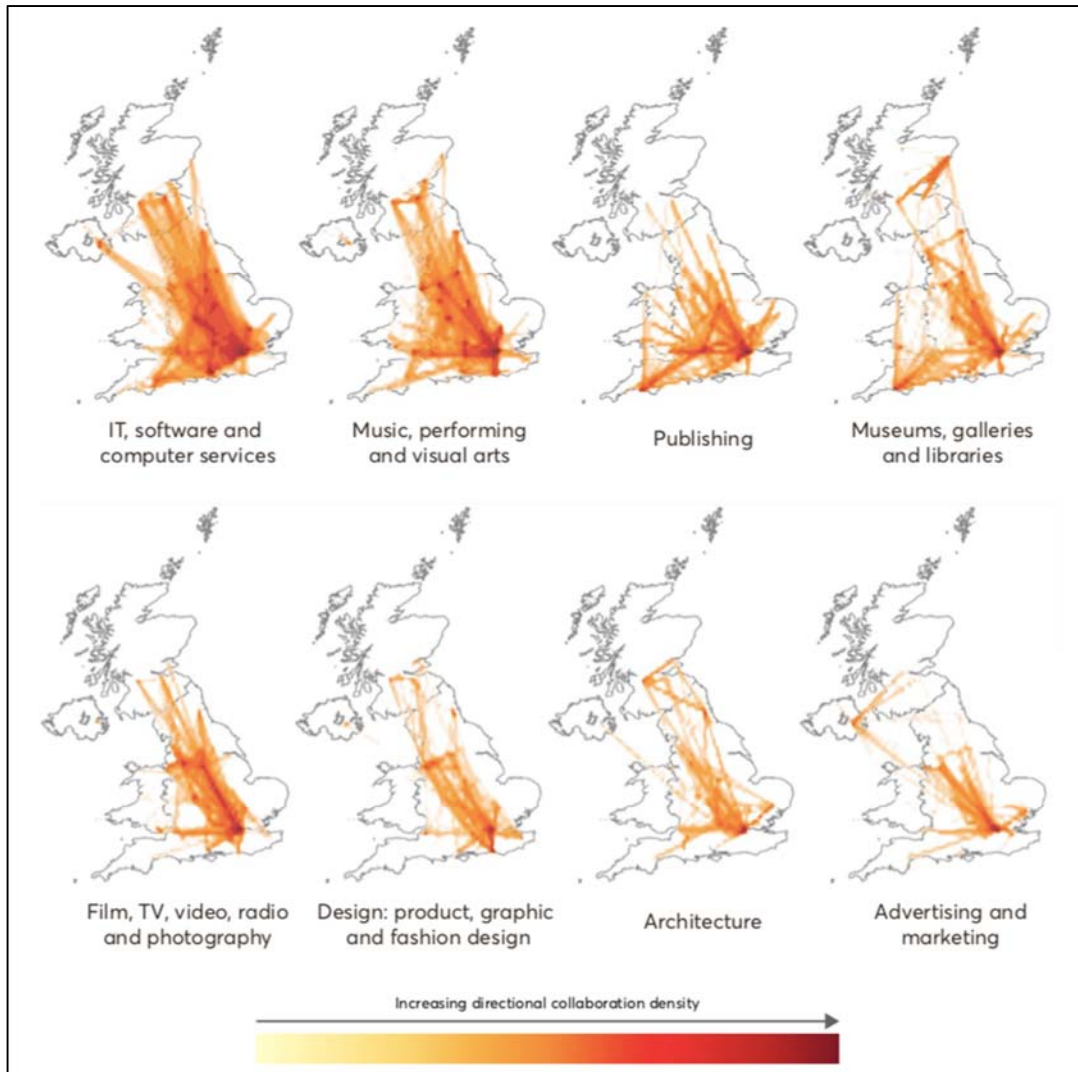


Figure 2.5: Directional Collaboration Density by Creative Sector

Source: (Mateos-Garcia *et al*, 2018: 50)

2.6.2. Mapping the CCIs in Cities

Studies on the location of creativity within cities, including in South Africa, generally focus on inner-city areas. However, from the 1980s, inner-city Johannesburg has been characterised by deindustrialisation, economic decentralization and capital flight as well as municipal neglect (Parnell and Pirie, 1991: 131). This has coincided with the rise of suburban nodes like Midrand, Randburg, Rosebank and Sandton and so the question arises of whether the CCIs have also relocated to the suburbs or whether attempts to regenerate the inner-city using culture-led development have been successful (Gregory and Rogerson, 2018: 37). Therefore,

Gregory and Rogerson (2018), conducted an audit of the CCIs in Johannesburg in order to analyse the size and spatial structure of the CCIs within the city.

The audit found 2 325 CCIs operating in Johannesburg in 2015 (Gregory and Rogerson, 2018: 37). Figure 2.4 maps the overall spatial distribution of the CCIs across 12 regions of the city using proportional circles. This map shows that Johannesburg's creative economy is largely concentrated in the northern suburbs and the decentralized business nodes and away from the inner-city (Gregory and Rogerson, 2018: 37-38). This geographic preference has occurred despite efforts of culture driven inner-city renewal through the creation and promotion of clusters like the nodes of the Cultural Arc and the Maboneng Precinct (Pieterse and Gurney, 2012: 197; Gregory, 2016: 162-163). Overall, the three regions with the greatest amount of activity are Sandton, Randburg and the Northern Suburbs focused around Rosebank, which together account for 60% of total CCI businesses (Gregory and Rogerson, 2018: 38). Conversely, Johannesburg central and the CBD account for only 7% of all CCI businesses (Gregory and Rogerson, 2018: 38). Mapping the CCIs revealed a spatial pattern of suburban creativity which is contradictory to the "dominant scholarly narrative [in which] suburbs are dismissed as too young and too new to be creative" and are framed as "the antitheses of all that is unique, interesting, genuine or authentic" (Bain, 2016: 267). This is also an encouraging finding for the possibility of CCI clustering in small towns and rural areas, as, like suburbs, they are generally considered to be uncreative spaces and unsuited to large numbers of the CCIs.

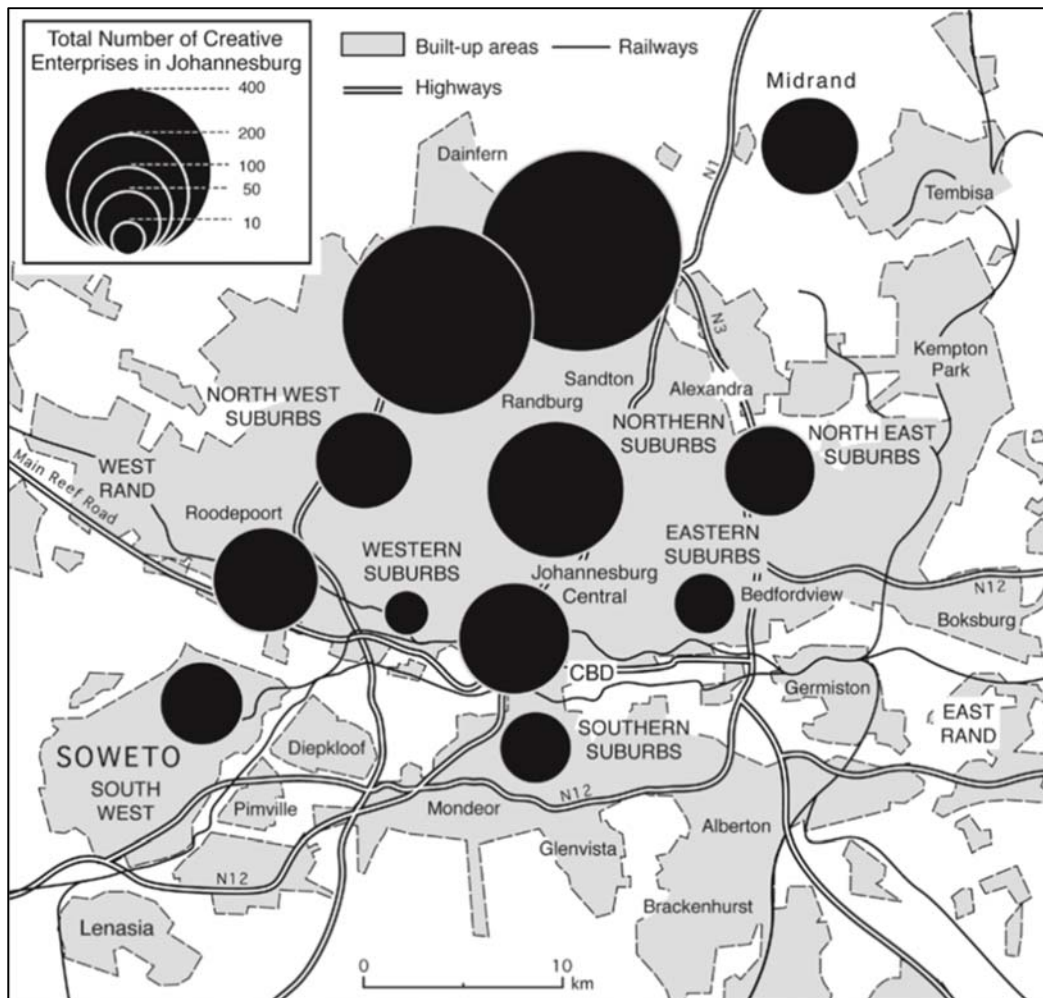


Figure 2.6: Spatial Distribution of CCIs in Johannesburg, 2015

Source: (Gregory and Rogerson, 2018: 38)

2.6.3. Mapping the CCIs in Rural Areas and Small Cities

Mapping of the CCIs in non-metropolitan spaces has been quite prominent in Australia where the method has been applied to several studies, three of which are described below. These three case studies use a variety of GIS analyses and so illustrate its considerable value as a tool in cultural economic geography studies. This research will utilise some of these techniques to map the CCIs in the SBD including choropleth mapping (as used in the Wollongong case study discussed below) and proportional or graduated circles (as used in the Johannesburg and New South Wales case studies).

2.6.3.1. Enhancing Interview Data in Darwin

For a study on the presence, character and perceptions of the creative industries in the small, remote, tropical town of Darwin, GIS technology was utilized to enhance the ethnographic methodologies – specifically interviews – used in the study (Brennan-Horley *et al*, 2010: 92). Darwin is characterized as a “tourist gateway to the ‘Top End’ wilderness, and a focal point for post-colonial struggles over land rights and mineral extraction”, a highly transient professional workforce, a multicultural but small population and an absence of sites and facilities that usually indicate a potential for cultural development (Brennan-Horley *et al*, 2010: 94). Darwin thus has a radically different set of geographical circumstances which makes it atypical in CCI research which usually focuses on deindustrializing or prominent knowledge-economy cities in developed countries with ex-industrial inner-city areas that are targeted for urban renewal through the formation of cultural and creative precincts or districts (Florida, 2003: 16; Miles, 2005: 889; Flew, 2010: 87; Gregory and Rogerson, 2018: 34). Despite its isolation, size (75 000 people) and geography, Darwin has clearly visible signs of creativity and has a creative workforce of approximately 1 800 people, as identified in a quantitative economic study of ‘Creative Darwin’ (Brennan-Horley and Gibson, 2009: 2598; Brennan-Horley *et al*, 2010: 93).

In this case, orthodox quantitative studies were found to be insufficient in answering questions on where creativity exists in the city and how it relates to Darwin’s unique internal layout (Brennan-Horley *et al*, 2010: 93). Therefore, the study used an alternative methodology that was capable of revealing spatial relationships between CCI practitioners and the town (Brennan-Horley and Gibson, 2009: 2601). Semi-structured interviews were conducted with a sample of Darwin’s creative workforce in a range of creative occupations, in which a major component was for participants to describe their activities and perceptions graphically on a base map of the town (Brennan-Horley and Gibson, 2009: 2601). These maps were then digitized and linked to the interview data in accordance with participatory geographic information systems (PGIS) (Brennan-Horley and Gibson, 2009: 2601-2604). The spatial questions included: where participants go to be inspired; where participants feel the epicentre of creative Darwin is located; and where participants go in Darwin for cultural and creative recreation (Brennan-Horley and Gibson, 2009: 2604-2605). “The aim of each spatial

question was to invite reflection on the everyday ways in which creative practitioners use their city and, by inference, reveal any latent spatial relationships between different creative individuals or groups” (Brennan-Horley and Gibson, 2009: 2605).

Interview responses to the question, “where is Darwin’s creative epicentre?”, identified three distinct zones that respondents thought of as epicentres of creativity: the city centre (CBD), and the suburbs of Parap and Nightcliff (Brennan-Horley and Gibson, 2009: 2606). This result was revealed through the digital overlaying of each respondent’s base map to see which geographical areas were most commonly cited (Brennan-Horley and Gibson, 2009: 2605). This was achieved through converting each map (shapefile) to a raster data format (a pixel image) where each cell is assigned a colour based on the frequency of responses (Brennan-Horley and Gibson, 2009: 2605). The raster images were then combined using ArcGIS Spatial Analyst so that pixels with the highest values represented areas most often drawn on the base maps by respondents (Brennan-Horley and Gibson, 2009: 2605). Figure 2.5 displays the mean pixel score for the 83 responses to the creative epicentre question where colours ramp up from yellow to red to show increasing spatial correspondence of the responses (Brennan-Horley and Gibson, 2009: 2605-2606).

The map shows that the most commonly identified creative epicentre was Parap (in 39% of responses) which is a residential suburb where the fringe art gallery, and a weekly outdoor market is located as well as a small local shopping centre that hosts a number of artistic speciality shops, cafes and restaurants, grocery stores and other typical local shops (Brennan-Horley and Gibson, 2009: 2606). This is a similar finding to Gregory and Rogerson (2018) as it shows that creativity exists and CCIs can cluster in suburban areas. However, this result was somewhat unexpected by the researchers as traditional theory suggests that inner-cities or town centres in the case of non-metropolitan spaces, would be the prime areas of creativity (Brennan-Horley and Gibson, 2009: 2606). It had therefore been anticipated that Darwin’s town centre would be more popular as it is home to the town’s nightlife and backpacker scene and has a number of cultural and creative flagship buildings including art galleries, museums and a large entertainment centre auditorium (Brennan-Horley and Gibson, 2009: 2606). The town centre thus has the atmosphere that is attractive to both the creative class and CCIs and so usually contains clusters (Florida, 2003: 11; Landry, 2012: 20). However, it seems that

Darwin's layout and history has given the town's creativity a suburban geography (Brennan-Horley and Gibson, 2009: 2606). The mix of interview and GIS methods is thus capable of "revealing diversity and richness" within the data and in its manner of presentation as the map shows that while the town centre is important, it is not the primary hub of cultural and creative activity in the town (Brennan-Horley and Gibson, 2009: 2605).

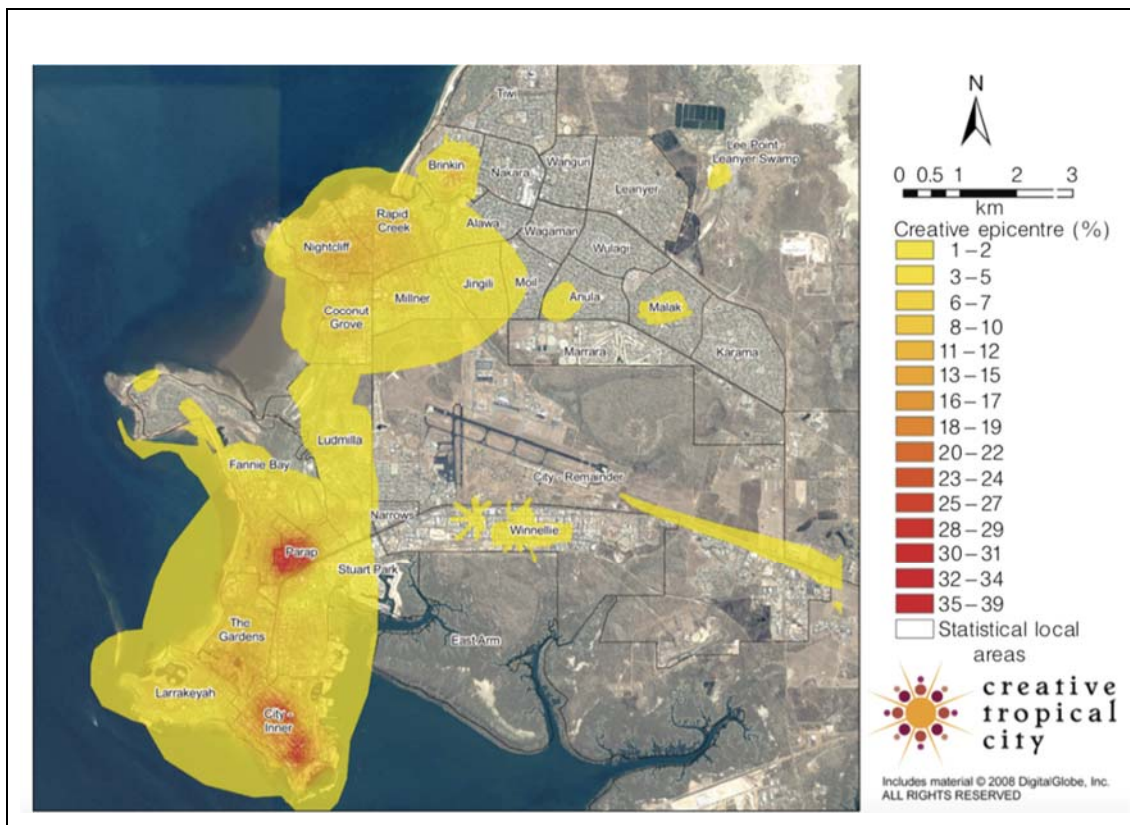


Figure 2.7: Darwin's Creative Epicentres 2008

Source: (Brennan-Horley and Gibson, 2009: 2606)

However, this was not the only type of GIS analysis used in the study of Creative Darwin as 3D mapping was used to analyse the places where creative individuals find inspiration. In this case, a map was created with popular sites being represented as mountain peaks and rarely mentioned sites as low-lying plains (see figure 2.6). The map links the geography of inspiration to other geographies such as creative epicentres, zones of recreation, types of work sites and relationships between work and home (Brennan-Horley *et al*, 2010: 99). It therefore analyses how creativity functions within the town, which is an important factor in designing effective policy and development strategies. Furthermore, the creative sites can be hyperlinked back

to the qualitative interview data in order to add additional layers of detail to the map (Brennan-Horley *et al*, 2010: 99). It therefore analyses how creativity functions within the town, which is an important factor in designing effective policy and development strategies.

For instance, the map shows that natural sites like beaches, gardens and parks were the most popular inspirational places, however, somewhat surprisingly, the largely industrial suburb of Winnellie was also identified as a creative hotspot (Brennan-Horley *et al*, 2010: 100). When linked back to interview responses, the reasons for this become clear: creative individuals believe that the area has great development potential as a creative hub as it is easily accessible by car; has convenient parking space (unlike the CBD); is close to major roads which link it to the rest of the town; has plentiful art storage space and accommodation for arts organizations; and affordable studio space (Brennan-Horley *et al*, 2010: 101). This offers more evidence that the suburbs are not inherently uncreative places (Bain, 2016: 267), since they are attracting cultural workers in Darwin based on their space and cost advantages. The map analysis thus suggests that Winnellie should be targeted for development as a cultural hub, while natural areas should remain relatively untouched in order to preserve the sense of place and inspirational qualities. The advantages of using GIS in this case were its ability to broaden the scope of data generated through interviews as well as producing new innovative ways of communicating the results of the study to stakeholders (Brennan-Horley *et al*, 2010: 92).

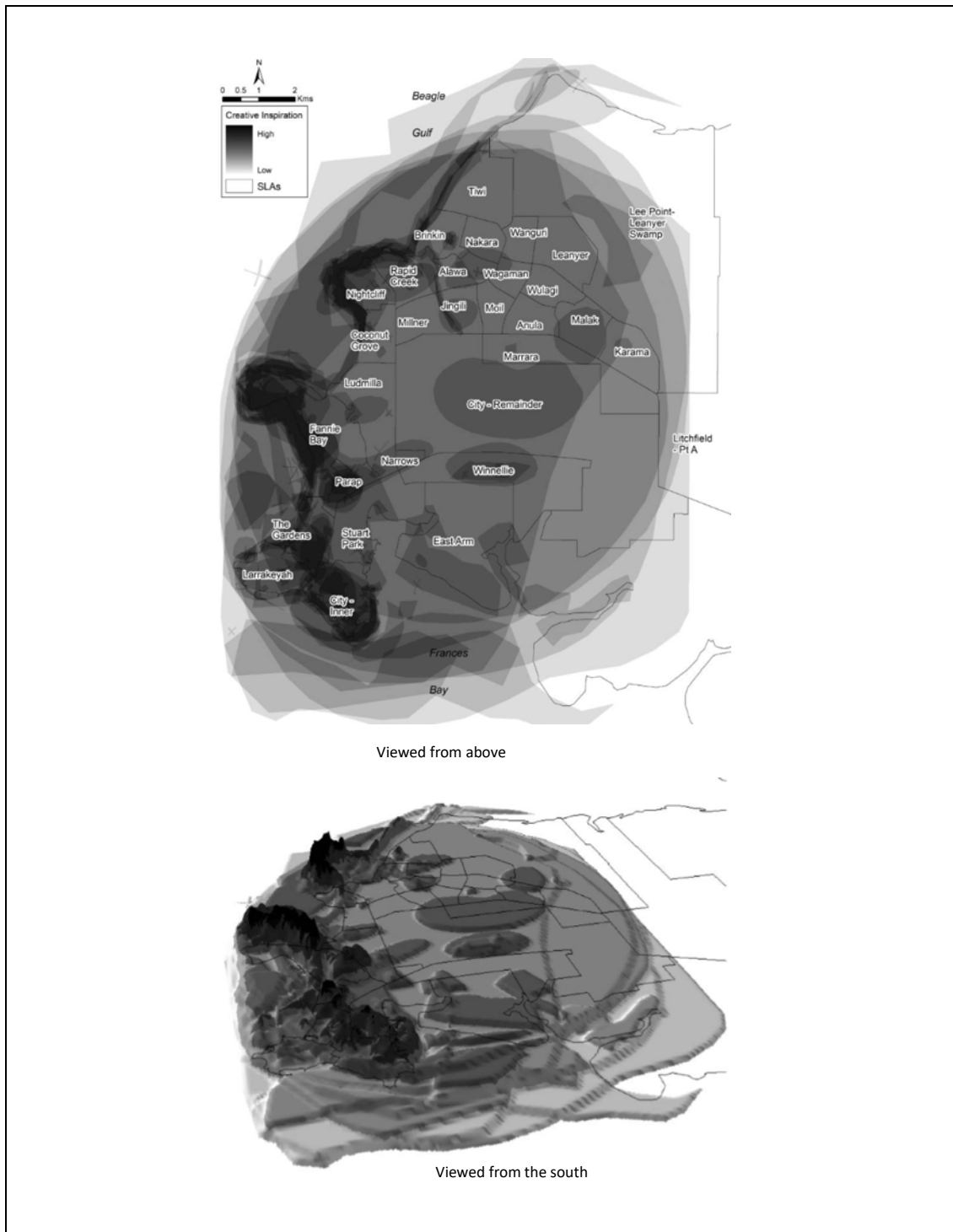


Figure 2.8: Three Dimensional Visualization of Darwin's Creative Inspirational Data, 2008

Source: (Brennan-Horley *et al*, 2010: 98-100)

2.6.3.2. Analysing Employment Data in Wollongong

Wollongong is a small city that is only 80km south of Sydney, one of Australia's largest cities with a large creative economy and workforce (Waitt and Gibson, 2009: 1224-1225). Thinking on creative cities suggests that the creative class tends to migrate to cosmopolitan inner-city areas in large metropolises like Sydney and so there is no possibility of transformation occurring down the urban hierarchy in places like Wollongong (Florida, 2002a: 743; Waitt and Gibson, 2009: 1225). However, due to a changing discourse of proximity to Sydney, there has been a steady and significant in-migration of certain types of creative workers who are seeking a lifestyle change and more affordable housing (Waitt and Gibson, 2009: 1234). Wollongong has a linear spatial configuration and so is comprised of several small centres hemmed in along 30km of coastline on one side and the Illawarra Escarpment and Royal National Park on the other (Waitt and Gibson, 2009: 1225). The hamlets along the linear string which are closest to Sydney are considered to be areas of natural beauty and thus have experienced in-migration of creatives, and a consequent organic growth as creative hubs without need for place branding or developmental schemes (Waitt and Gibson, 2009: 1234). This has resulted in a juxtaposed and polarised city as the central and old-industrial parts of the city were unsuccessfully targeted for creative transformation and regeneration (Waitt and Gibson, 2009: 1232). This was done in accordance with the literature on urban renewal for inner-city areas (Evans, 2005: 959).

The northern suburbs have been transformed by creatives moving into these areas. There has been a trend amongst the creative class of moving to these outer suburbs of Wollongong and commuting to Sydney due to its proximity (Waitt and Gibson, 2009: 1233-1234). Moreover, many creative workers, rather than moving into the inner-city, have been attracted to the northern outskirts due to its natural beauty which provides a lifestyle change and is a source of inspiration to many artists (Waitt and Gibson, 2009: 1234). This aligns with the findings of Creative Darwin where natural areas were found to be sites of inspiration for cultural and creative workers (Brennan-Horley *et al*, 2010: 100). Many of these artists, especially visual artists, sculptors, novelists and documentary makers, have opened home-studios (Waitt and Gibson, 2009: 1234). Consequently, Wollongong's northern suburbs have been transformed into creative hubs for both living and working and so have many CCI activities and businesses

(Waitt and Gibson, 2009: 1234-1236). Wollongong has also become a popular tourist destination, aided by its proximity to Sydney for day trips, as tourists are attracted by the combination of natural beauty, outdoor activities and the small CCI clusters where many businesses cater to tourist demand (Waitt and Gibson, 2009: 1234-1236; Richards, 2011: 1225-1226).

In order to illustrate the popularity of northern suburbs for creative living and working, rates of employment in arts and recreational services were mapped. This was done by creating a choropleth map in which each suburb of Wollongong is assigned a colour based on its rate of cultural employment where darker colours represent greater cultural employment rates. See figure 2.7. The map shows that suburbs like Wombarra, Thirroul and Woonona are hubs of creative activity based on their relatively high cultural employment rates. However, there is also a hub of CCI activity around the CBD and the University of Wollongong. This finding shows that inner-city areas are still prominent in CCI activity which fits the conventional theory (Florida, 2003: 7; Landry, 2012: 33). Furthermore, it links to the creative city discourse which highlights universities as being important to CCI development and networks, as was shown in the study of linkages between the UK's CCIs and universities (Mateos-Garcia *et al*, 2018: 48). In this case, GIS mapping has helped to analyse where creative people locate and possible reasons for this as well as evaluating the success of local cultural and creative policies which attempted to rejuvenate inner-city areas by using cultural employment as a proxy.

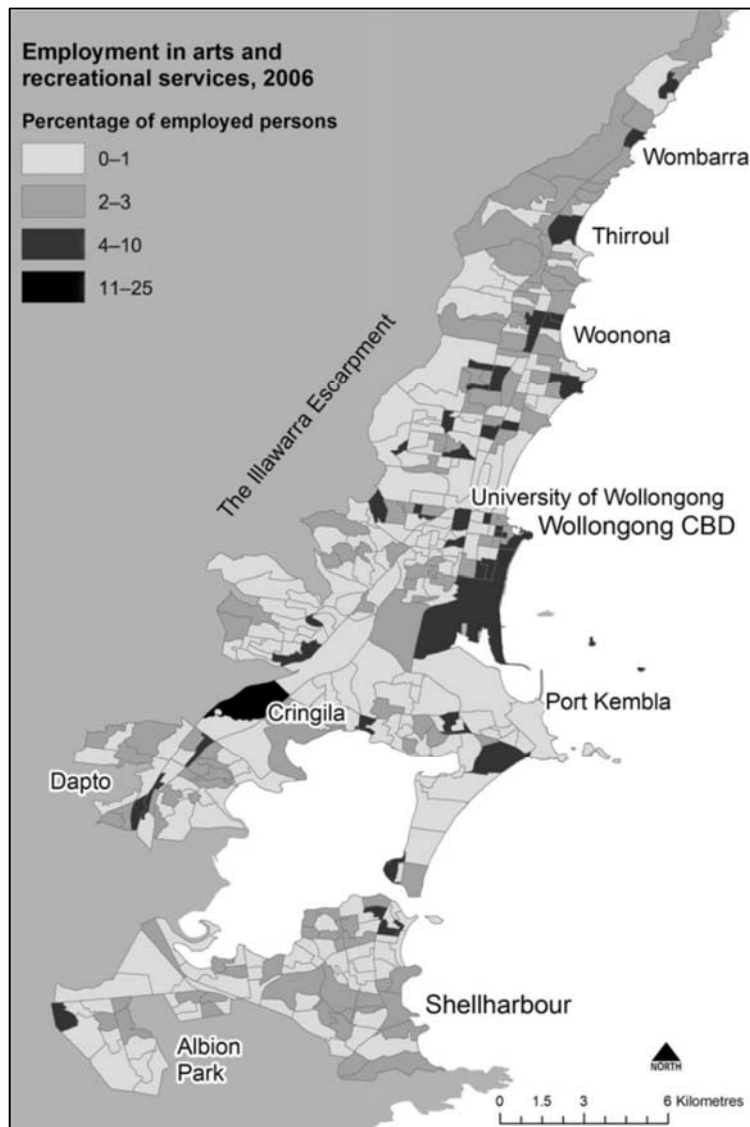


Figure 2.9: Employment in Arts and Recreational Services in Wollongong, 2006

Source: (Waite and Gibson, 2009: 1235)

2.6.3.3. Music Industry Agglomeration on the New South Wales Far North Coast

The New South Wales Far North Coast has been the subject of regional transition shaped by urban and rural linkages and movements of people and resources (Gibson, 2002: 338). It is one of the fastest growing regions in Australia and is a popular destination for counter-urban flows amongst the creative class who are drawn to the region's pleasant climate, natural environment and cultural and educational infrastructure (Gibson, 2002: 339). It thus has a

similar experience to Wollongong of creative class in-migration due to lifestyle considerations (Waitt and Gibson, 2009: 1234). The in-migration has resulted in the shift of regional rural identities away from those centred on agriculture (dairy, fish and sugar) to images of an 'alternative' or 'lifestyle' region (Gibson, 2002: 338-341). There has been a consequent increase in employment in tourism, recreational services, 'gourmet' agricultural production, retail and the CCIs (Gibson, 2002: 338). A niche within the CCIs, the popular music industry, has boomed within the region as it has figured prominently in tourism promotions and development strategies for the region, mainly through festivals (Gibson, 2002: 342). Popular music is generally a highly concentrated industry that is usually found within large cities (Gibson, 2002: 343). Its very presence in the region is thus evidence of the extent and importance of inter-regional linkages (as demonstrated by Mateos-Garcia *et al* (2018) for the UK) since urban trends of cultural and creative production and consumption are being mirrored in rural areas (Gibson, 2002: 338).

The expansion of the music industry has been linked to the 'alternative lifestyle' and in-migration of the creative class that has also resulted in a diversification of musical tastes (Gibson, 2002: 344-345). Furthermore, the benefits of universities on the CCIs, as demonstrated by Mateos-Garcia *et al* (2018), can be seen in the networking, training and infrastructure spillovers into the popular music industry from the activities of Southern Cross University's Programme in Contemporary Music (Gibson, 2002: 345-346). The industry has also benefited from cultural tourism as there are a number of festivals in the region as well as acclaimed pub and club circuits (Gibson, 2002: 342-343). Additionally, it has become popular amongst artists due to the growth in music venues and recording studios, as well as its reputation as a place for artists to be 'discovered' and as a nursery for alternative and 'indie' bands (Gibson, 2002: 343).

However, the music industry's distribution through the region is uneven as it tends to cluster in the major towns and coastal areas that have benefited from tourism, in-migration and development or gentrification (Gibson, 2002: 350). Tourism seems to be an important factor to CCI location in small towns and rural areas as the tourism provides a consumer market for CCI goods and services and so promotes the development of clusters, either in a particular domain like music or across a variety of domains (Richards, 2011: 1241). To analyse the spread

of the music industry and its clustering, a map of musical infrastructure (music venues and retail outlets) was created using proportional circles to represent industry activity. See figure 2.8. This was one of the first studies to utilise GIS in CCI research. The map shows that music industry clusters have formed in Lismore, Byron Bay and Ballina as well as smaller 'boutique' villages like Bangalow, Mullumbimby and Nimbin (Gibson, 2002: 350). These are the towns that host music festivals and have the largest tourism industries in the region (Gibson, 2002: 342). Other small towns like Kyogle, Casino and Grafton have much less industry activity as demographic transition and tourism impacts have not been as strong (Gibson, 2002: 350). Therefore, connectivity between urban and rural networks, influences and capital as well as tourism is an important factor to the development of the creative industries and the reasons for intra-regional differentiation and polarisation (Gibson, 2002: 353-354). This example illustrates that some small towns are well suited to CCI clustering based on their characteristics. It is expected that this may also be the case in the SBD.

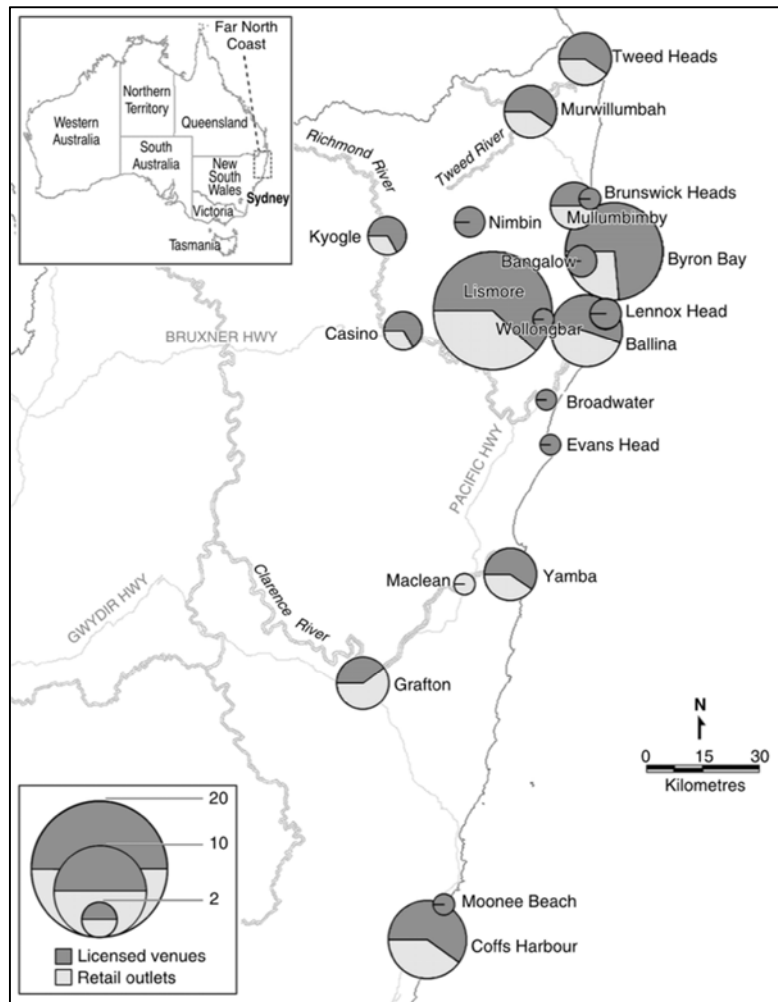


Figure 2.10: Distribution of Music Venues and Retail Outlets in New South Wales Far North Coast, 1999

Source: (Gibson, 2002: 351)

2.7. Conclusion

This literature review has investigated the nature of clustering within different spaces, culture-led development, the culture/growth debate and the use of GIS in studies of the CCIs. The dominant literature suggests that the CCIs cluster in cities due to the advantages associated with the creative cities discourse (Landry, 2008) and the presence of the 'Three Ts' (Florida, 2002b). However, within developed nations, a body of literature is emerging which suggests that rural areas, small cities and small towns are also capable of hosting CCI clusters. Furthermore, the potential for culture-led development within these locations is significant.

This most often manifests in policies that attempt to encourage clustering and cultural tourism. The potential of the CCIs to spur socio-economic development has also been touted in South Africa where the CCIs have been suggested as a new economic driver.

Part of the attraction of the CCIs as an economic and developmental driver is their significant economic and social spillover effects. This in turn feeds into questions of development that surround the CCIs: do the CCIs cluster because an area (usually a city) is highly developed and thus attractive, or does the presence and activities of CCIs promote development? This issue of causality plagues many studies on the CCIs and appears to be a reinforcing circle of development and CCI location (clustering). GIS is becoming increasingly popular as a tool for analysis of the nature of the CCIs. A number of techniques have been used to interrogate different aspects of the CCIs such as clustering, employment, interview data, academic-private CCI connectedness and CCI location within the city and nation. In all of these cases, the production of a physical map aided the analysis and interpretation of the data as it allows for patterns and relationships within the data to be visualised. GIS therefore has great potential as a method of analysis and is likely to be used more frequently in cultural economic geography studies. The next chapter will set out the context of this study by placing it within national, provincial and district level policies, economies and creative economies. The situation in South African small towns is then presented in order to place the CCIs within this environment. The study area, the Sarah Baartman District, will also be contextualised.

Chapter 3: Context

3.1. Introduction

The following section will contextualise the cultural and creative industries in South Africa and discuss the government bodies and policies that influence the arts, culture and heritage (ACH) sector. The national government has identified three key challenges facing the country: poverty, unemployment and inequality (Department of Economic Development, 2011: 10). The ACH sector has been identified as a means to combat these issues and is thus being pursued as a potential development driver at the national, provincial, district and local government levels. Each level of government must align with the one above it as well as the National Development Plan (NDP) in their policies and strategies on development, in this case relating to the CCIs. Therefore, although this thesis deals with the CCIs at the district level, it is necessary to investigate the situation on the national and provincial scales, as they can have a significant impact on the district. This chapter thus gradually narrows its focus by starting at the national level where the wider South African economy, social development status and the CCIs and its policies are outlined. The economic geography of South African small towns is then investigated as it is necessary to place the CCIs within the specific socio-economic context of small towns and rural areas. This is followed by a discussion of the socio-economic outlook and cultural policies that govern the Eastern Cape Province. Finally, the chapter will set the scene for the study area, the Sarah Baartman District, before concluding.

3.2. South Africa

3.2.1. A Brief Introduction to South Africa

South Africa is a large country with a population of 55.6 million people and a land area of just over 1 million km², which is divided into nine provinces: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape (Statistics South Africa, 2016a: 11-16). For most of the 20th century, South Africa was

governed by an oppressive regime, apartheid, which separated the country along racial lines. In 1994, apartheid was brought to an end by the first democratic election in which Nelson Mandela became President of the 'New South Africa'. There have been considerable improvements in living standards and social development across the country in the two decades since democracy. For example, the 2016 Community Survey revealed that most of the population has received some form of schooling, but only 4% of people over 20 have completed a tertiary qualification (Statistics South Africa, 2016a: 64). Furthermore, living conditions for the majority of people have improved as 79% of people live in formal housing, 90% of people have access to electricity for lighting and 85% of people have access to safe drinking water (Statistics South Africa, 2016a: 98-126). However, the legacy of apartheid is proving difficult to overcome as it has left South Africa a highly divided country and so, while there has been significant progress, South Africa is still a highly unequal society with a Gini coefficient of 0.7 in 2011 (Statistics South Africa, 2018).

Despite improvements, recent poor economic performances are weighing on social progress. The 2008-2009 Global Financial Crisis took its toll on South Africa as the country fell into a recession from which it has not yet fully recovered. Economic growth has been disappointing over the last few years and it has been on a downward trend since an initial recovery from the Financial Crisis in 2011 (OECD, 2017: 10). Weak consumer demand, low business investment, policy uncertainty, an unstable political climate and drought have contributed to the poor overall economic performance (OECD, 2017: 10). The economic slowdown has also pushed up the unemployment rate to 26.7% and made job creation difficult (Statistics South Africa, 2017: 1). Reviving economic growth is crucial to improving well-being, creating jobs, reducing inequality and promoting inclusivity (OECD, 2017: 10). However, there is little room for monetary and fiscal stimulus and so the OECD (2017: 10) recommends bold structural reforms supported by social partners.

3.2.2. The CCI in South Africa

In 2014, the Department of Arts and Culture (DAC) conducted the first national mapping study of South Africa's CCIs. This study was instrumental in illustrating the size of South Africa's creative economy and gaining recognition for it as a significant economic sector. It was estimated that there were 27 685 CCI organizations operating in 2014 across a range of UNESCO domains of which the most prominent were Design and Creative Services (31%), Visual Arts and Crafts (23%) and Performance and Celebration (20%) (DAC, 2014a: 17). Mapping studies have been used to investigate and quantify the economic benefits of the CCIs dating back to the late 1990s in the UK (Pratt, 2005: 33). In this case, the CCIs were found to account for 5% of the UK's total national income and employ 1.4 million people in 1998 (Flew and Cunningham, 2010: 113). Though South Africa is a developing country, the economic impacts of the CCIs are substantial. For instance, one of the largest economic contributions is international trade which has an annual positive impact on the Balance of Payments of R35.7 billion (DAC, 2014a: 20). The main component of this is international tourist spending through a combination of cultural tourism and spillover effects (DAC, 2014a: 101). This illustrates the importance of the link between the CCIs and tourism in South Africa (Rogerson, 2010: 115).

Overall, the CCIs contributed R90.5 billion to GDP in 2014, which was 2.9% of total GDP (DAC, 2014a: 96-97). This places South Africa on par with other developing countries as the CCIs accounted for 2.6% of Brazil's total GDP in 2013 (UNCTAD, 2015: 27) and 3.84% of China's total GDP in 2012 (UNCTAD, 2015: 5). Even though there has been comparatively little research conducted on the creative economies of developing countries, these GDP contributions illustrate the importance of the CCIs to their economies. Furthermore, it highlights the need for research to be conducted in these areas as, in general, they have relatively poor infrastructure, connectivity, technology and skills as compared to developed countries which are thought to be necessary for CCI success (Florida, 2003: 10-11).

When the contributions of the UNESCO domains were broken down, it was revealed that Design and Creative Services, the most prominent domain, is also the largest contributor to

GDP at R39.7 million (DAC, 2014a: 96). However, the second largest national domain, Visual Arts and Crafts, contributed the lowest amount of only R2 million (DAC, 2014a: 96). The relative GDP contributions of the domains is an important consideration in policy design and development strategies as it indicates the economic benefits of the relative domain activities and thus which domains would be good to invest in for generating a return on investment and promoting economic growth. Figure 3.1 provides a breakdown of the GDP contribution made by the six main UNESCO FCS domains.

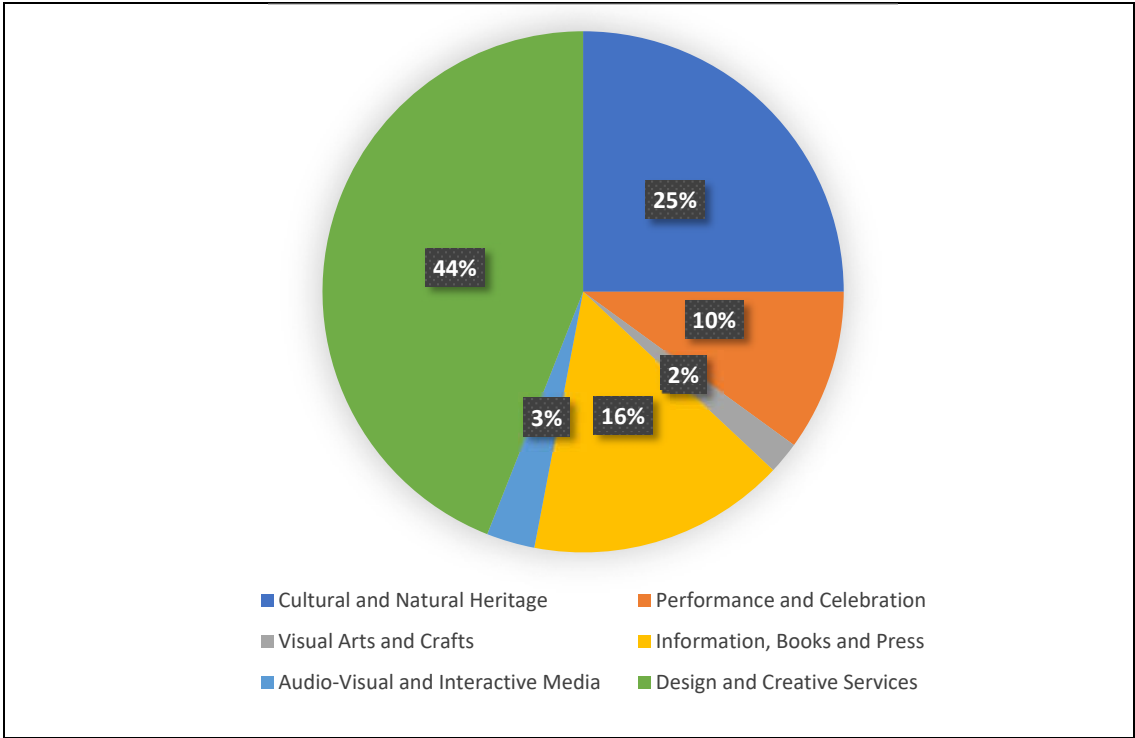


Figure 3.1: GDP Impact of the CCI per UNESCO Domain 2013/14

Source: (DAC, 2014a: 97)

The CCIs have also become significant employers in South Africa. A study of cultural employment by Hadisi and Snowball (2017: 27), which used the creative trident (Higgs *et al*, 2005: 6-7) found that when specialists, non-specialists and embedded cultural workers were included, the South African creative economy accounted for 6.72% of total national employment. The creative economy as a whole thus accounts for a greater percentage of national employment than the mining sector (2.89%) and the agricultural sector (5.59%) which are two of the country’s economic mainstays (Hadisi and Snowball, 2017: 12). This

illustrates how important the CCIs have become to the South African economy as they have surpassed the traditional large scale employment industries. When broken down into domains, Visual Arts and Crafts is the largest employer as 53% of all cultural and creative jobs were in this domain (Hadisi and Snowball, 2017: 13). See figure 3.2. Furthermore, the DAC study estimated that approximately 41% of the total job opportunities in 2014 were for semi-skilled workers (DAC, 2014a: 19). Additionally, household income amounted to R69.96 billion, of which 21% was earned by lower-income households (DAC, 2014a: 19). This indicates that the CCIs can make a substantial contribution to poverty alleviation and reducing unemployment as they are capable of providing employment and income for both skilled (usually wealthier) as well as unskilled (usually poorer) workers.

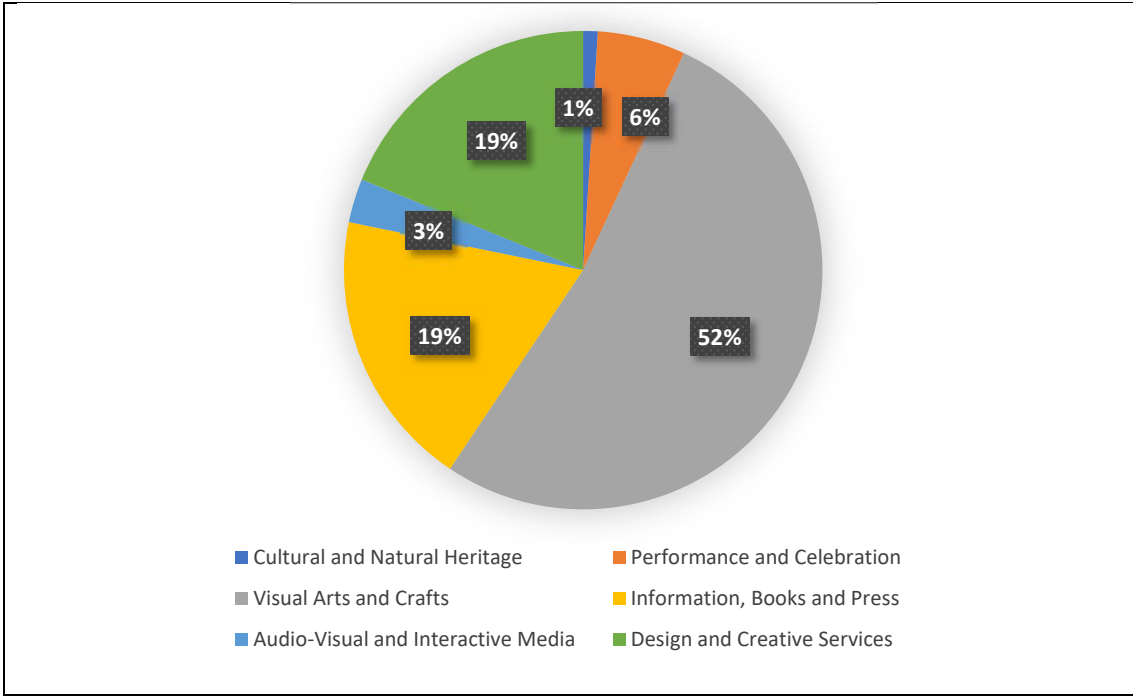


Figure 3.2: Share of Cultural Occupations by Domain 2015

Source: (Hadisi and Snowball, 2017: 13)

Table 3.1 provides a summary of the economic impacts of the CCIs on South Africa that have been discussed in this section.

Table 3.1: Macroeconomic Impact of the CCI in 2013/14

Macroeconomic Effect	Total Impact (Rand figures in millions)
GDP	R90 543
Capital Formation	R114 392
Fiscal Impact	R24 843
Balance of Payments	R35 77
Total Income Generation	R69 966
Low-income Households	R14 558
Medium-income Households	R15 551
High-income Households	R39 857
Total Employment	562 726
Skilled Employment	159 064
Semi-skilled Employment	233 311
Unskilled Employment	170 352

Source: (DAC, 2014a: 95)

3.2.3. Overview of South African Cultural Policy

3.2.3.1. The Department of Arts and Culture

The Department of Arts and Culture is the wing of the South African national government that is responsible for overseeing cultural and creative activity in the country. Its aim is to exploit the ACH 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 African Yearbook, 2015/16: 66). Accordingly, the DAC is mandated to develop and promote the nation’s arts, culture and languages; to ensure the sector’s sustainability through improving economic and developmental opportunities; to establish the central role that the sector plays in social development; and finally, to develop and monitor the implementation of cultural policy, legislation and strategic direction in order to identify, conserve and promote the nation’s

cultural heritage (South African Yearbook, 2015/16: 66). The aims and activities of the DAC must align with the National Development Plan (NDP) for South Africa.

3.2.3.2. The National Development Plan

The NDP is a developmental ‘roadmap’ for South Africa which sets out certain key social, economic and environmental objectives which are to be met by 2030. It was implemented in 2013 with the overarching aim of “eliminating poverty and reducing inequality” (National Planning Commission, 2013: 14). The NDP recognizes the value of the cultural sector as “promoted effectively, the creative and cultural industries can contribute substantially to small business development, job creation, and urban development and renewal” (National Planning Commission, 2013: 26). There are thus several measures proposed to develop the sector such as funding, legislation and building networks (National Planning Commission, 2013: 26). It is however, concerning that the NDP limits the CCIs and their development to urban areas as this may result in rural areas and small towns being neglected despite their identification of culture as a development driver (Hoogendoorn and Visser, 2016: 99), and several studies which have found that creativity does exist outside of the large metropolitan spaces (Waite and Gibson, 2009; Bell and Jayne, 2010; Daniel, 2014; Daniel *et al*, 2016).

It is pleasing to note that the NDP recognizes both the economic and social value of the CCIs as it not only describes their contributions to GDP and employment but also states that “artistic endeavour and expression can foster values, facilitate healing and restore national pride” (National Planning Commission, 2013: 26). This acknowledgement is important as there tends to be an economic focus on the value of the ACH sector, especially in official documents, since it is this monetary value which is used to lobby for support (Snowball, 2008: 34). The social value of the CCIs is part of what makes it so important to the NDP as ACH are considered capable of uniting all South Africans. Thus, the DAC has aligned its core mandate to the NDP priority of nation-building and social cohesion where it is responsible for leading, coordinating and implementing programmes related to these objectives (DAC, 2017a: 21-22).

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

The Mzansi Golden Economy (MGE) strategy is a key funding initiative of the DAC which endeavours to create an enabling environment and provide support for the CCIs in order to optimize the ACH sector's performance in meeting the objectives of the New Growth Path including employment creation and poverty and inequality reduction (MGE, 2011: 6). The MGE strategy seeks to improve investment to key areas of the creative economy and thereby create jobs, increase productivity and cultural tourism, improve international competitiveness and sustainability and finally build professional capacity (MGE Guidelines, 2016: 5-6). The aim of the MGE strategy is to "locate the arts, culture and heritage sector at the centre of economic development and job creation" (DAC, 2014b: 12). In fact, the sector has been called South Africa's "new gold" in relation to its significant potential (MGE Guidelines, 2016: 5).

Through the MGE, the DAC aimed to create 150 000 jobs between 2012 and 2017, and thus promote economic growth and development (DAC, 2014b: 12). From the adoption of the MGE strategy in 2011 until 2014, the DAC claimed that over 50 000 jobs were created (DAC, 2014b: 12). However, by 2017 the MGE had not met job creation targets due to the adverse economic climate in South Africa, delayed Treasury approvals for MGE roll-out, weak internal capacity, poor contract management leading to non-delivery, and a lack of timeous communications to beneficiaries, which meant that projects kept being delayed (DAC, 2014b: 62; DAC, 2017a: 44). Despite not meeting job creation targets, the MGE strategy has had several successes. For instance, over the 2016/17 financial year, 27 national and regional flagships were supported, 146 MGE applications and public arts projects were funded, training programmes for youth and entrepreneurs were implemented, and 5 059 verifiable work opportunities were created (DAC, 2017a: 41). The MGE strategy also extends into other arenas such as developing cultural precincts and information centres, setting up a National Skills Academy to train the youth (especially rural youth) in the arts and establishing a National Cultural Observatory to conduct research into the sector (DAC, 2014b: 12-13).

3.2.3.4. The White Paper on Arts, Culture and Heritage

The main policy document that governs the CCI and the DAC in South Africa is the White Paper on Arts, Culture and Heritage, which defines the institutional and funding frameworks for the ACH sector while positioning it within the wider national agenda (DAC, 2017b: 4). The Arts and Culture White Paper was first drafted in 1996 after South Africa achieved democracy (DAC, 2017b: 5). However, by 2013 this document had become outdated and so a Revised White Paper was released. The revised version was heavily criticised for its bias towards the economic value of the sector. This was reflected in its aims and objectives which neglected the social value of the CCI and so did not advocate for heritage protection, conservation, management, training, funding or support (South African Heritage Resources Agency (SAHRA), 2015; Arterial Network, 2016). The 2013 White Paper was also unclear on how the tiers of government align with national priorities for the sector's development (Arterial Network, 2016). Additionally, municipalities are not empowered by the draft policy to support and develop their CCI as their activities are constrained by outdated policies that limit ACH responsibility at the national and provincial levels (Arterial Network, 2016). This is particularly worrying when the large potential of the CCI to contribute to local development is considered as it is the local municipalities that are best able to design and implement context specific LED initiatives (Arterial Network, 2016). Consequently, the 2013 White Paper was withdrawn and has been revised. Two drafts of the Revised White Paper have since been released, one in November 2016 and another in February 2017.

The Revised White Paper seeks to establish a consolidated system of ACH that highlights the inter-relationship of all creative and cultural activity with their intrinsic, social, educational and economic values and capacities (DAC, 2017b: 5). The intention of the revised policy is to effectively and efficiently contribute towards building a united society in which everyone has access to the ACH, including resources, facilities and opportunities (DAC, 2017b: 6). This will be accomplished through the extension of ACH infrastructure, facilities and resources into peri-urban and rural areas; forming professional regional and local associations and networks; providing education and training; and expanding existing markets (DAC, 2017b: 7). Both the social and economic values are acknowledged and given importance and so the main critique of the 2013 version is addressed. The Revised White Paper, though an improvement from

2013, has been critiqued and has not adequately addressed all the issues relating to the ACH sector (van Graan, 2016). As such, it has yet to be accepted and there is no indication of when this may happen. There is, however, a need for sector-wide coordination to create effective policy as well as to implement it so that its goals are achieved and the ACH sector moves forward.

3.3. Small Town Economic Geography in South Africa

Small towns and rural areas are an important aspect of South African economic geography due to their historic affluence and relatively recent decline. The decline is the result of a changing economic landscape as the traditional large economic players, agriculture and mining, have shrunk with consequences of increasing unemployment, poverty and inequality (Nel and Binns, 2007: 197-198). Part of the solution for many towns has been the adoption of post-productivism which refers to the shift away from traditional economic activities in rural areas towards consumption-based economies where lifestyle, leisure and tourism become economic goods (Hoogendoorn and Nel, 2012: 25). Many of South Africa's small towns have thus identified the CCIs as a potential new economic driver and are either actively pursuing or intending to pursue culture-led development, mainly through tourism initiatives (Hoogendoorn and Nel, 2012: 25).

3.3.1. A Brief History of Small Town South Africa

For most of the 20th century, South Africa's population was predominantly rural, but by 1970, this situation had been reversed as rural South Africa entered into a phase of depopulation and small town decline while cities were experiencing rapid growth due to industrial and mining developments (Nel *et al*, 2011: 395; Hoogendoorn and Visser, 2016: 95). Approximately two-thirds of South Africa's population now live in urban areas (Hoogendoorn and Visser, 2016: 95). This demographic change is largely attributable to two factors: firstly, the agricultural transformation through mechanization, exposure to global agricultural markets as well as changes in labour legislation (especially post-1994) and scales of production, and secondly, the shrinking of the mining industry due to lower commodity

prices, resource depletion and changing regulatory frameworks (Nel and Binns, 2007: 197-198). The combination of these two factors resulted in a net out-migration from rural areas and a net in-migration to cities as people sought employment (Todes *et al*, 2010: 331; Nel *et al*, 2011: 396).

People tend to “vote with their feet” and as such areas that have better economic opportunities are also the areas that experience high in-migration and population growth (Harrison and Todes, 2015: 148). South Africa has followed the global trend of the growth of cities in terms of population, surface area and income per capita, spurred on by the driving forces of improved access to a wider range of amenities, agglomeration or clustering effects (especially related to human capital and entrepreneurship), and finally, improved access to technology and better infrastructure (Duranton and Puga, 2014: 781-783). However, despite the net out-migration, small town populations have generally grown as displaced farm and mine workers have moved into small towns (Todes *et al*, 2010: 335). In addition to the loss or contraction of the former economic mainstays, improved road transport systems by-pass many small towns that previously benefited from being stop-over points and acted as rural service centres (Hoogendoorn and Nel, 2012: 21). Moreover, during the late 19th and 20th centuries, the railway network was extended into many small towns, including most of those in the SBD, in order to transport agricultural products to markets (Karoo Space, 2018; The Heritage Portal, 2018). However, relatively recently the railway network in South Africa has contracted and, for small towns in particular, railways have fallen into disuse and neglect as they have been disconnected from the major railway lines, thereby resulting in the loss of another significant economic driver (Karoo Space, 2018; The Heritage Portal, 2018).

3.3.2. Issues Faced by Small Towns

South African small towns often face issues related to governance as the lack of local development has been linked to poor leadership and government incapacity (Hoogendoorn and Visser, 2016: 101). Local governments are often insufficiently funded, understaffed and under skilled with weak institutions which means that they are often overlooked by higher forms of government and sponsors when it comes to policy, development and decision-

making (Hoogendoorn and Visser, 2016: 101). This is problematic for culture-led development as local government capacity building is likely to be an important factor in the success of the CCIs in small towns since their development is driven by local policy-makers who integrate and nurture the CCIs within their towns (Daniel *et al*, 2016). Service delivery (or the lack thereof), infrastructure provision and social interventions are also often of poor quality (Atkinson, 2007: 182; Marais *et al*, 2008: 52). In fact, the Auditor General of South Africa (2018), found that many municipalities were dysfunctional as in general, accountability continues to fail, audit outcomes regress, and irregular spending increases, which has negative consequences on the lives of the municipal populations. This does not bode well for the CCIs as for them to locate in large numbers and form clusters, places should have relatively high levels of development with good hard infrastructure as well as relatively wealthy and educated populations (Florida, 2002a: 753-754).

Part of the problem related to the failure of local government is national policy which tends to be applied in a blanket fashion across South Africa and so does not account for differences across space or settlement type (Atkinson, 2007: 274; Rogerson, 2011: 149). National developmental policies have made no particular provision for coherent socio-economic developmental support strategies aimed directly at small towns and their struggling institutions and government structures (Atkinson, 2007: 270; Rogerson, 2011: 163). However, the narrow empirical base of research on small towns means that it is unlikely that policies suited to these areas will be extracted from existing data, as generic development challenges cannot be extrapolated from the limited evidence base (Hoogendoorn and Visser, 2016: 100).

Communities in small towns are often divided along socio-economic and racial lines. On one hand, there are wealthy permanent residents, retirees and second home owners who are usually part of a small white population and who generally receive the benefits of tourism and other post-productivist development initiatives as they have the means to capitalize on them (Donaldson, 2009: 90; Steyn and Ballard, 2013: 4). On the other hand, large proportions of black and coloured population groups are often economically marginalized due to apartheid legacies as there are comparatively few opportunities available to them in the post-productivist economy where skills are usually required to participate (Donaldson, 2009: 90; Steyn and Ballard, 2013: 4). Moreover, scarcely any benefits of these activities accrue to them

as they do not have the means to take advantage of these opportunities and so remain in the status quo (Donaldson, 2009: 90; Steyn and Ballard, 2013: 2). For example, in the craft industry which is strongly linked to cultural tourism, there are wealthier artists who are able to open small studios and thereby take advantage of tourism and there are artists (usually from townships) who do not have any formal premises and so struggle to access potential consumers (Hay, 2008: 1-2; Rogerson, 2010: 120-121).

Due to the decline and contraction of industries (agriculture, mining and railways) that traditionally employed large numbers of people and the undiversified nature of small town economies, there is a severe shortage of employment opportunities (Hoogendoorn and Visser, 2016: 97). Accordingly, unemployment is one of the most pressing issues in small towns and is likely to continue as the CCIs in South Africa tend to employ smaller numbers of people in small, medium and micro-sized enterprises (SMMEs) so are unlikely to be the sole solution (DAC, 2014a: 17). This means that a large proportion of small town populations are dependent on welfare grants and in some cases, especially in small towns where opportunities are limited, welfare grants have become the primary form of income for the community (Irvine *et al*, 2016: 389). The unemployment and poverty problems in small towns are important to consider in CCI development and policy decisions as they influence consumer spending and thus the potential of the population to support the CCIs since the consumers of CCIs are generally wealthier. Furthermore, issues of accessing CCI markets need to be considered so that inequality problems do not worsen through gentrification (Donaldson, 2009: 89; Hoogendoorn and Visser, 2010: 53; Irvine *et al*, 2016: 396).

3.3.3. The Decline of Traditional Industries and the Rise of Post-productivism

Historically, South Africa has depended on agriculture and mining economically. In fact, it was the mining industry that acted as the catalyst in South Africa's industrial revolution from the 1870s, when the industry experienced a boom and prosperous mining towns arose (Nel and Binns, 2007: 198). Consequently, the shrinking of the mining industry has resulted in the small mining towns falling into economic difficulties. This has been particularly noteworthy in the

former coal-mining towns of KwaZulu-Natal and the former gold-mining towns of the Free State and North West (Nel and Binns, 2007: 197). In terms of agricultural contraction, the number of farms in the Karoo (part of which falls into the SBD) halved between 1930 and 2002 and so, even though the amount of land under cultivation remained the same, it resulted in a loss of livelihoods for many people (Hoogendoorn and Nel, 2012: 23). Additionally, linked to the contraction of industry are changes to the rural hinterlands, where a loss of state and transport systems, a loss of urban functions and local governance changes relating to their amalgamation under local municipalities have all contributed to the decline of small town economies (Hoogendoorn and Nel, 2012: 21).

The decline of the traditional industries has resulted in a shift towards post-productivism in small town economies. The term “post-productivism” became commonly used in the 1990s by rural geographers to describe “the emergence of a new era of agricultural production” (Woods, 2011: 79). This discourse challenges productivism, a period which prioritized increasing agricultural production through intensification, concentration and specialization (Woods, 2011: 67; Almstedt, 2013: 10). However, there was a reaction against over-production, harmful environmental practices, poor food quality and animal welfare in the 1980s which led to reform in what has become known as the post-productivist shift (Almstedt, 2013: 10). Amongst others, this concept has also been applied to rural governance and land use change and has become popular in small town policy discourse. (Almstedt, 2013: 10). It calls for rural areas to be seen as multifunctional rather than for solely agricultural purposes and so advocates for the diversification of rural economies (Wilson 2001: 100; Mather *et al* 2006: 441). Post-productivism therefore promotes alternative forms of rural economic activity which are innovative and of high-value as well as including a wider range of actors and institutions in decision making (Macken-Walsch, 2009: 22). The CCIs fit this discourse well as their products are usually of higher value and they are renowned for innovation.

In order to mitigate the effects of the decline, small towns need to identify new development opportunities and take control of their own futures (Hoogendoorn and Nel, 2012: 31). In essence, they need to reinvent themselves. Those that have been successful in this regard have relied more on the characteristics of the town itself rather than its rural hinterland to provide an economic boost (Toerien and Marais, 2012: 5). This relates to sense of place and

the significance of place as local characteristics and assets; cultural, historical and physical, are given economic value (Halseth and Meiklejohn, 2009: 293; Ingle, 2012: 209). Small towns can therefore attempt to harness their cultures in the form of cultural heritage sites, practices (music, dance and performance) and production (arts and crafts) in order to diversify and attempt to promote cultural tourism and the CCIs as a new economic driver. Accordingly, many South African small towns are pursuing culture-led development through tourism by exploiting the characteristics that make them special and linking the CCIs to these characteristics through the encouragement of tourism related SMMEs like local arts and crafts souvenir stalls (Richards, 2011: 1225-1226; Hoogendoorn and Nel, 2012: 25; Hoogendoorn and Visser, 2016: 99; Irvine *et al*, 2016: 386).

The rise of post-productivism in small town South Africa is linked to the phenomenon of counter-urbanization amongst professionals or the creative class from the mid 1990s who attempt to escape busy city life and find genuine peaceful rural lifestyles (Ingle, 2013: 55). This has been made possible through improvements in transport as well as internet connectivity and other telecommunications improvements (Ingle, 2013: 55). There has also been an increase in economic activity and diversity within small towns in terms of the appearance of new types of businesses, including CCIs (Halseth and Meiklejohn, 2009: 295; Ingle, 2013: 57). This suggests that some creatives are relocating to small towns in search of a lifestyle change and so new small CCI businesses are opened (Waitt and Gibson, 2009: 1225). In turn, the greater CCI activity makes small towns more attractive to other creative class members and so the expansion of the creative economy continues as demand for CCI goods and services increases and more new CCI businesses are established (Waitt and Gibson, 2009: 1225; Ingle, 2013: 57).

Counter-urbanization also manifests itself in the market for second homes as there is a phenomenon, mainly amongst wealthier professionals from cities, of purchasing second or holiday homes in quiet small towns in areas of natural beauty, often on the coast (Hoogendoorn and Visser, 2011: 188-189). In addition to natural beauty, towns that are rich in amenities and have a significant presence of CCIs are often popular with second home owners as they provide leisure activities and entertainment (Halseth and Meiklejohn, 2009: 295; Hoogendoorn and Visser, 2011: 189-192). Wealthier second home owners increase

demand for CCI goods and services and so larger numbers of CCIs can be supported in small towns like Clarens in the Free State and Rhodes in the Eastern Cape where the number of tourist activities, including CCIs like art galleries, have risen (Hoogendoorn *et al*, 2009: 80; Hoogendoorn and Visser, 2011: 192). The increase in tourism activities related to second home ownership has been beneficial to the economies of the small towns. For example, the second home owner community in Rhodes contributed a total of R1 546 987 to the local economy through tourist spending and home maintenance as well as providing job opportunities for the local community (Hoogendoorn *et al*, 2009: 80-81). Of this total, R16 752 was spent in art galleries by second home owners and tenants which is not insignificant for a small hamlet like Rhodes (Hoogendoorn *et al*, 2009: 80). However, this impact is highly seasonal and so the second home phenomenon, though contributing significantly to the support of the CCIs in small towns, is not a reliable source of income or employment opportunities for the local community (Hoogendoorn *et al*, 2009: 80). This means that the phenomenon may contribute towards larger numbers of CCIs but is unlikely to adequately address problems of poverty, inequality and unemployment and so development levels may remain low.

3.3.4. The Post-productivist Shift in the SBD

Following the national trend, many of the towns in the Sarah Baartman District were established on the basis of agriculture, the main economic activity in the district, and benefited from the extension of the railways (SBDM, 2016; Karoo Space, 2018). However, many SBD small towns have moved into a state of decline as statistical data (Census 2011) shows that they face many challenges including a stagnating economy, high unemployment, poverty, wealth divisions, poor service delivery, a lack of amenities and poor development (Statistics South Africa, 2018). A commonly raised suggestion for solving these issues in small towns has been to target tourism SMME development as a LED strategy since several studies have reviewed the potential of tourism as an economic and development driver and found that it has great potential (Hoogendoorn and Visser, 2016: 99). The potential of culture as a development driver has been recognized by the District authority but there are only a few initiatives that directly target culture through supporting the arts and tourism that is based

on history, festivals, fine arts and crafts and natural heritage (Lankester *et al*, 2016: 32-33). For example, Grahamstown markets itself as a “Creative City” and hosts the National Arts Festival annually while Nieu Bethesda has created a tourism industry inspired by the arts as Athol Fugard’s “The Road to Mecca” (1984) helped to iconize the Owl House museum (Grahamstown Creative City, 2014; Irvine *et al*, 2016: 386-387). Accordingly, the post-productivist shift seems to have occurred in the Sarah Baartman District.

However, there are doubts about the potential success of post-productivism, as some believe that, while it may have benefited rural areas in developed countries, it cannot positively impact rural and small town South Africa (Irvine *et al*, 2016: 388). This is due to the legacy of apartheid, which manifests itself in inequality and poverty, and still affects a large proportion of the black and coloured populations (Irvine *et al*, 2016: 388). These population groups make up the bulk of the agricultural and mining work forces and so were adversely affected by the contraction of these industries since they suffered job and livelihood losses. However, due to the apartheid hangovers of low skill and education levels, the potential of post-productivism to make a difference to these groups is questioned (Irvine *et al*, 2016: 388).

3.4. The Eastern Cape

The Eastern Cape (EC) is the second largest province in South Africa and has the third largest provincial population at almost 7 million people, which is equivalent to 13% of the country’s total population (Statistics South Africa, 2016a: 12-17). However, it is one of the poorest provinces in South Africa with 12.7% of the population living in poverty (Statistics South Africa, 2016b: 3). The economy is primarily agricultural, but this sector is no longer capable of providing large numbers of jobs due to mechanization and the increase in average farm sizes, which are national trends. The majority of the population are relatively unskilled as only 35% of people over 20 have completed secondary education, while only 3% have a tertiary education (Statistics South Africa, 2016a: 64). Despite this, there has been considerable social progress since 1994 as in 2016, 75% of sampled households had access to clean, piped drinking water and 87% had access to electricity (Statistics South Africa, 2016b: 4).

3.4.1. Cultural Policy in the Eastern Cape

The Department of Sports, Recreation, Arts and Culture (DSRAC) is responsible for managing provincial cultural affairs, recreation and amenities as well as libraries, archives and museums that are not under national government (DSRAC, 2018). Their mandate is to “ensure access to, increased participation in, and transformation of the sport, arts, culture and recreation sectors in a manner that yields optimum social and economic benefit for all in the province and promotes nation-building and social cohesion among its people” (DSRAC, 2018). The Cultural Affairs programme aims to achieve these objectives by developing and funding the performance arts and visual arts and crafts; promoting and preserving cultural heritage, particularly through museums; producing stories that facilitate healing, dialogue and trust; and implementing national pride programmes (DSRAC, 2015: 9; DSRAC, 2018). Furthermore, DSRAC seeks to attain a creative economy as one of its strategic goals, for which they have defined five objectives and an accompanying set of targets (DSRAC, 2015: 20). See table 3.2. One policy initiative for realising this strategic goal is Equal Opportunities, Inclusion and Redress, which aims to support previously disadvantaged artists and develop rural areas (DSRAC, 2015: 10).

Table 3.2: Strategic Objectives and Targets for Attaining a Creative Economy

Strategic Objective	Objective Statement	Baseline (2015)	Target (2019)
Increase the number of capacitated artists	Increase skills acquisition in visual arts, crafts, music, performing arts, culture and film	811 trained artists	2000 trained artists
Increase visitor numbers to government aided cultural heritage attractions	Attract and encourage people to engage in historic and cultural activities	Increase visitor numbers by 2% of EC population (131 241)	6 562 053 visitors per annum

Increase public participation in organized and selected arts, culture and heritage activities	Encourage healthy competition amongst artists and instil a sense of pride and self-identity to communities through arts and culture	21 145 volunteers	1 045 000 volunteers
14 national days hosted and celebrated per annum up to 2019	Use national days as a platform for promoting constitutional values	14 national days per annum	14 national days per annum
At least 1 African language is included in all official correspondence	Transform the utilization of currently marginalized languages	One official language used	Four official languages used

Source: (DSRAC, 2015: 27-28)

To help achieve the goal of attaining a creative economy, the Eastern Cape Provincial Arts and Culture Council (ECPACC) was established as a public entity of DSRAC in 2000 (ECPACC, 2015: 9). ECPACC is primarily a grant funding entity that aims to “promote, support, develop, protect and preserve the arts, enhance public appreciation and participation in the arts and ensure the development of a broad, inclusive and identifiable Eastern Cape culture” (ECPACC, 2015: 8). The Council has prioritized threatened and marginalized cultural and creative activities, practitioners and languages and through their programmes, are attempting to revitalize and mainstream them (Lankester *et al*, 2016: 29). Through the Attainment of Excellence Programme, the ECPACC aims to nurture and develop projects of excellence in the fields of arts, crafts, music, dance, film, publishing and language (ECPACC, 2015: 22). This has benefited the SBD as the council partnered with the National Arts Festival to help Eastern Cape artists to stage productions and run arts and crafts stalls (ECPACC, 2015: 22).

3.5. The Sarah Baartman District

3.5.1. An Overview of the SBD

As an attempt to redress the marginalization of the Khoikhoi people, the Cacadu District was renamed as the Sarah Baartman District in 2015 after a Khoikhoi woman (1789-1815) who led a tragic life of performing in London freak shows and, after her death, having her body exhibited until 1974 (SBDM, 2016). It is the largest of the eight Eastern Cape districts, covering 34% of the province and, at 58 243km², the district is bigger than many small countries including Denmark and the Netherlands (SBDM, 2017: 1). The SBD was comprised of nine local municipalities until 2016 when three municipalities (Baviaans, Camdeboo and Ikwezi) were merged into one, the Dr Beyers Naudé Local Municipality. However, for the purposes of this research, nine municipalities are used because the study utilises Census 2011 data which was captured before the merge. Furthermore, the three municipalities are quite distinctive in terms of their economies and CCI activity, which makes it more interesting and meaningful from a research point of view to treat them separately in the analysis of their CCIs and socio-economic development status. Table 3.3 lists the nine municipalities and their respective towns that were captured in the study.

Table 3.3: The nine SBD Local municipalities and their Captured Towns

Local Municipality	Captured Towns
Blue Crane Route	Cookhouse, Kommadagga, Pearston and Somerset East
Kouga	Hankey, Humansdorp, Jeffreys Bay, Loerie, Patensie, St. Francis and Thornhill
Kou-Kamma	Joubertina, Kareedouw and Storms River Village
Makana	Alicedale, Grahamstown, Riebeek East, Salem and Sidbury

Ndlambe	Alexandria, Bathurst, Boknes, Kenton-On-Sea and Port Alfred
Sundays River Valley	Addo, Kirkwood and Paterson
Dr Beyers Naudé	
Baviaans	Reitbron, Steytlerville and Willowmore
Camdeboo	Aberdeen, Graaff-Reinet and Nieu-Bethesda
Ikwezi	Jansenville and Klipplaat

Source: (SBDM, 2016; Own Work)

The district lies in the western portion of the Eastern Cape and so borders the Western Cape and Northern Cape provinces as well as two other Eastern Cape district municipalities, Amathola and Chris Hani (SBDM, 2017: 1). Furthermore, the SBD wholly surrounds the Nelson Mandela Bay District Municipality which governs Port Elizabeth (one of the biggest metropolitan ports in SA). Figure 3.3 below shows the geographical context of the SBD. The district's natural environment is extremely diverse as it contains six of the nine South African biomes, making it a conservation hotspot with rich biodiversity (SBDM, 2017: 58). Accordingly, the district is home to three National Parks and one UNESCO world heritage site (SBDM, 2017: 1). Due to their natural beauty and renowned game viewing, the parks are major tourist attractions to the area and have significant spillover effects on the CCIs through additional visits to CCI attractions like museums and spending on CCI goods and services such as arts and crafts items as souvenirs.

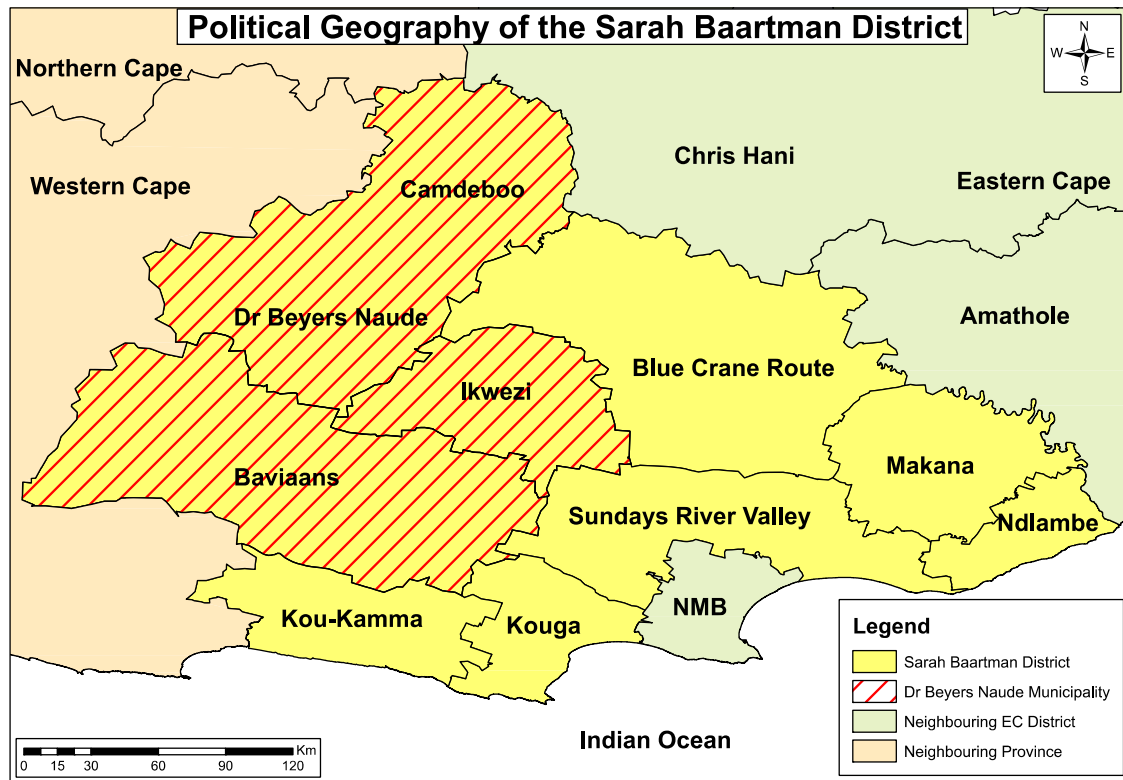


Figure 3.3: The Political Geography of the SBD

Source: (Own Work)

Even though the SBD is the largest district in terms of land mass, its population is comparatively small at 479 923 people, or 6.8% of the total Eastern Cape population (Statistics South Africa, 2016b: 3). Consequently, the district has the lowest average population density in the province of 8.2 people per km² (SBDM, 2017: 15). This settlement pattern can be explained by the combination of the district's vast area, land cover (nature conservation areas) and land use (agriculture), which has resulted in no large urban centres. In terms of population size, 50% of the overall SBD population reside in the municipalities of Makana, Ndlambe, Kouga and the Camdeboo region of Dr Beyers Naudé (SBDM, 2017: 15). A possible explanation for this distribution is rural depopulation which is linked to work opportunities (a national trend), as people have concentrated in the four biggest towns in the district: Grahamstown, Port Alfred, Jeffreys Bay and Graaff-Reinet respectively. The remaining municipalities are either characterized by land conservation or extensive farming practices (low labour, fertilizer and capital inputs compared to the area of land under

cultivation), which results in small sparse settlements with low populations as there are not many work opportunities, either on farms or in towns.

The SBD has serious issues of unemployment, poverty and inequality. In 2016, the unemployment rate (using the narrow definition) was 17.8%, with Makana having the highest unemployment rate of 26% and the Sundays River Valley having the lowest rate of 10% (ECSECC, 2017: 47-48). Despite these issues, improvements have been made to living conditions as 87% of sampled households lived in formal housing and 92% had access to piped water and electricity (Statistics South Africa, 2016b: 4). However, education levels remain low as only 35% of people over 20 had completed secondary school (Statistics South Africa, 2016a: 64). This is important in analysing the district's CCIs and the extent of clustering as theory suggests that they require skilled or semi-skilled labour inputs and that their consumers are usually members of the creative class and so are more educated and wealthy.

The district economy has not yet recovered from the 2008-2009 Financial Crisis as economic growth peaked in 2007 at 9.79%, but was only 3.41% in 2016 (ECSECC, 2017: 23). However, it had the fourth highest GDP of R34.2 billion out of the eight Eastern Cape districts and thus contributed 10% to the province's total GDP (ECSECC, 2017: 22-23). Of the nine municipalities, Kouga performed best with a contribution of R10.5 billion, or 31%, to the district's GDP, while the Blue Crane Route made the lowest contribution of R1.92 billion (ECSECC, 2017: 25). Figure 3.4 below shows the GDP contribution of each of the SBD's seven current local municipalities. The various GDP contributions of the municipalities are important as theory suggests that areas with higher economic growth will have larger numbers of CCIs, CCI clusters and a larger creative class (Florida, 2002b).

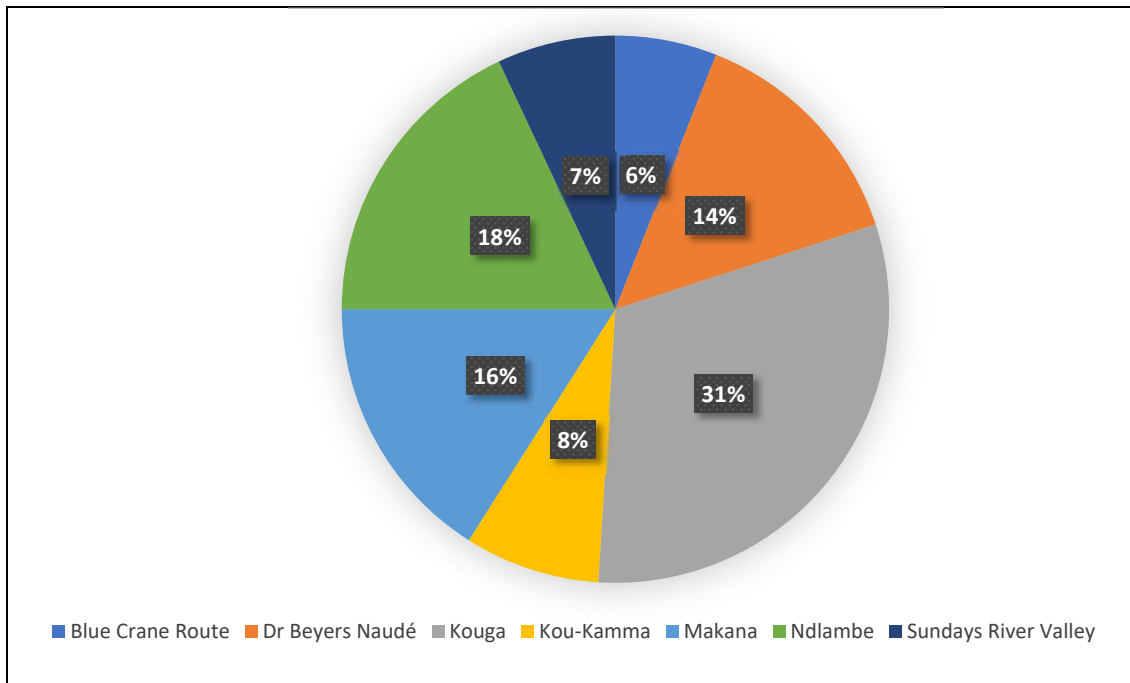


Figure 3.4: 2016 GDP Contributions of the SBD Municipalities

Source: (ECSECC, 2017: 25)

In terms of gross value added (GVA), the leading sector, community services accounted for 29% (R9 billion) of total District GVA while the traditional economic driver, agriculture, is only the sixth largest sector-based contributor to total district GVA at 8%, or R2.5 billion (ECSECC, 2017: 27; SBDM, 2017: 23-26). However, the trade sector, including retail and tourism, is the second largest GVA contributor at R7 billion (22%) and is substantial across all of the municipalities (ECSECC, 2017: 27-29; SBDM, 2017: 24). This is significant as the tourism sector includes CCIs which act as tourist attractions and highlights the links between the ACH and tourism sectors (Rogerson, 2010: 115). Therefore, it can be deduced that the CCIs appear to be contributing quite substantially to the economy of the district through cultural tourism and they could thus possibly be a viable alternative economic driver to agriculture. Furthermore, cultural tourism related GVA performance can be used as leverage to lobby for government investment into the CCIs.

3.5.2. Cultural Policy in the SBD

The vision of the SBDM is to be an “innovative and dynamic municipality striving to improve the quality of life for all communities (SBDM, 2017: 4). Their Integrated Development Plan (IDP), is a five-year plan that serves as an “incremental building block” to achieving the three priorities of economic, human and infrastructure development (SBDM, 2017: 70). Accordingly, the development strategy framework for the District is outlined in the Socio-Economic and Enterprise Development Strategy (SEEDS). The SEEDS approach is based on seven core strategies which are the result of a review of international rural regeneration strategies and trends as well as an analysis of the District’s past experiences (SBDM, 2017: 66). Though not explicitly linked to the CCIs, these strategies have the potential to be highly beneficial. The first two strategies, increasing agricultural income and investing in natural capital, offer potential spillover effects to the CCIs through higher cultural and creative consumption based on higher disposable incomes and improved natural environments attracting more tourists. The other strategies may have a more direct impact: broadening economic participation will increase the number of people participating in the cultural and creative economy; improving education levels and developing skills will allow people to enter the CCI job market; improving connectivity and utility infrastructure, such as developing rural broadband, will help CCIs connect to markets and improve management; regenerating core towns can be achieved through investing in tourism and the CCIs to create cultural and creative precincts (a successful technique used in urban environments like the Maboneng Precinct and the Newtown Arc); and finally, building local and regional networks will increase CCI production.

SEEDS also focuses on developing SMMEs, which it calls the District’s “engines for growth” as they make significant contributions to GDP, employment and rural livelihoods and so reduce inequality (SBDM, 2017: 233). In order to increase the number of start-ups and boost the prospects of existing SMMEs, the district plans on introducing strategies and policies to guide and direct SMME development through the creation of appropriate and conducive business environments, providing training and programme monitoring in order to ensure stakeholder engagement (SBDM, 2017: 234). This will be beneficial to the CCIs as the DAC (2014a: 17)

mapping study found that, on average, CCI organizations are comprised of six employees and so are classified as SMMEs.

The SBDM have announced their commitment to facilitating LED which is aimed at creating new, decent and sustainable jobs as well as supporting enterprise development, retention and expansion (SBDM, 2017: 74). There are 16 focal points of LED intervention that the district government has identified. The creative industries and heritage have been directly identified as target sectors with a large developmental potential (SBDM, 2017: 75). Moreover, other overarching LED focal points, like SMME development, tourism marketing and development and networks, will also benefit the CCIs (SBDM, 2017: 75). The SBDM has also recognized that in order to achieve the aims of LED, regional cooperation is required across sectors, governments and institutions (SBDM, 2017: 75).

There are also a few development schemes that are specifically aimed at the CCIs. For instance, the SBDM has committed to providing financial support to one major festival in the District every year in order to build and sustain local talent (Lankester *et al*, 2016: 32). Several SMME development initiatives within the CCI sector also received funding to the amount of R530 000 (Lankester *et al*, 2016: 33). Furthermore, there are attempts to carry out CCI based LED initiatives on a municipal level such as the development of a citrus agri-tourism route in the Sundays River Valley, the creation of natural fibre clusters and tourism routes across mohair and merino producing municipalities, the conduction of a feasibility study of township tourism in Camdeboo and the establishment of a partnership with the National Arts Festival in Makana (SBDM, 2017: 235).

3.6. Conclusion

This chapter has outlined the economic and policy backgrounds at the national, provincial and district levels in addition to contextualising South African small towns. Even though the CCIs are making a substantial contribution to South Africa's GDP and are creating employment opportunities on all levels, there is little policy that directly applies to the CCIs or the ACH sector on a more local scale. Rather, general sectoral policies can also be applied to the CCIs

and, though these policies will help the sector, it is not enough to propel it forward so that it can have the desired impacts on economic growth and job creation. A specialised local policy approach to the sector is required for it to thrive as the CCIs within the country are highly diversified and have different characteristics, needs and challenges based on location. An overall national or provincial policy cannot adequately address all of the subtle nuances that characterize the sector in small towns and cities with differing economic bases, or in distinctive cultural areas with diverse histories and heritages. Furthermore, the policy documents discussed in this section are subject to the problem that plagues most of the country's policies: implementation failure. This can be seen in the national policy as the DAC reports that targets have not been met and programmes and funding are often delayed (DAC, 2014b: 62; DAC, 2017a: 44).

This section also introduced the Sarah Baartman District. The general background information about the District will be important to understanding what CCIs exist where and the possible reasons for this pattern. Moreover, the background knowledge about the economy, demographics and socio-economic development status is necessary to make policy and LED strategy suggestions based on the findings of the study. Chapter 4 will continue with an explanation of the methods used to collect data on the CCIs within the District in order to construct the Micro-regional SBD database, how multiple correspondence analysis was used to create a socio-economic status index for the SBD and finally, how three maps were made using GIS to analyse the data and subsequently answer the research questions.

Chapter 4: Methods

4.1 Introduction

The following chapter outlines the methods used to collect data on the cultural and creative industries in the Sarah Baartman District, the creation of the socio-economic status index and the GIS mapping process. This information was utilized to answer the research questions of what CCIs occur where and whether small town CCI clustering is possible, as well as to interrogate the link between the CCIs and socio-economic development. Furthermore, from the data analysis, conclusions about the comparative advantage of various UNESCO domains could be drawn and recommendations could be made for district and municipal level cultural policy and development programmes. This is not the first study to map the CCIs in the SBD. The DAC 2014 national mapping study included CCIs in the SBD and a regional study was conducted in 2016. While these studies were useful and important, they failed to adequately capture all CCIs and all small towns in the district. It is imperative that data collection be as accurate as possible, because in the case of small towns, overlooked CCI businesses or towns could have a large impact on the results of the study. Accordingly, this research was conducted in quite fine detail.

This chapter begins by setting out the research methodology before continuing to describe how CCI data was collected and how the micro-regional database was created. The section continues with an explanation of how the municipal level socio-economic status index for the SBD was made using multiple correspondence analysis. Finally, the chapter reports on how the three district maps were produced using geographic information systems, before concluding.

4.2 Methodology

This thesis falls under the quantitative research approach as it collects facts and studies the relationships between sets of facts using numerical data (Bell, 2010: 5). In this case, facts about the CCIs in the SBD were collected and facts were gathered from Census 2011 in order to answer the research questions. Quantitative research techniques consequently usually produce quantified and generalized conclusions (Bell, 2010: 5). Under the umbrella of the quantitative approach, this thesis follows a positivist research philosophy. Positivism is a research philosophy adopted from the natural sciences and has three basic principles; the social world exists externally and is viewed objectively; research is value free; and finally, the researcher is independent and takes the role of an objective analyst (Blumberg *et al*, 2008: 20). Therefore, according to the positivist philosophy, knowledge develops by examining the social reality, or our world, through the objective observation of facts (Blumberg *et al*, 2008: 20). Thus, different researchers investigating a phenomenon will arrive at the same facts which describe the social reality (Blumberg *et al*, 2008: 20). This is true of this research as another study conducted at the same time under similar conditions would find the same CCIs and get the same socio-economic status index results using an MCA analysis of the chosen variables. In other words, the study can be replicated. Moreover, it is possible for the study to be generalized to areas with similar conditions. A summary of the research methods can be found in figure 4.1 below.

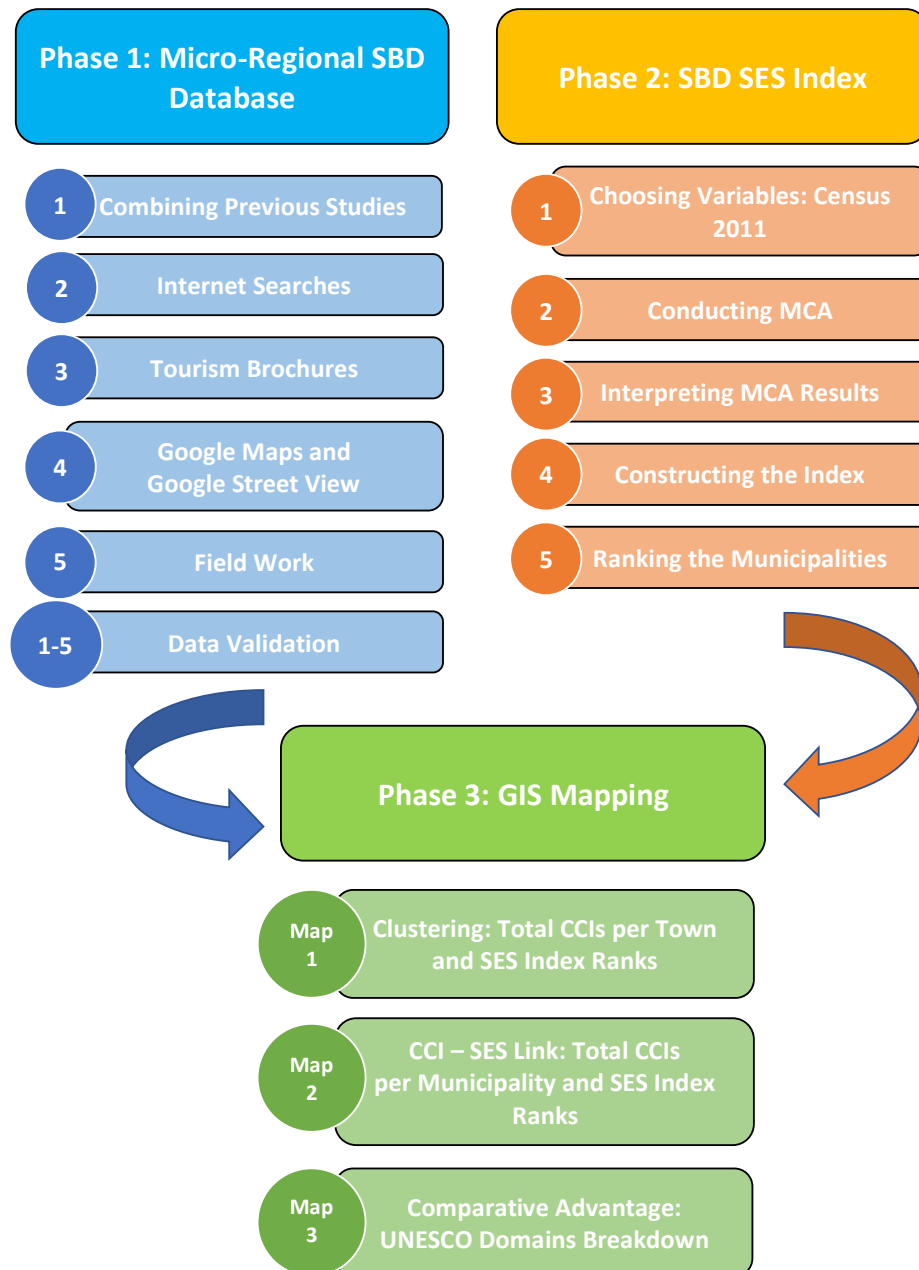


Figure 4.1: Summary of Research Methods

Source: (Own Work)

4.3 The Micro-Regional SBD Database

4.3.1 A Good Starting Point: The 2014 DAC Mapping Study

The investigation of South Africa's CCIs began in 2014 when the Department of Arts and Culture commissioned a national mapping study of the country's CCIs (DAC, 2014c). The project sought 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, 2014a: 22). To identify the country's CCIs, internet searches; contacting key institutions, newspapers/magazines and union bodies; as well as snowball sampling techniques were used (DAC, 2014a: 59). Snowball sampling is defined as a nonprobability sampling technique where existing research participants refer other participants to the researcher and these participants suggest more participants and so the process continues (Noy, 2008: 330). This technique is particularly useful in cases where potential participants are hard to find. In theory, like a snowball, once the ball starts rolling, it collects more and more snow so increases its size (Noy, 2008: 330). The DAC study was the first of its kind for South Africa and represented a large step forward in acknowledging the importance of the CCIs to the country's economy. However, as a national study, it did not adequately capture information on a small scale and so can only be used to discuss national trends, as there is insufficient information to conduct CCI research on a local scale. Despite this, the DAC mapping study did provide a good starting point for the micro-regional study.

The layout of the audit of the CCIs from the DAC mapping study (2014c) provided a basic outline of the information that would be captured in the 2017 micro-regional study. Thus, the information captured was the business name, address and contact details, the type of business (organization, individual or monument), the type of goods and/or services offered, the UNESCO domain, the global positioning system (GPS) co-ordinates, the town, municipality and postal code as well as the tourism brochures and business directories in which the businesses were advertised. In the data collection process, a range of techniques were used to try and find as many CCIs as possible including conducting internet searches, consulting

tourism brochures and business directories, conducting virtual searches of the towns using Google Maps and Street View as well as field trips. It should be noted that the CCI sector is highly changeable and so, to the knowledge of the researcher, the micro-regional database was correct as of the end of August 2017 when all fieldwork was completed. An example of the micro-regional SBD database can be viewed in Appendix A for the town of Bathurst which has a wide range of domain activity. The full micro-regional database is available on request.

4.3.2 Drawing on Previous Studies

The first step in creating the micro-regional SBD database was to extract the data points relating to the SBD from the national DAC study (2014c). According to this study, there were 202 CCI firms operating in 20 towns within the district. This figure includes Natural Heritage like private game reserves and national parks under the UNESCO FCS domain “Cultural and Natural Heritage”. However, natural heritage is not usually considered as a part of the ACH sector in South Africa as it is governed by a separate body, the Department of Environmental Affairs, which is responsible for the overseeing of the conservation of the country’s biodiversity, landscapes and associated heritage assets through a system of national parks (Department of Environmental Affairs, 2018). Accordingly, the governing body of arts and culture in South Africa, DAC, has no jurisdiction over the country’s natural heritage and so cannot enact policies affecting this domain category. The natural heritage data points were therefore removed from the DAC (2014c) data set for the SBD and were also not included in the 2016 regional study. The DAC (2014c) study also contained data points classified under tourism. This is a related domain under the UNESCO FCS and so was also excluded from the latter data sets. These two studies only considered the six main domains as they sought to investigate purely cultural and creative activity occurring within the district.

The next step was to clean the DAC (2014c) study data and so each data point had to be checked. It was found that several businesses’ domains had been misclassified, GPS co-ordinates were entered incorrectly (using both the decimal degrees and degrees minutes seconds co-ordinate capturing systems), and information was either missing or “not available” for many of the entries (especially contact details and websites which made it

difficult to track down some of the businesses). Furthermore, it was found that many of the captured CCI businesses were no longer operational. After the fact checking was complete, the number of CCIs operating in the SBD from this database had been reduced from 147 firms (excluding natural heritage and tourism) to 94 firms.

The correct data points from the DAC (2014c) study were then combined with the 2016 regional study of the SBD. This is a mapping study that was commissioned by the SBD in order to “provide a set of recommendations to undergird the development of a regional policy for the arts, culture and heritage sectors, as well as an accompanying funding framework” (Lankester *et al*, 2016: 5). The 2016 regional study conducted an audit of CCI organizations in the SBD with a focus on their location and type in order to produce their database (Lankester *et al*, 2016: 5). The creation of the database involved isolating CCIs in the SBD from the DAC (2014c) study, internet searches, telephone enquiries, key stakeholder interviews and interviews with a sample of CCI businesses in the Camdeboo, Kou-Kamma, Makana and Ndlambe municipalities which were focused on cultural clusters (Lankester *et al*, 2016: 5). This study identified a total of 441 CCIs operating in the SBD. The CCIs captured in this study were verified during the data collection process for the micro-regional SBD database. However, in order to identify clusters and dominant domains in small towns, a finer scale study needed to be conducted, and so the combined data set was updated to account for the changes between 2016 and 2017, and more towns were investigated.

4.3.3 The Pursuit of New CCI Data

4.3.3.1 Desk Study

There is a strong link between the CCIs and tourism which has been recognized by the UNESCO FCS as a related domain. This link to tourism was exploited in identifying CCIs within the region. The process of finding CCI businesses in the SBD thus began with conducting internet searches and consulting tourist brochures as many CCI tourist activities were highlighted by these platforms.

Major tourist websites like Tripadvisor were useful in providing background information on the towns and general overviews of activities. The CCI activities highlighted on these websites tended to depend on the characteristics of the town. For instance, towns like Addo which is associated with the Addo Elephant National Park, tended to have a focus on natural heritage tourist activities like safaris and hikes. On the other hand, towns with significant cultural heritages and events like Graaff-Reinet and Grahamstown tended to be featured for their museums, festivals and local visual arts and crafts businesses. Many of the smaller towns in the region were not listed on the major tourist websites, but, due to the identification of tourism as a potential new development driver in the SBD, several small towns and municipalities had developed their own dedicated tourism websites. For instance, Baviaans Tourism (2017) has set up a detailed tourist website and published two brochures on the towns of Willowmore, Steytlerville and Reitbron while some individual towns (Grahamstown, Jeffreys Bay, Graaff-Reinet, Nieu-Bethesda, Port Alfred, Bathurst, Aberdeen and Somerset East) had comprehensive tourist information websites and/or brochures.

The tourism brochures proved to be the most useful technique of collecting CCI data on small towns apart from field research. The brochures served three main purposes. Firstly, they provided information on a wide variety of CCI related tourist attractions, especially those in Cultural Heritage, Visual Arts and Crafts and Performance and Celebration (mainly festivals). Secondly, they included advertisements for local businesses which included contact details as well as descriptions of the goods and services produced. Thus, CCI businesses that were not featured in the “places of interest” section of the brochures were also identified. These businesses included pottery studios, art galleries, jewellery makers, book shops, specialized arts and crafts shops, handmade clothing stores and restaurants or coffee shops that also act as an outlet for locally produced arts and crafts. Lastly, the brochures often included a map of the town with the locations of both the places of interest and many of the local businesses. The maps were especially useful for the field work as they provided a general idea of the layout of the town and which areas to target in the search for CCI activity. The brochures were a generally reliable source of information as they were published recently (2015-2017) and so accounted for the volatility within the cultural economy. Internet searches were not as reliable since websites may not be updated or taken down if a business closes down.

Additionally, business directories published in 2017 were consulted that were particular to the Eastern Cape, an SBD municipality or a town.

Virtual tours of the towns were also taken using Google Maps (2017) and Google Street View (2017). These programmes were used as a follow up technique to verify CCI businesses found by the internet searches, brochures and directories as businesses are able to add their locations and link their websites and contact details to Google Maps. Furthermore, the CCI businesses that did not have an online presence could be investigated using Street View if they provided a street address. However, the main use of these programmes was to provide a geographic layout of the towns in order to identify target areas for possible CCI locations before entering the field. This improved the efficiency of the field work as possible areas of high CCI concentration had been pre-identified and searches for CCIs then spiralled outwards from these main areas using snowball sampling.

4.3.3.2 Field Work

In order to identify CCIs not found in internet searches, brochures or directories and to ground truth these data points, field trips were conducted to 31 of the 35 SBD towns included in the micro-regional database. The towns that were not visited were Reitbron, Kommadagga, Storms River Village and Sidbury due to the difficulty in reaching them (poor quality dirt roads and long distances) as well as time constraints. There were also some very small hamlets in the SBD such as Seven Fountains and Kendrew that were not included. These are similar in size and ease of access to Kommadagga where only two CCIs could be found using the desk study techniques. Given their similarities to Kommadagga and a Google Maps search (Street View imagery was not available), these small rural hamlets were not included as they did not appear to have more than one or two CCIs, probably historic sites. For the rest of the SBD towns, field trips were conducted over a one-month period in 2017. Table 4.1 provides a summary of these trips.

Table 4.1: Summary of Field Trips to SBD Small Towns, 2017

Date	Towns
27 th – 28 th July	Thornhill, Jeffreys Bay, St Francis, Hankey, Patensie and Loerie
30 th July	Bathurst and Port Alfred
1 st – 2 nd August	Riebeek East, Cookhouse, Somerset East, Pearston, Nieu-Bethesda and Graaff-Reinet
5 th August	Salem, Kenton-On-Sea and Alexandria
8 th August	Paterson and Alicedale
16 th – 17 th August	Addo, Kirkwood, Jansenville, Aberdeen and Klipplaat
28 th August	Grahamstown

While carrying out the field work, a decision was taken to combine some of the small towns into one entry as they were so close together that they functioned as one town. For example, Kenton-On-Sea and Bushmans River Mouth are located on either bank of the Bushmans River and are connected by a large bridge. Residents travel from one side of the river to the other quickly and with ease and treat Bushmans River Mouth as a suburb of Kenton-On-Sea. Furthermore, St. Francis Bay, Cape St. Francis, Port St. Francis and Oyster Bay are separated by only a few kilometres and are also treated as one town by residents. They were thus combined into one data point called St. Francis. Lastly, Middleton was combined into Cookhouse as it is a hamlet on the outskirts of the town with a farm stall and a historic church and cemetery. There are no amenities in Middleton and so its few residents consider it as part of Cookhouse. Consequently, these towns were combined and treated as one in the analysis and mapping. They are, however, assigned to their separate towns in the micro-regional database so that locating them on the ground is easier.

The desktop research techniques provided a large number of new data points, but they were not without issues as some entries could be outdated and some business directory listings seemed unreliable. Another issue was that some of the small towns did not have any street names recorded on Google Maps so business addresses and GPS co-ordinates could not be collected or validated using this technique. Google Street View imagery was also out of date (2009-2010), or in some cases unavailable, so some CCIs may have moved, closed down or

started up. Consequently, visiting the towns was the best way to ensure accuracy as ground truthing could be done while searching for the CCI that were missed by the desk study.

Snowball sampling was used to identify CCIs in the towns as each business owner or employee was asked for further recommendations. Since most people did not understand what was meant by the term cultural and creative industries, a tourist approach was adopted. Each person was thus asked “what is there to do and see” in the town. Recommendations for other CCI businesses were also asked for by suggesting the domain types. For example, “do you know of any arts and crafts stores, art galleries or photographers in the town?” for the Visual Arts and Crafts domain and “are there any garden landscapers, interior designers or architects here?” for Design and Creative Services. Since the desk study had provided the researcher with a good impression of what was in each town, the questions were altered to suit the particular town. Once it became clear that something did not exist, such as radio stations, questions about that particular domain (Audio-Visual and Interactive Media) were no longer asked.

4.3.3.3 Exceptions to the UNESCO FCS Guidelines

The micro-regional study classified the CCIs in the district according to their UNESCO FCS domain. The definition of culture utilized by UNESCO (2009: 9) is that “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.” The FCS takes account of this definition in its design as it seeks to classify the things that are important to a society’s identity. These important items can be things like traditional dance, songs or stories but they can also be unconventional and so not listed in the FCS classification guidelines. For these unconventional CCI cases, the researcher’s discretion was used to determine whether or not they should be included as being culturally significant to the people of the town. For example, there is a 36km single lane cement road (completed in 1954) that begins about halfway from Steytlerville to Willowmore and requires vehicles travelling towards Willowmore to move onto the gravel verge to give way to oncoming traffic (Baviaans Tourism, 2017). Field work revealed that the road is integral to Willowmore’s cultural identity as it was prominent in the tourist information and was

suggested as a must do activity through snowball sampling questions. The cement road was thus included in the micro-regional database under Cultural Heritage as it is part of what makes Willowmore special and is of cultural significance to the townspeople. During the course of the research, a small number of these cases arose and each one was evaluated against the UNESCO definition of culture for its importance to the identity of the town and its residents.

Additionally, the historical character of the towns was considered, as was the nature of the touristic visits to the towns. Many of the small towns in the SBD were started by 1820 Settlers (several parties of British settlers to the Eastern Cape who came to increase the British population in the area) and many of their homes, churches and other buildings remain to this day. For example, the village of Bathurst was established by the Settlers and much of their history has been well preserved (Sunshine Coast Tourism, N.D). Visitors to Bathurst are attracted by its Settler past and many come to “find their roots” (Sunshine Coast Tourism, N.D). The village has several Settler homes; churches, including the oldest unaltered church in South Africa (St John’s 1834); Bradshaw Mill, the birthplace of South Africa’s wool industry; and the oldest licensed pub in the Country, the Pig and Whistle (1832) (Sunshine Coast Tourism, N.D). There is also a keen interest in cemeteries which are not typically considered as tourist attractions or Cultural Heritage CCIs. However, the cemeteries of the Bathurst churches contain many Settler graves and are thus an essential part of many cultural heritage visits to the village (Sunshine Coast Tourism, N.D). Bathurst is renowned for its Settler history which is not only of cultural significance to visitors, but also to the locals as it is an integral part of their sense of place. Furthermore, there is a significant presence of heritage sites linked to the Second Anglo-Boer War (1899 – 1902) within the district, including monuments, gunpowder chambers, cemeteries with war graves and ruined forts. These historic sites have a similar impact to that of the Settler history on Bathurst, as the Anglo-Boer War has proved popular with tourists and is important to the sense of place of many of the residents. Thus, a wide variety of historic places are captured under Cultural Heritage as they are significant to the cultural identities of a number of SBD small towns.

Churches are an important aspect of many SBD small towns in terms of sense of place and local cultural heritage as well as cultural tourism. At the centre of the majority of small towns,

there is an architecturally beautiful NG Kerk, otherwise known as a Dutch Reformed Church or Nederduitse Gereformeerde (NG) Kerk in Afrikaans. These churches were often the first buildings to be constructed once a new town was declared and the towns tended to develop around them. The majority of towns also had Anglican and Methodist churches for English speaking Christians. The historic churches included in the SBD micro-regional database were built between the arrival of the 1820 Settlers and the early 1900s and so are all over 100 years old. These churches were, and in many cases still are, at the centre of town life and are important to the cultural identities of the communities. For example, the Clumber Church, which is located just 5km outside of Bathurst, hosted a celebratory weekend in 2017 to mark 150 years since the establishment of the church (Clumber Church, 2018). The festivities included historic and cultural heritage and creative aspects through the unveiling of the extensive restorations conducted on the church (a national heritage monument); a commemoration of the arrival and settlement of the Nottingham Party of 1820 Settlers, for whom the church was built; an auction and a music festival (Houzet, 2017; Clumber Church, 2018). The celebrations drew hundreds of tourists and so illustrates the importance of the old churches to small town life, both past and present, and that the historic sites are significant tourist attractions (Houzet, 2017). Since this wide variety of historical sites are important to both the identities of the towns and the tourists who visit them, they were included under Cultural Heritage as they can be viewed in the same light as museums, which are traditional Cultural Heritage items.

4.4 The Sarah Baartman District Socio-Economic Status Index

4.4.1 Census 2011

A census is a count of all the people within a country on a particular date called the reference date. The date was the night of the 9th – 10th October for the 2011 South African census (Statistics South Africa, 2012: 2). It was the third national census since democracy in South Africa, following Census 96 and Census 2001 (Statistics South Africa, 2012: 1). The census was carried out from the 9th to the 31st of October 2011 by Statistics South Africa, and over 15 million questionnaires were completed (Statistics South Africa, 2012: 1-2). Three sets of

questionnaires were developed for Census 2011: the household questionnaire, the population in transit and holidaying on the reference night and lastly, the institutions questionnaire (DataFirst, 2016: 6). For this research, the household questionnaire was used. This questionnaire captured socio-economic information on a household level about household characteristics: dwelling type, home ownership, household assets, access to services and energy sources, as well as individual characteristics: age, population group, language, religion, citizenship, migration, fertility, mortality, general health and functioning, education and economic characteristics of individuals like employment status and activities (DataFirst, 2016: 3). The data set used for this research was a 10% sample released by Statistics South Africa. The households in the SBD were then extracted, for which there were 10 493 observations. Statistics South Africa recommends a 10% sample weight, and so this was applied at the appropriate point in the creation of the Socio-economic Status Index. This was done in order to ensure that the sample was representative of the population of the SBD.

4.4.2 Socio-Economic Status Indices

The definition of development used in this thesis follows Amartya Sen's approach of considering development to be a multidimensional concept that encompasses economic aspects such as income and employment; social aspects like access to education, health care and basic goods and services like water, electricity, shelter and sanitation; environmental sustainability as well as good governance and political freedoms (Alkire, 2002: 181-182; Botha, 2016: 61-65). Indices have become a popular method of investigating development as they are capable of accounting for all these aspects of development (Botha, 2016: 58). In order to measure the level of development for each municipality in the SBD, a socio-economic status (SES) index was created. A SES index is a type of asset-based index that measures wealth but that recognizes that development means more than access, or the lack thereof, to financial resources (Howe *et al.* 2008: 2). Traditionally, indicators of development and SES have tended to be monetary measures such as GDP, income or consumption expenditure (Vyas and Kumaranayake, 2006: 459). Their usage is based on the assumption that "material living standards largely determine well-being" and their advantages of being easily comparable across time and space, easily interpretable and easy to use in quantitative

analyses (Moser and Felton, 2007: 1; Howe *et al.* 2008: 2). However, it has become widely acknowledged that money-metric measures cannot capture all of the diverse aspects of well-being (Asselin, 2002: 2; Howe *et al.* 2008: 2). Despite this acknowledgement, the use of money-metric indicators of SES remains widespread (Howe *et al.* 2008: 2). In part, this is due to the difficulties involved in measuring more complex conceptualizations of SES (Howe *et al.* 2008: 2).

Even though monetary measures are easier to use, they can be particularly problematic when it comes to measuring wealth in developing countries like South Africa (Asselin, 2002: 2; Howe *et al.* 2008: 2). For example, using income to measure SES could underestimate the relative wealth of households as income tends to come from a variety of sources, including income in kind, and may be lumpy, unreliable and may vary dramatically across seasons (Vyas and Kumaranayake, 2006: 459; Moser and Felton, 2007: 2). Consumption expenditure is a better measure as it is more reliable than income and data collection is easier, especially in rural areas (Filmer and Pritchett, 2001: 116; Moser and Felton, 2007: 2). Furthermore, consumption better represents a household's long-term SES because a household tends to smooth their consumption over time and income fluctuations by borrowing or drawing against their savings (Moser and Felton, 2007: 2). However, using consumption expenditure as a wealth measure in developing countries is also fraught with difficulties like recall problems, a reluctance to divulge information, the need for lengthy questionnaires that must be completed by skilled and trained interviewers and price differences across time and space (Asselin, 2002: 2; Vyas and Kumaranayake, 2006: 459; Howe *et al.* 2008: 2). Therefore, alternative measures of wealth, like an SES index, that could complement monetary indicators by including non-monetary dimensions of well-being has thus been suggested as a superior approach that offers a more accurate image and a better understanding of development levels within a region (Vyas and Kumaranayake, 2006: 459; Moser and Felton, 2007: 1).

Wealth is considered to be an unobservable latent trait because it is a concept and not a physical entity, and so it cannot be measured directly (like weight or height) (Gordon *et al.*, 2012: 1210). However, the concept of wealth can be indirectly measured through social surveys that include questions about the respondent's ability to afford consumer durable goods and household items (Gordon *et al.*, 2012: 1210). An asset based approach to measuring

SES or wealth is one alternative to monetary measures like income and consumption expenditure. This approach has the benefit of being similar to consumption expenditure in its measurement of long-term SES as asset ownership is likely to be partially based on a household's economic wealth, and ownership is unlikely to change in response to short-term economic fluctuations (Filmer and Pritchett, 2001: 120; Moser and Felton, 2007: 2). It is suggested that the collection of asset data is also more reliable than consumption or income expenditure as it uses simple questions regarding ownership of or access to an asset as well as direct observations by the interviewer (Moser and Felton, 2007: 2; Howe *et al*, 2008: 2). Once data has been collected on asset ownership at the household level, it is then necessary to aggregate the data into an overall single variable (index) as individual asset variables by themselves do not provide sufficient information to differentiate between households' SES (Vyas and Kumaranayake, 2006: 460).

Asset based measures are not without criticism as asset ownership does not capture the quality of an asset (Vyas and Kumaranayake, 2006: 459). For example, collecting data on television ownership does not distinguish between better off households that are likely to own newer, larger or colour televisions with poorer households who are more likely to own older, smaller or black and white models (Vyas and Kumaranayake, 2006: 459). However, in many countries, it is concluded that this will not alter the overall results (Vyas and Kumaranayake, 2006: 459). Another issue is that some variables have a different relationship to SES depending on location or sub-group (Vyas and Kumaranayake, 2006: 460; Howe *et al*, 2008: 12). For instance, owning agricultural land or owning cattle may be more reflective of wealth in rural areas while it is unimportant to those in urban areas (Vyas and Kumaranayake, 2006: 460). Moreover, different sub-groups may have different economic strategies that affect the proportion of income that is spent on consumer durables (Howe *et al*, 2008: 12). For example, people living in townships may be at risk of frequent relocation and theft and so therefore prefer not to invest in durable consumer assets and so would have a lower SES score than would be appropriate (Howe *et al*, 2008: 12). Furthermore, because prices are usually not considered in the construction of an asset index, its appropriateness may differ across regions and between rural and urban settings (Howe *et al*, 2008: 12). In the case of the SBD, there are no large metropolitan areas so there should not be a rural/urban divide and it is a relatively small region, so location based price changes should not differ much.

There are however different sub-groups that could affect the index as there are very wealthy groups and very poor groups in townships who could make very different economic decisions on asset investment.

4.4.3 An Appropriate Technique: Multiple Correspondence Analysis

The most widely used technique in aggregating asset data to create an index is to use Principal Component Analysis (PCA) (Vyas and Kumaranayake, 2006: 460; Booysen *et al*, 2008: 1115). This technique was suggested by Filmer and Pritchett (2001: 116) as a pragmatic approach that offers a solution to the problem of assigning weights to the index variables. PCA is a data reduction technique which involves replacing a set of correlated variables with a set of uncorrelated principal components or dimensions, which represent unobserved characteristics of the population (Filmer and Pritchett, 2001: 116). The first dimension explains the largest portion of the total variance and, when constructing a wealth index, the weights for each variable are taken from the first dimension to generate each household's score, where assets that are more unequally distributed will have a higher weight (Filmer and Pritchett, 2001: 117). The relative ranking of households using their scores is then used as a measure of SES (Filmer and Pritchett, 2001:117). It has been widely argued that PCA (and non-arbitrary weighting methods like it) is a better option than assigning weights equally to all variables, as that implies that owning a radio is as important to a household's SES as owning a computer or even a car and so cannot accurately predict a household's SES (Filmer and Pritchett 2001: 116; Moser and Felton, 2007: 3).

However, PCA is a relatively complex method that is designed to be used on continuous, normally-distributed data and so its application to data sets that contain categorical variables, as is often the case with census data, to create wealth indices is considered to be inappropriate (Booyesen *et al*, 2008: 1115; Howe *et al*, 2008: 4). Instead, Multiple Correspondence Analysis (MCA) is suggested as a more appropriate technique as it is the only multivariate method that can be used to analyse any mixture of binary, categorical or discrete variables (provided they are suitably categorized) (Booyesen *et al*, 2008: 1114; Howe *et al*, 2008: 4; Traissac and Martin-Prével, 2012: 1207-1208). Furthermore, MCA makes fewer assumptions about the underlying distributions of indicator variables and has greater

discriminatory power, which results in more consistent rankings across a variable's categories of response, while also retaining the benefit of assigning weights in a similar fashion to PCA (Booyesen *et al*, 2008: 1115; Howe *et al*, 2008: 4). It also does not suffer from clumping to the same extent as wealth indices that use binary variables, and this improves the differentiation between households (Howe *et al*, 2008: 12). Clumping is a common problem for wealth indices, whereby a large proportion of households have the same score (usually low), because of their similar (low) ownership of consumer durables and access to public services (Howe *et al*, 2008: 6). Despite these benefits, MCA does not overcome the complexity issue of PCA and it is subject to the same issue of the first dimension often only being able to explain a small proportion of the total variance (Howe *et al*, 2008: 4). However, other methods of assigning weights and creating indices are either too simplistic and arbitrary, such as the equal weights method, or are too complex like latent variable methods, which makes it difficult for a wide readership to understand, while not adding much to the analysis over MCA or PCA (Howe *et al*, 2008: 4). Therefore, this study utilized the MCA technique to create a municipal level SES index for the SBD from the South African 2011 Census household survey.

4.4.4 Building a Socio-Economic Status Index

Vyas and Kumaranayake (2006: 461) propose four key steps to construct a SES index: choosing appropriate variables, application of PCA (or MCA in this case), interpretation of results and lastly, the classification of households into socio-economic groups. With regards to the selection of variables, there is no established best practice in selecting the type or number of variables to be included in the calculations of a wealth or asset index (Vyas and Kumaranayake, 2006: 461).

4.4.4.1 Step 1: Choosing the Variables

Most previous studies have included between 10 and 30 variables ranging from ownership of land and farm animals; living in rented or owner-occupied housing and housing characteristics such as dwelling type and roof material; literacy or education level, employment status and income earned for the head of the household; demographic conditions like the number of

people sleeping in one room; durable asset ownership; and lastly, access to utilities and infrastructure like water source and sanitation facilities (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 8-9). Like PCA, MCA works best when the chosen variables are correlated but also show a varied distribution across households as it is the assets that are more unequally distributed that receive higher weights (Vyas and Kumaranayake, 2006: 461). Since the weight on any one variable is related to how much information it provides on the other variables, a variable with a low standard deviation carries a low weight and so is of little use in differentiating SES (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 4). Thus, if ownership of one type of asset (like a computer) is highly indicative of ownership of other assets (like a satellite television and washing machine), then it receives a positive weight (Moser and Felton, 2007: 4). On the other hand, if ownership of an asset indicates that a household is likely to own few other assets, then it receives a negative weight (Moser and Felton, 2007: 4). If, however, ownership of an asset provides little to no information on what other assets the household owns, then it receives a weight close to zero (Moser and Felton, 2007: 4). For example, wealthy households are more likely to own a computer than poor ones and so, there is a high standard deviation and, accordingly, a large variation (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 4). However, if a radio is owned by all households, there will be a standard deviation of zero as there is no variation between the households (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 4). Thus, radio ownership will be assigned a weight of zero and so will not contribute to the SES index because knowing that one household owns a radio provides less information than knowing that one household owns a computer, which receives a higher weighting and contributes positively to the SES index (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 4). Therefore, the best advice when it comes to choosing variables is to align with previous studies, include a larger number of variables, include a wide range of variables and to carry out a descriptive analysis on potential variables to investigate their means, standard deviations and frequencies (Vyas and Kumaranayake, 2006: 461).

The choice of variables for this research was thus informed by data availability as well as the theoretical plausibility of a variable's impact on development and its link to the CCIs while remaining consistent with existing research on well-being indicators. Accordingly, the SBD SES index included a wide range of variable categories from income, employment, durable

consumer goods ownership, sanitation and access to public services. The construction of the SBD SES index was based on binary indicators of 12 household level assets regarding either their presence or absence, as well as categorical indicators on 8 variables. Table 4.2 provides a list of the 20 variables. For all the categories of each variable, see Appendix B. According to Gordon *et al* (2012: 1210), a good asset index should include a range from low to high wealth items as its purpose is to measure how much of this latent wealth trait a household has achieved. The municipal level SBD SES index thus included low wealth items like owning a radio, medium wealth items like owning a vacuum cleaner or washing machine and high wealth items like owning a computer. Furthermore, variables that had their own low to high wealth range were included such as the type of main dwelling (formal house to informal dwelling), the total number of rooms (1 to 20), access to piped water (tapped water within the home to no access) and type of toilet facilities (flush toilet inside the home to no toilet).

Table 4.2: Sarah Baartman District SES Index Variables

Variables	
Main Dwelling Type	Motor Car
Total Number of Rooms	Computer
Access to Piped Water	Television
Type of Energy used for Lighting	Satellite Television
Type of Toilet Facility	DVD Player
Refrigerator	Radio
Stove	Cellphone
Vacuum Cleaner	Access to the Internet
Washing Machine	Employment Status of Household Head
Landline Telephone	Annual Household Income

Source: (Statistics South Africa, 2018)

The Census 2011 household survey included several questions on dwelling type, water access and electricity usage. In each case, one or two variables that were considered the most appropriate were chosen to be included in the SES index. For housing, the category on the type of main dwelling and the number of total rooms were included while the more specific

categories such as the construction material of roofs and walls and the number of rooms with particular uses such as bedrooms, living rooms and dining rooms were excluded on the basis that they provide similar information on living standards as the two overall categories. In the case of the total number of rooms, the data is formatted as a discrete variable and so is appropriate for the use in MCA (DataFirst, 2016: 24). Similarly, access to piped water was chosen as the most appropriate water category as it indicates access to a basic public service. The categories of water supply, alternative water supply and water supply interruptions were thus excluded. For energy access, the category of type of energy used for lighting was chosen above cooking and heating as it has been shown that once people access electricity, including low-income households, lighting is one of the first things that it is used for and that electricity use for lighting does not change substantially with fluctuations in income or price mainly because it is cheap and efficient (Rantlo and Fraser, 2015: 1163). In effect, the exclusion of similar categories simplified the model as the number of variables was reduced without losing much information. This is an acceptable practice as, if included in the MCA model, these variables would most probably have been located very closely to the plane of representation and thus could have been safely ignored (Greenacre, 2007: 66). Toilet facilities are also included in the index as this is a relatively easy way off discerning relative SES as well as acting as an indicator of sanitation and access to basic services.

The broad category of durable goods ownership included all assets that were captured in the Census 2011 household survey. These assets are indicative of standards of living and some link directly to the CCIs. Owning a refrigerator, stove, vacuum cleaner, washing machine, landline telephone and motor car were the durable goods assets that serve as indicators of standards of living as they represent the ease with which households can perform basic everyday tasks like cooking and cleaning, communicating and getting from one place to another. Furthermore, they act as good indicators of relative SES because as households earn more, they will own more of these assets. The assets that link directly to the CCIs are owning a computer, television, satellite television, DVD player, radio, cell phone and having access to the internet. These more luxury items are representative of higher standards of living but are also important mediums through which the CCIs are received and interacted with. Simply put, in order to view films and television programmes, one needs a television or DVD player, to listen to music one needs a radio and so on. For CCIs to be successful, they require households

to own or have access to these “cultural and creative assets” as not only are they important for people to engage with the CCIs but access to a computer, cell phone and the internet are also vital to employment in many of the CCIs as the medium through which much of their business is conducted. Due to the social and economic development aspects of the CCIs, including durable assets as a measure of the social development side offers a different approach from that of authors like Florida (2002b) who focused on the relationship between CCI clusters and economic growth rather than their relationship to socio-economic development.

Lastly, the economic category included variables on the employment status of the head of the household and annual household income. These are both important measures of development as those who are employed and those who earn higher incomes often have better standards of living. The higher earning households are also the ones who are the most likely to consume the various cultural and creative goods and services. The types of goods and services produced by the CCIs are often luxuries such as pieces of fine art and sculptures, stage productions and concerts as well as graphic and interior design. Thus, for many CCIs, their consumers are amongst the higher income classes (what Florida terms the “creative class”) as they can afford to consume these luxury items. This is especially true for local CCIs as if a municipality has relatively high unemployment levels and low-income levels, then it is less likely that the CCIs will be successful in this less developed area.

4.4.4.2 Step 2: Conducting MCA

The second step is to conduct PCA, or MCA in this case, in order to extract the first dimension which is used to assign weights to each variable, and thus is utilized in the calculation of the SES index scores for each municipality (Vyas and Kumaranayake, 2006: 463). MCA is a relatively new technique that has gained acceptance in the specific domains of the social sciences and ecology where it is often used to analyse multivariate data (Traissac and Martin-Prével, 2012: 1208). It is, however, a method that is advocated by its users for a more general widespread usage (Traissac and Martin-Prével, 2012: 1208). Before the MCA can be conducted, the data needs to be interrogated as a potential issue with the data that could impact the MCA results is missing values (Vyas and Kumaranayake, 2006: 463). One solution

is to exclude households with missing information, but this reduces sample sizes and so lowers the statistical power of the study results, as well as potentially leading to a bias towards higher SES households since it is the lower SES households that tend to have missing information (Vyas and Kumaranayake, 2006: 463). Another solution is to replace missing values with the mean for the particular variable, but this reduces the variation and increases the potential of clumping (Vyas and Kumaranayake, 2006: 463). Luckily, for the 20 variables chosen from Census 2011 for this study, there were no missing values.

In essence, MCA is concerned with associations within a set of variables rather than between sets of variables, where the main interest lies in how strongly and in what ways the set of variables are interrelated (Greenacre, 2007: 137). MCA can be seen as an extension of Correspondence Analysis (CA) or an adjusted CA, for more than two categorical variables, which is applied on either an indicator matrix or a Burt matrix (Asselin, 2002: 13; Abdi and Valentin, 2007: 651). The indicator and Burt matrix approaches are the two classic ways of conducting MCA. The first is the indicator matrix approach, which is an analysis of the whole data set coded into dummy variables (Greenacre, 2007: 137), whereas the Burt matrix approach is the analysis of all two-way cross-tabulations amongst the variables (Greenacre, 2007: 137). These two methods are almost equivalent as they yield identical standard co-ordinates for the category points (Greenacre, 2007: 144). The main difference between them is their principal inertias, as those of the Burt matrix are the squares of the indicator matrix ones (Greenacre, 2007: 144). The Burt matrix version of MCA thus gives principal co-ordinates (standard co-ordinates multiplied by the square roots of the principal inertias), which are reduced in scale compared to those of the indicator matrix version (Greenacre, 2007: 144). As a result, the percentages of inertia for the Burt matrix analysis are more optimistic (Greenacre, 2007: 144). The optimistic inertia percentages can, however, be corrected and this is explained below. The Burt matrix (denoted by B) is thus related to the indicator matrix (denoted by Z) as follows:

$$B = Z^T Z$$

(Greenacre, 2007: 140)

This study utilized the Burt matrix approach in the Stata8 software programme because, despite the similarities of the two approaches, the Burt matrix method has some advantages over the indicator matrix method. Firstly, although the Burt matrix gives the same weights as the indicator matrix, it is computationally easier (Abdi and Valentin, 2007: 653). Secondly, it also plays an important theoretical role because the eigenvalues obtained from the Burt matrix analysis account for a greater percentage of explained variation (total inertia) (Abdi and Valentin, 2007: 653).

The Burt matrix is the complete set of all the two-way cross-tabulations of the 20 variables selected for the study. This includes the cross-tabulations of each variable with itself on the block diagonal of the matrix (Greenacre, 2007: 140). Thus, in the Burt matrix, information about the individuals is not available, only the relationships between the categories (Husson and Josse, 2014: 177). In this case, the Burt matrix is a 20 x 97 block matrix with 1 940 sub-tables, where there are 20 rows that represent the 20 variables chosen for the study and there are 97 columns which represent the categories of response for each variable. Each of the 1 920 off-diagonal sub-tables is a contingency table that cross-tabulates the 10 493 observations on a pair of variables. The diagonal sub-tables are the cross-tabulations of each variable with itself, and thus it is a diagonal matrix with the marginal frequencies of the variable down the diagonal (Greenacre, 2007: 140). The Burt matrix is symmetric and so there are only 960 unique cross-tabulations which are then transposed on either side of the 20 diagonal blocks (Greenacre, 2007: 140). Since the row and column solutions are the same, only one set of points is considered for the analysis (Greenacre, 2007: 140).

Total inertia refers to the weighted average of squared chi-square distances between the profiles (co-ordinates/points), which all have a mass, and their centroid (average) (Asselin, 2002: 11). Inertia (variance) is an important concept in MCA as it is the variance along a dimension that impacts the contribution of the variable to SES. For a Burt matrix, inertia is found using Greenacre's approach of evaluating the percentage of inertia relative to the average inertia of the off-diagonal blocks (Abdi and Valentin, 2007: 653). Greenacre's method is preferred to Benzécri's because, even though the two methods give the same corrected eigenvalues, Greenacre's method does not give an optimistic estimation of the principal inertia as it better explains the proportion of explained variance (Abdi and Valentin, 2007:

653; Booyesen *et al*, 2008: 1128). It also excludes the diagonal blocks so that only inter-variable associations are considered (Husson and Josse, 2014: 178). Greenacre's method, using average inertia, denoted by $\bar{\mathfrak{G}}$, is calculated using the following formula:

$$\bar{\mathfrak{G}} = \frac{K}{K-1} \times \left(\sum_{\ell} \lambda_{\ell}^2 - \frac{J-K}{K^2} \right)$$

(Abdi and Valentin, 2007: 654)

where there are K nominal variables, each nominal variable has J_K levels and the sum of the J_K is equal to J , l represents factor l and λ represents the eigenvalues. The total inertia is thus the sum of the squared distances from individual points to the centre of gravity (centroid) weighted by $1/N$ (the weight of the individuals) (Husson and Josse, 2014: 168). In MCA, total inertia is equal to the mean number of categories per variable minus 1 and so, unlike CA, does not depend on the relationships between the variables (Husson and Josse, 2014: 168). Total inertia is thus a multidimensional extension of the concept of variance (Husson and Josse, 2014: 168).

In order to conduct the MCA for this study, the software programme Stata8 was used (Statacorp, 2003). Even though Statistics South Africa recommends a sample weight of 10% for Census 2011, sampling weights cannot be applied during MCA or PCA (Howe *et al*, 2008: 6). The 10% sampling weight is thus included at a later stage when the total SES index per municipality is calculated. The output of MCA, like PCA, is a table of factor scores or weights for each variable for the first and second dimensions (Howe *et al*, 2008: 6).

4.4.4.3 Step 3: Interpreting the MCA Results

The third step is the interpretation of the MCA results. It is generally accepted that only the first dimension is necessary for measuring SES and so this is the only dimension that is presented for this study (Vyas and Kumaranayake, 2006: 461; Moser and Felton, 2007: 5).

Furthermore, in this case, the first dimension explains 82,40% of the variance and so the other dimensions are not considered as each subsequent dimension captures a decreasing proportion of total inertia (see table 4.3) (Asselin, 2002: 12). The MCA results show that all weights are in the expected direction (see Appendix B); items that reflect higher standards of living and so higher SES, contribute positively to the SES index as they have higher (positive) weights assigned to them, while components that reflect lower SES contribute negatively to the SES index. The results show, for example, that owning an asset, having access to piped water or a flush toilet, increase a household's SES score. Conversely, not owning an asset or having no access or poorer quality access to water supply and sanitation decreases a household's SES score. In other words, not owning an asset or having no or lower quality access indicates a lower standard of living as these categories receive negative or lower weightings. Furthermore, the weightings increase with the rising quality of the assets, and greater numbers, either positive or negative, mean that the variable provides more information on the household's relative SES (Moser and Felton, 2007: 9). This is easiest to see for the type of toilet facilities as no toilet receives the worst (greatest negative) weighting of -2,061 while improvements in the type of facility are given better weightings such as -1,548 for a pit latrine without ventilation and -0,889 for a pit latrine with ventilation until the highest (greatest positive) weightings are reached for a flush toilet connected to either a sewerage system (0,459) or septic tank (1,171). This means that a household that has no access to toilet facilities is extremely likely also to fall into the lowest or worst categories for the other types of assets; no access to piped water, no electric lighting, living in an informal dwelling and not owning many consumer durable assets (Moser and Felton, 2007: 9). The weights from the first dimension are then used to create a dependent variable for each household which has a mean equal to zero and a standard deviation equal to one (Vyas and Kumaranayake, 2006: 464). This dependent variable is the household's socio-economic score where the higher the score, the higher the SES for the household (Vyas and Kumaranayake, 2006: 464).

Table 4.3: Principal Inertia Explained by Dimensions from MCA

Dimension	Principal Inertia	Percent	Cumulative Percent
dim 1	0,0961708	82,40	82,40
dim 2	0,0097194	8,33	90,72
dim 3	0,0011272	0,97	91,69
dim 4	0,0005830	0,50	92,19
dim 5	0,0003555	0,30	92,71
dim 6	0,0002534	0,22	92,80
...			
dim 28	3,75E-07	0,00	93,18
dim 29	4,90E-08	0,00	93,18
dim 30	5,06E-09	0,00	93,18
Total	0,1167176	100,00	-

Source: (Statistics South Africa, 2018; Own Work)

4.4.4.4 Step 4: Constructing the SBD SES Index

The last step is to classify households into broad categories of socio-economic groups such as quintiles (Vyas and Kumaranayake, 2006: 464). This can be done by including the SES score as a continuous independent variable in a regression model or by using cut-off points, either arbitrarily defined (based on the assumption that SES is uniformly distributed) or data driven (Vyas and Kumaranayake, 2006: 464). The mean SES score for each group is then calculated (Vyas and Kumaranayake, 2006: 464). Since this research is interested in SES on a municipal level rather than sub-groups of the SBD population, this step was altered in order to find the mean SES scores for each municipality and thereby calculate a municipal level SES index for the SBD. Once the MCA was completed and the weights obtained, the following equation was used to calculate a composite SES index score for each household:

$$MCA_i = R_{i1}W_1 + R_{i2}W_2 + \dots + R_{ij}W_j + \dots + R_{ij}W_j$$

(Asselin, 2002: 14; Booysen *et al*, 2008: 1115)

Where MCA_i is the i^{th} household's composite SES indicator score, R_{ij} is the response of household i to category j , and W_j is the MCA weight for the first dimension applied to category j (Asselin, 2002: 14; Booysen *et al*, 2008: 6). In order to create a municipal level SES index, the composite household SES index scores for each municipality were summed and then the mean was calculated. The municipalities were then ranked from the highest to the lowest SES performance where the greater the mean SES score, the better the municipality performed (see table 4.4).

Table 4.4 The Sarah Baartman District SES Index

Municipality	Obs.	Weight	Mean	Std. Dev	Min	Max	Rank
Camdeboo	1 053	12 398	0,14632	0,90583	-2,1318	2,2345	1
Kouga	2 458	29 446	0,10676	1,14704	-2,2234	2,3300	2
Makana	1 801	21 388	0,06289	0,95917	-2,1912	2,2459	3
Baviaans	383	4 610	0,00793	0,81987	-1,5996	2,1795	4
Kou-Kamma	918	11 032	-0,05518	0,92988	-2,0573	2,2951	5
Blue Crane Route	813	9 761	-0,07192	0,92066	-2,1797	2,3066	6
Ndlambe	1 616	19 330	-0,08623	1,05420	-2,1567	2,3017	7
Ikwezi	242	2 913	-0,14609	0,86167	-1,8757	2,2188	8
Sundays River Valley	1 209	14 749	-0,36826	0,90347	-2,2079	2,2693	9
Total	10 493	125 628	-0,01986	-	-	-	-

Source: (Own Work)

A limitation of the SBD municipal level SES index is that its variables do not represent an extensive list of socio-economic development indicators such as GDP, education, health, environmental quality and democracy and freedom as these aspects were not captured by the census 2011 household survey. This is problematic as some of these directly link to the CCIs. For example, higher education and skill levels are important to many of the CCIs for both production and employment but it is not included as it was not captured in the household survey. However, for some components this issue is resolved through their link with income as they tend to move in the same direction. For example, in the case of education, in general,

those who are more highly educated earn higher incomes. Furthermore, municipal level data is not readily available and so heavily impacted what variables could be chosen.

4.5 Mapping the Data: Geographic Information Systems

In order to carry out an analysis of the CCI clustering potential in the small towns of the SBD and the link between the CCIs and development, geographic information systems was used to create three maps. GIS as an analysis tool is particularly useful as it produces a visual display of the data and can take complex data sets and relationships and exhibit them in a simpler manner. This makes interpretation easier and may bring to light relationships that were not previously highlighted in complex data sets, tables and graphs. Furthermore, the simplicity of the visual displays means that the maps can be widely distributed and easily understood by government officials, policy makers, researchers, study participants and the general public. Mapping studies of the CCIs have been conducted in many countries around the world, but it is not often that a physical map is generated from the collected data. The results of these studies are most often the compilation of large data sets and an analysis which illustrates data in the form of tables, graphs and figures. While these are all invaluable and have also been used in the analysis of this research, a further step was taken for this thesis through the production of physical maps. This was done to take advantage of their great analysis potential and their ease of results communication to a wide audience.

While in the field, the Universal Transverse Mercator (UTM) co-ordinates of each CCI business that was found was recorded. The co-ordinates were captured using a GPS enabled smartphone connected to Google Maps. This method of recording GPS co-ordinates was used because many of the CCIs were found on Google Maps and had used this programme to provide their locational information on their websites and various social media platforms. Furthermore, smartphones released from 2014 onwards contain a global navigation satellite system (GNSS) receiver (van Diggelen and Enge, 2015: 361). GNSS is the standard term for satellite navigation systems that are capable of providing autonomous geo-spatial positioning with global coverage (van Diggelen and Enge, 2015: 361). Thus GPS, which is owned and operated by the United States of America, is one such satellite navigation system, and is in

fact the world's most utilized system (van Diggelen and Enge, 2015: 361). Smartphones with GNSS receivers are, on average accurate to 4,9 meters in open air (van Diggelen and Enge, 2015: 361). Therefore, for the purposes of this research, a smartphone was utilized as it was deemed sufficiently accurate and was readily available.

Once all the data had been collected, Esri's (2016) ArcGIS software programme was used to create the three maps of the CCIs in the SBD. The maps utilized shapefiles of the boundaries of South Africa, the Eastern Cape, the Sarah Baartman District and the nine municipalities which were provided by the Geography Department at Rhodes University. Only the main towns in the SBD were captured in town shapefiles for the Eastern Cape and so the CCI businesses' GPS co-ordinates were used to create a shapefile of the SBD towns where the point for each town was placed centrally amongst the cluster of co-ordinates. Thus, the CCI information on display marks the point location of each town, while the labels were arranged according to the best fit around the towns.

The first map displays the six UNESCO domains breakdown of all the captured towns in the form of a pie chart. This shows the domain proportions of each town's total CCIs and so is used to determine which domains are dominant in each town, municipality and the district as a whole to establish which domains have a comparative advantage. To help identify comparative advantages, location quotients (LQ) were used in conjunction with the domain proportions map to identify locational concentrations within an area and so signify whether there is a comparative advantage and a clustering potential. LQs are a means of quantifying how concentrated a particular industry, cluster, occupation or demographic group is in a particular area by comparing that particular area with that of a larger reference area. In order to calculate the LQ for each domain in each municipality, the percentage of CCIs in a domain for a municipality is divided by the percentage of all CCIs that the municipality has. If the result is greater than one, then the municipality can be said to have a potential comparative advantage and cluster in that domain. For example, if Makana has 22% of all the CCIs in the SBD but has 55% of all the Performance and Celebration CCI organizations in the district, then its LQ for this domain is $55/22 = 2.49$. Since this is greater than one, Makana is likely to have a comparative advantage or cluster in this domain.

The second map displays the total CCIs found in each town. The number of total CCIs are displayed by graduated circles which use the natural breaks (jenks) classification method. Graduated symbols group data into ordered classes which is appropriate for a data set where there are groupings of CCIs and where clusters are identified based on their numbers. The classes are determined using the natural breaks method which is a “manual data classification that seeks to partition data into classes based on natural groups in the data distribution. Natural breaks occur in the histogram at the low points of valleys. Breaks are assigned in the order of the size of the valleys, with the largest valley being assigned the first natural break” (Esri, 2018). See figure 4.2 below for the natural breaks classifications for the total CCIs per small town. This map was used to identify CCI clusters in the small towns. The total CCIs per town information was overlaid with the SBD SES index rankings for each municipality. The ranks were distinguished by a colour gradient with the lightest colour representing the lowest scoring municipality with a rank of 9 and the darkest colour representing the highest scoring municipality with a rank of 1. This overlay provides information on the relationship between the presence of CCI clusters in a municipality with their relative SES performances.

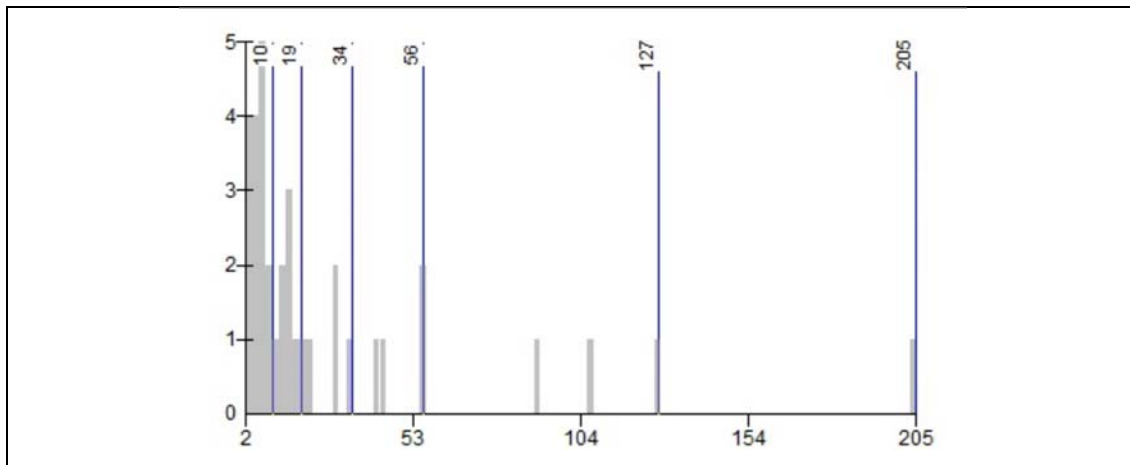


Figure 4.2: Natural Breaks (Jenks) Classification of Total CCIs per Town

The third map shows the total CCIs per municipality overlaid with the SBD SES rankings. The SES rankings for this map utilize the same colour gradient as the second map. The total CCIs per municipality are presented using nine graduated circles to show increasing numbers of CCIs. Graduated circles were chosen over proportional circles in both cases due to the large differences between the highest and lowest number of total CCIs which made the map display

difficult to read as there were tiny circles that could not be easily seen and huge circles which were bigger than the municipality. The third map is used to analyse the relationship between the existence of CCIs and development on a municipal scale.

4.6 Conclusion

This chapter has described the methods behind how the micro-regional database, the municipal level SBD socio-economic status index and the three maps were created. Data collection techniques included the use of previous studies, internet searches, tourism brochures, Google Maps and Street View and field trips. Data validation was carried out at each stage to ensure that the database is as accurate as possible. The SES index was produced using multiple correspondence analysis. The first dimension scores were used to produce an overall composite household SES index for each municipality. The mean was then calculated, and the municipalities ranked from highest to lowest SES performance. It was found that Camdeboo Municipality had the highest SES performance while the Sundays River Valley had the lowest SES performance. Lastly, three maps were created using GIS: the total CCIs per town and municipality, both overlaid with the SES index rankings; and the UNESCO domain breakdown per town. This is followed up by Chapter 5: Results and Discussion. In chapter 5, the success of the data collection techniques, and consequently, the micro-regional database will be discussed. The three maps will be analysed, and conclusions will be drawn about the extent of clustering in small towns and which domains are dominant and so have a comparative advantage. Lastly, the relationship between the CCIs and socio-economic development will be investigated with the help of the SBD SES index and the maps.

Chapter 5: Results and Discussion

5.1 Introduction

The following chapter will present the results of the micro-regional study. The chapter begins by presenting the micro-regional database and an analysis of the number of CCIs found and their domains. This is an important first step as the database was used to create three maps which, when used in conjunction with socioeconomic data, answer the research questions and give insights into the nature of the CCIs in rural small town areas. Accordingly, the maps firstly help to determine whether small town clustering is possible by mapping the number of CCIs found in each of the 35 towns. Secondly, they help to ascertain which domains are prominent in the district by presenting a breakdown of the percentage share of each domain in each town. Lastly, they can be used to help establish whether there is a link between the CCIs and socio-economic development by overlaying the SES index rankings with the number of CCIs in each municipality. These are all important aspects when considering the potential of the CCIs to be harnessed as a new economic driver. For CCI-led local economic development strategies to be designed and implemented, one first needs to know what exists and where and how they are related to each other. One of the benefits of GIS mapping is its ability to take complex databases, like the micro-regional database, and present it in a manner that is easy to interpret. It thus brings to light relationships between different aspects of the CCIs and space. Once these relationships and patterns are understood, effective and efficient policy and LED schemes can be designed and implemented.

5.2 The Micro-Regional SBD Database

5.2.1.1 The Number of CCI Organizations in the SBD

The result of the internet searches, tourism brochure examinations, Google Maps and Street View tours and field work in combination with validated data points from previous CCI audits (as described in Chapter 4) was the production of the micro-regional database. This thorough

data collection process has resulted in the most accurate audit of the number and type of CCIs in the SBD to date. While the DAC 2014 National Mapping Study was a good starting point, the scale of the project meant that it gave a good impression of CCI activity nationally but failed to adequately capture all the towns in the SBD or all of the CCIs in the 20 SBD towns it captured. This inadequacy became obvious as small scale local research on the SBD was conducted. There were also several errors in the DAC (2014c) study data for the SBD and so the data was cleaned, and Natural Heritage points were removed. This cleaned DAC (2014c) data is called the “2014 Cleaned DAC Study”. The 2016 Regional Study improved on the audit data of CCIs operating in the SBD and captured 32 towns and found larger numbers of CCIs. However, since this study was intended to aid in the development of regional policy by focusing on the experiences of established CCI owners, it did not extensively capture all of the smaller towns, so many of them had only one or two entries. Since this research is attempting to identify CCI clusters in small towns, fine scale local data for each town was required and so 35 towns of varying size were captured. Unlike the other studies, it was necessary to extensively research the smaller towns which may not have much CCI activity in order to gain insights into the type of small town environments that clusters may form in. Table 5.1 gives a comparison of the numbers of CCIs captured in each study.

The micro-regional study found 1 048 CCIs operating in the SBD. This is much larger than what was expected based on the numbers of CCIs that had been identified by the previous studies. The 2017 study has thus more than doubled the number of CCIs identified by the 2016 study and is eleven times more than what the Cleaned DAC study found. It is clear from the large increase in CCI numbers from the previous studies that intensive small-scale and local investigations are necessary in order for accurate research into the CCIs to be conducted. This is especially true when it is considered that many studies have found that the CCIs are generally SMMEs (Booyesen and Visser, 2010: 377; DAC, 2014a: 17; Rogerson, 2017: 5). This makes it particularly difficult to accurately track them down without conducting fine scale fieldwork. Subsequently, results on the possibility and extent of clustering in rural small towns, the dominant domain types and the relationships between the CCIs and development may change according to the number of CCIs that have been found as these questions are largely based on how many CCIs there are.

Table 5.1: Numbers of SBD CCI Captured by the Various Studies

Municipality	2014 Cleaned DAC Study	2016 Regional Study	2017 Micro-Regional Study
Baviaans	1	34	73
Blue Crane Route	1	28	54
Camdeboo	12	102	153
Ikwezi	1	9	23
Kouga	35	52	232
Kou-Kamma	1	18	32
Makana	29	113	233
Ndlambe	14	70	219
Sundays River Valley	0	15	29
Total	94	441	1 048

Sources: (DAC, 2014c; Lankester *et al*, 2016; Own Work)

The large number of CCIs also proves that the CCIs do not only locate in cities but can have a significant presence in rural areas. This in itself is an important finding as there has been a focus within CCI literature on cities. According to traditional theory, dating back to Florida's seminal work in 2002, the CCIs tend to locate in urban areas as they provide the conditions that the CCIs need to thrive such as hard and soft infrastructure, high technology access, skilled labour pools and large consumer markets of the creative class (Oakley, 2006: 267; Flew, 2010: 86). Since rural areas and small towns do not provide these traditional creative and innovative environments to the same extent, research into their CCIs has not been widely conducted as it is assumed that they will not host large numbers of CCIs.

While the SBD as a whole has a large number of CCIs, they are not evenly distributed throughout the nine municipalities. There appear to be three general groupings of municipal CCI numbers: low (below 50 CCIs), medium (between 51 and 150) and high (151 and above). See table 5.2. There seems to be a link between the number of CCIs in a municipality and its land use. Thus, the low CCI numbered municipalities are primarily agricultural as the Sundays

River Valley and Kou-Kamma are large fruit producing regions and Ikwezi is a part of mohair country with a focus on farming angora goats. These municipalities are thus characterised by small rural service centre type towns which are sparse and are not well suited to large numbers of CCIs. This unsuitability for large numbers of CCIs is based on their small local markets for CCI products as they have low populations and often lack or have poor quality basic infrastructure. It should however be noted that this only refers to the number of CCIs and not their individual size or turnover.

Table 5.2: Municipal CCI Number Groups

Low Number of CCIs	Medium Number of CCIs	High Number of CCIs
Ikwezi	Baviaans	Camdeboo
Kou-Kamma	Blue Crane Route	Kouga
Sundays River Valley		Makana
		Ndlambe

Source: (Own Work)

The municipalities with a higher number of CCIs are also those which have the larger small towns in the SBD: Graaff-Reinet, Grahamstown, Jeffreys Bay and Port Alfred. Therefore, even though these municipalities engage in agricultural activity, their overall municipal economies are more diverse as larger towns tend to offer a wider range of services and have a greater variety of economic activity. Consequently, it seems that the CCIs have located in greater numbers in the municipalities with larger small towns because they are more capable of providing their CCIs with the conditions they require. For instance, larger towns are more likely to have better hard and soft infrastructure as well as larger local consumer markets for CCI products. Accordingly, it seems that there is a link between the numbers of CCIs and the size of the town.

Meanwhile, the municipalities with medium numbers of CCIs have aspects of both the high and low CCI numbering municipalities. While they are also primarily agricultural, the Blue Crane Route has a medium sized town, Somerset East, which acts in a similar way to the larger towns. Baviaans is home to the Baviaanskloof World Heritage Site and has large Angora goat

farms so is similar to the low CCI number municipalities in terms of land use and settlement pattern. However, Baviaans has managed to create a small tourism industry based on mohair and a quiet escape from city life. There are thus a significant number of CCIs which have been established in the municipality's towns. The 2017 study has thus shown that it is necessary extensively to research the municipalities that are more agricultural even though theory suggests that they would not have a large CCI presence. Consequently, it seems that it is not just the size of the town that is important as its characteristics also have a heavy influence on the number of CCIs.

It is possible that the categories of CCI numbers indicate a threshold town size in terms of the number of CCIs that must be reached in order for CCI-led development to be a viable option for the town. Therefore, the low CCI numbered municipalities consist of towns which are below the threshold as they are mainly small agricultural service centres with limited hard and soft infrastructure and low CCI activity. Accordingly, there is no pre-existing level of CCI related infrastructure from which to build. The threshold is reached by the medium CCI numbered municipalities as even though some of the towns have small permanent populations and are small in their physical size, their tourism industries and in some cases second home owner communities, have resulted in the towns being able to support the CCIs quite successfully. These types of towns are the threshold as they have a good level of pre-existing infrastructure and a decent number of existing CCIs from which they can expand. This means that for them, CCI-led development is more likely to be successful and so is a viable LED option. The high numbered CCIs exceed the threshold and so will also be likely successes for CCI-led development.

These classifications of municipalities based on their numbers of CCIs are important as it shows that there is a diversity which exists in rural areas with small towns as some have large numbers of CCIs while others do not. Therefore, the overarching and simplified theory that small towns and rural areas are not suited to the CCIs is incorrect. The three low CCI numbered municipalities seem to conform to the traditional theory of being unsuited to large numbers of CCI organizations and clustering activity as their economies are primarily agricultural. However, the municipalities with a medium number of CCIs have managed to create a niche tourism market for themselves based on escapes to the country and small town

charm. Some CCIs have thus positioned themselves to take advantage of the visiting creative class and so offer a different type of CCI experience to those in cities as they do not require the same environment to be successful. Alternatively, the municipalities with high CCI numbers are the most similar to the cities in that they have larger numbers of CCIs and have more diverse CCI activity. Furthermore, the larger number and greater range of CCI activity in these municipalities may in part be based on providing creative services to their populations as the larger towns also have larger populations and thus greater proportions of professionals and creative class members who would consume CCIs. There are thus different classes of CCI presence in rural small town areas as shown by the three groups of municipalities. The type of CCI activity found in these areas may reflect these differences as the six UNESCO domains may be suited to these different environments. Another aspect of this research is to investigate the relationship between the CCIs and development. The SBDM has identified the CCIs as a potential new economic driver. Based on the relatively large number of CCIs already operational in the district, it is possible that the CCIs could be a viable and successful LED tool as they have an existing base from which to build.

5.2.2 The UNESCO Domains in the SBD

An important aspect of this research is an investigation into which of the UNESCO domains are prominent in the SBD and are thus suited to rural small town environments. This is a crucial element of policy and investment discussion as, to increase the probability of success, schemes would need to target the domains which are well adapted to rural small town environments. The micro-regional database therefore captured the UNESCO domain that each CCI falls under. Figure 5.1 illustrates the domain breakdowns in the SBD. The largest domain in the district is Visual Arts and Crafts as it represents almost half of all CCI activity. This is followed by Cultural Heritage which makes up a quarter of the district's CCIs. On the other hand, Audio-Visual and Interactive Media is almost negligible.

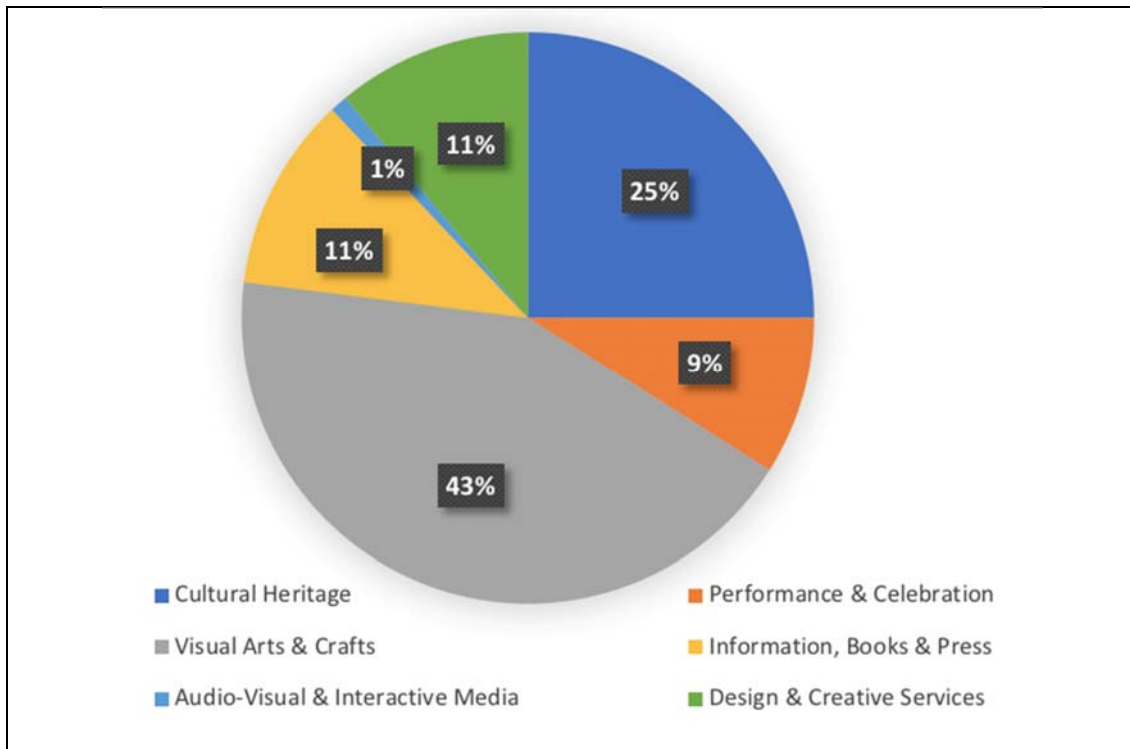


Figure 5.1: SBD CCIs per UNESCO Domain

Source: (Own Work)

The domain shares in the SBD from the micro-regional database are different from those calculated in the DAC 2014 and Regional 2016 studies. See figure 5.2. Like the micro-regional study, Visual Arts and Crafts is the dominant domain in the regional 2016 study. However, Cultural Heritage is less prominent and Information, Books and Press is the second largest domain. The DAC study results are quite different as Visual Arts and Crafts is only the third largest domain. This study included Natural Heritage as well as Cultural Heritage which may account for this domain being the largest. On the other hand, when the cleaned DAC study is considered, Visual Arts and Crafts becomes the largest domain as is the case for the micro-regional study. This change serves to illustrate the point that the result will change depending on how accurate the data is, which may in turn have policy implications. Meanwhile, Audio-Visual and Interactive Media is the smallest domain across the board. In general, the findings from the micro-regional, regional and cleaned DAC studies are quite similar in terms of which domains are prominent. This also lends reliability to the micro-regional study as, although the prevalence of each domain is different, the results generally concur with those of the previous studies.

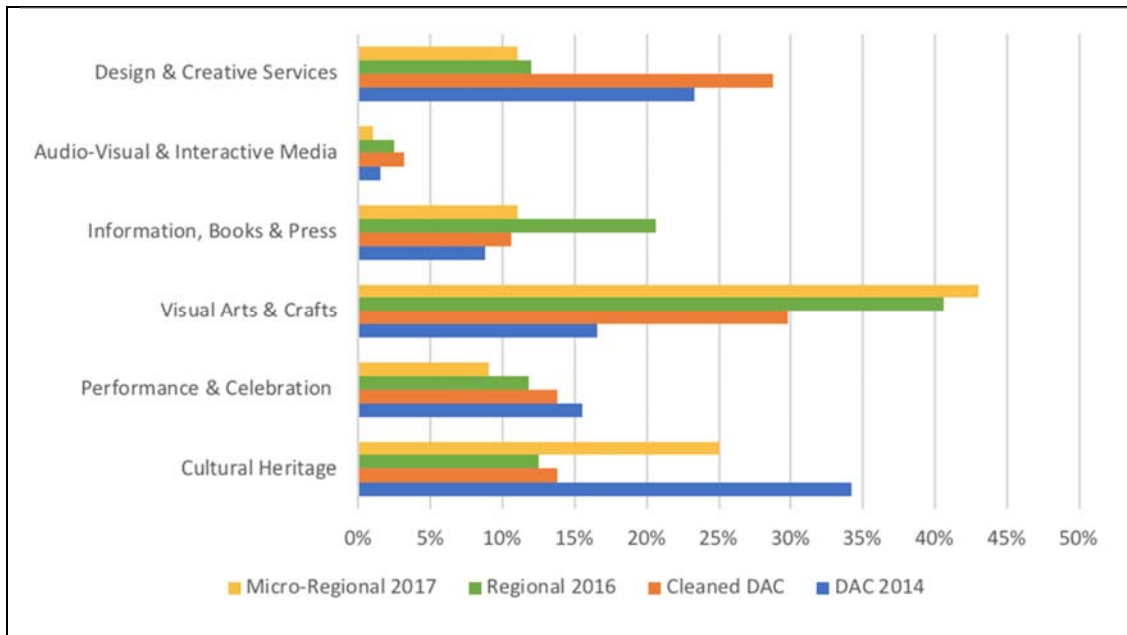


Figure 5.2: Comparison of UNESCO Domain Shares of SBD CCI

Sources: (DAC, 2014c; Lankester *et al*, 2016; Own Work)

There is considerable variability in the domains across the nine municipalities. See table 5.3. This breakdown of the CCI into domains per municipality also shows their relative domain strengths. The domains that are prominent in each municipality can also provide insights into the types of environments in which CCI in certain domains can do well. Visual Arts and Crafts and Cultural Heritage are important domains throughout the nine municipalities as they occur in large proportions while Audio-Visual and Interactive Media is the smallest domain throughout. This indicates that Visual Arts and Crafts and Cultural Heritage are well suited to small town environments, but Audio-Visual and Interactive Media are not. Furthermore, some municipalities have above average shares of particular domains and so may have a comparative advantage. For example, Makana has the most Performance and Celebration classified CCI out of the districts (55%) and so it has the largest share and thus a potential comparative advantage. Municipal domain variability and strength are important considerations in district policy, investment and LED initiatives because a programme aimed at encouraging a particular domain may be ineffective in the municipalities in which a particular type of firm has a limited presence. These concepts will be analysed in more detail with the aid of the maps as the chapter progresses.

Table 5.3: UNESCO Domains Breakdown of the CCI in the SBD

Municipality	Domains					
	Cultural Heritage	Performance & Celebration	Visual Arts & Crafts	Information, Books & Press	Audio-Visual & Interactive Media	Design & Creative Services
Baviaans	32	6	31	3	0	1
Blue Crane Route	23	2	19	8	0	2
Camdeboo	58	7	69	11	1	7
Ikwezi	12	0	8	2	0	1
Kouga	29	13	108	26	3	53
Kou-Kamma	6	1	21	4	0	0
Makana	53	51	75	26	7	21
Ndlambe	46	9	107	24	1	32
Sundays River Valley	4	3	11	9	0	2
SBD Total	263	92	449	113	12	119

Source: (Own Work)

5.3 The CCIs in the SBD Towns: UNESCO Domains

The 2017 Micro-regional study captured the UNESCO domain that each CCI belongs to. This information allowed for the share of each domain in each town to be mapped. See Figure 5.3 below. Each domain is colour coded and all of the pie charts are the same size so do not represent the relative numbers of CCIs in each town. This makes it easy to identify the prominent domains in the district as well as any locational trends of where certain domains occur.

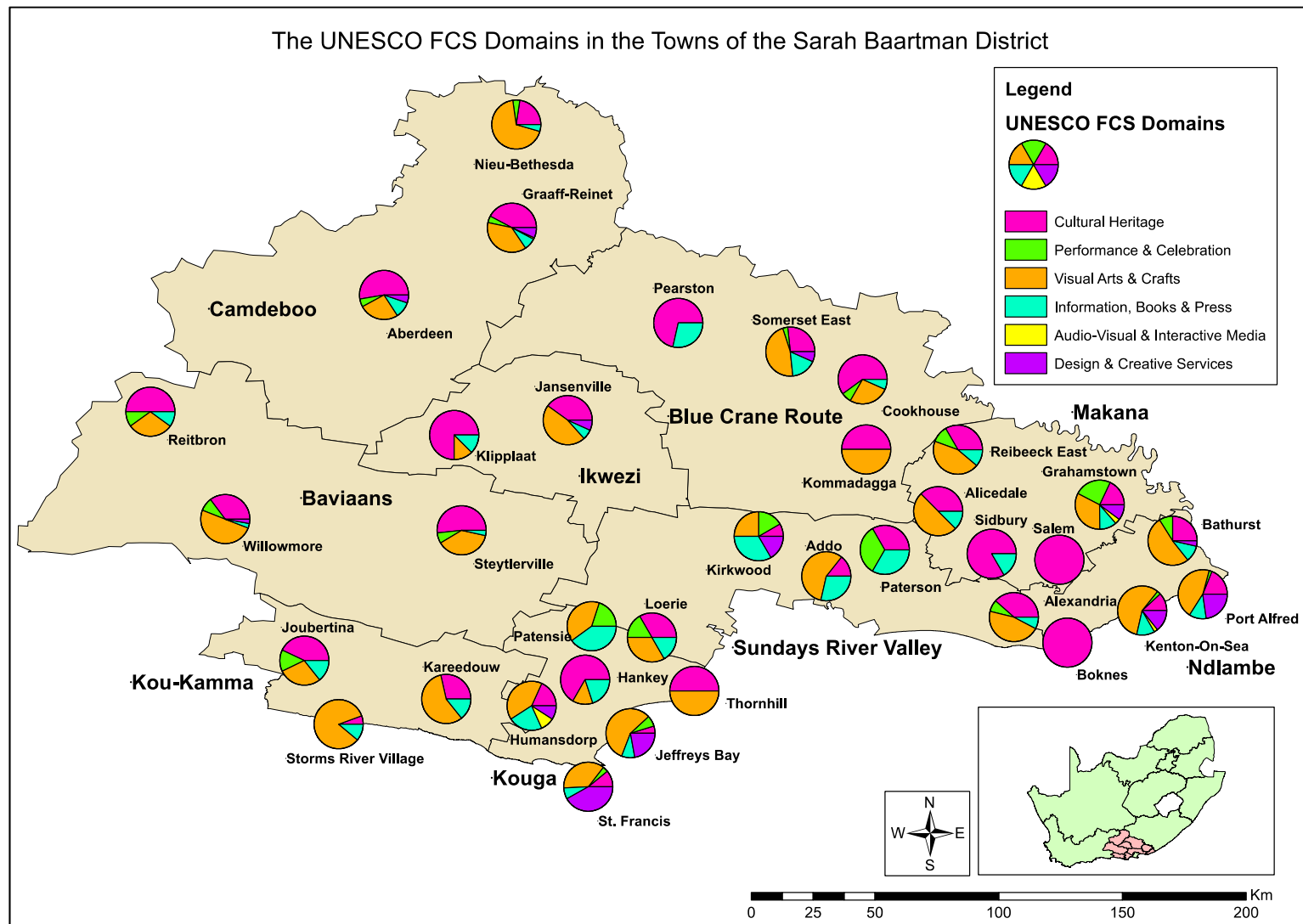


Figure 5.3: UNESCO Domain Breakdown in the Towns of the SBD

Source: (Own Work)

5.3.1 Establishing Comparative Advantage and Specializing

In trade theory, comparative advantage refers to specializing in the production of a good or service for which the opportunity cost is lowest (Black *et al*, 2009: 47). Absolute advantage refers to specializing in the good or service in which the fewest inputs are required and the output highest (Black *et al*, 2009: 1). While input and output data as well as production costs and opportunity costs would be required to establish absolute and comparative advantage for CCI products, the concepts can be applied to the numbers and proportions of organizations in each domain between the towns and municipalities. In theory, towns with larger proportions of a particular domain could be said to have a comparative advantage in that domain and so could attempt to specialize in it. Establishing comparative advantage and specializing means that there is a clustering potential within a particular domain. Accordingly, a comparative advantage acts as a signal to policy and decision makers to invest in the particular domain in its location of advantage, be that the town, group of neighbouring towns, municipality or district.

A possible comparative advantage and cluster is desirable as there are benefits associated with specialisation. For example, if a town were to specialize in a particular domain, they could also experience an increase in the economic impact of the domain itself as well as other industries through spillover effects and could stimulate development and regeneration as well as improve hard and soft infrastructure (CCI Spillovers Report, 2015: 9). Organizations would also experience production benefits of lower costs, increased investment and improved productivity, profitability and competitiveness (CCI Spillovers Report, 2015: 9). Moreover, network advantages between organizations working in the domain would arise through improved business cultures and entrepreneurship, innovation and creative environments (Porter, 2000: 21- 25; Florida, 2003: 4-5). They would not only experience easier access to machinery and inputs, but would also benefit from short lines of communication, quick and constant flow of information and ongoing exchange of ideas and innovation between firms in the domain and their suppliers (Porter, 2001: 80).

To identify these areas of comparative advantage, a location quotient analysis was combined with the domain proportions map. The LQ analysis reveals locational concentrations of CCIs in a municipality and so signifies potential comparative advantages and clusters. This is done by comparing a particular domain within the municipality with the total municipal CCI presence. If the result is greater than one, then the municipality can be said to have a potential comparative advantage and cluster in that domain. Table 5.4 shows the results of the LQ calculations. The results of this table will be discussed below for each domain.

Table 5.4: Location Quotients for the UNESCO Domains in the SBD Municipalities

Municipality	Cultural Heritage	Performance & Celebration	Visual Arts & Crafts	Information, Books and Press	Audio-Visual & Interactive Media	Design & Creative Services
Baviaans	1.75	0.94	0.99	0.38	0.00	0.12
Blue Crane Route	1.70	0.42	0.82	1.37	0.00	0.33
Camdeboo	1.51	0.52	1.05	0.67	0.57	0.40
Ikwezi	2.08	0.00	0.81	0.81	0.00	0.38
Kouga	0.50	0.64	1.09	1.04	1.13	2.01
Kou-Kamma	0.75	0.36	1.53	1.16	0.00	0.00
Makana	0.91	2.49	0.75	1.03	2.62	0.79
Ndlambe	0.84	0.47	1.14	1.02	0.40	1.29
Sundays River Valley	0.55	1.18	0.89	2.88	0.00	0.61

Source: (Own Work)

However, proportions can be misleading as a town like Kommadagga with large proportions of Visual Arts and Crafts and Cultural Heritage may seem like it has a lot of activity in these domains when compared to the other towns. Despite this appearance, it only has two CCIs in total, one in each domain and so comparative advantage is not sufficient to make recommendations in this case. Absolute advantage helps to solve this problem as if it is considered in conjunction with the relative domain shares, then the false comparative

advantages that arise due to the highly variable CCI numbers, can be discovered. Therefore, when compared to other towns with larger numbers of Visual Arts and Crafts and Cultural Heritage CCIs and a better level of pre-existing infrastructure, it no longer seems prudent for limited funding and resources to be allocated to Kommadagga to specialize in these domains as the opportunity cost of this action is high.

5.3.2 Domain Analysis

To better understand the types of CCI activity that occur in the SBD, each domain needs to be analysed in terms of its presence throughout the towns, municipalities and the district as a whole. The analysis has important policy, investment and LED scheme implications as the relative domain strengths act as an indicator for which types of activity are suited to small towns and rural areas. Additionally, the relative domain presence throughout the district may provide insights into the nature of CCI clusters in these environments. For instance, it may be the case that domains that do not require specialist skills or equipment have a greater tendency to cluster in the more rural areas or that the type of activity is linked to the specific characteristics of the town itself such as an artist retreat or settler village (Oakley, 2006: 267-268; Toerien and Marais, 2012: 5).

5.3.2.1 Visual Arts and Crafts

Table 5.3 showed that Visual Arts and Crafts is the largest domain in the district. The map makes this result clearer and also helps explain why this may be so. There are only five towns in the SBD that do not have any CCIs in this domain. Of these towns, Paterson and Pearston are small agricultural towns, Salem and Sidbury are old historic settlements and Boknes is a small seaside hamlet. Field observations suggest that, given their small size and populations, as well as their characteristics, they do not have much creative activity, mainly having historic sites (Cultural Heritage) and small libraries (Information, Books and Press) as there does not appear to be much demand for cultural and creative products.

In the other 30 towns, Visual Arts and Crafts is generally quite a large proportion of their total CCIs. This is an indication of the dominance of the domain in the district as it is present in every municipality and in most towns in substantial proportions. The Visual Arts and Crafts domain is strong throughout South Africa and so the SBD follows the national trend (DAC, 2014a: 17; Hadisi and Snowball, 2017: 13). The domain has accordingly been identified as an industrial policy focus area as it has been identified as a key manufacturing sector that is both value adding and labour intensive with a good potential for export (Department of Trade and Industry, 2013: 11). SA's Industrial Policy Action Plan (IPAP) includes a Customized Craft Sector Programme which seeks to address some key challenges facing the sector including: competition from imports; business, innovation and design skills deficits; quality control; and intellectual property issues (Department of Trade and Industry, 2013: 114).

The LQ results for Visual Arts and Crafts in table 5.4 show that the domain has a strong presence throughout the district and is an important part of the SBD's cultural and creative activity and production. Four of the nine municipalities: Camdeboo, Kouga, Kou-Kamma and Ndlambe, have a locational concentration of organizations in this domain as compared to their overall CCI activity. This indicates that they have a potential comparative advantage and cluster in the domain. The remaining municipalities do not have concentrations of the domain but nor is the domain negligible as their LQs are still quite close to one.

Given its district wide presence in large proportions, it seems that the SBD is particularly well suited to the domain. Field observations provide some tentative reasons for why this pattern exists. Firstly, some of the municipalities are popular tourist destinations as they include towns with historical, cultural and natural attractions (SBDM, 2016). Tourism can have significant spillover effects on the Visual Arts and Crafts domain (Rogerson, 2010: 115). This link to tourism is based on the production of arts and crafts items that are often purchased as souvenirs such as African beadwork, Big Five paintings and wooden carvings, which were found in many arts and crafts stores throughout the district. Furthermore, a study by Irvine *et al* (2016) and fieldwork revealed that towns like Bathurst and Nieu-Bethesda have reputations as artist's havens and creative spaces. This is based on their relatively large populations of artists, many of whom relocated to the towns and opened their own local studios (where they also provide art classes) while still sending work to larger galleries in

South Africa's major cities. Lastly, the domain has been recognized for its potential for creating job opportunities and income for previously disadvantaged and marginalized people, many of whom are women (Rogerson, 2010: 116). This population group is usually poorly educated and many of those producing crafts in rural areas are illiterate and innumerate (Hay, 2008: 2). The Visual Arts and Crafts domain thus provides people with low levels of formal education and training with an opportunity to earn an income which makes it a unique domain as it is more inclusive. Fieldwork showed that this group of people are active participants in the domain in the SBD as there are several community projects which produce and sell arts and crafts as well as several stores that sell items on behalf of these artists who would not otherwise have access to the formal market. Since the SBD has a relatively poorly educated population, high poverty rates and high unemployment rates, many people may have turned towards this domain as a means of earning an income as they do not require a formal education in order to be able to participate (Statistics South Africa, 2016a: 64; ECSECC, 2017: 47; SBDM, 2017: 19). Therefore, the inclusivity of the domain paired with the demographic characteristics of the population may help to explain the prominence of Visual Arts and Crafts. The strength of the domain within the province has already been recognized as it has been identified for development within the Eastern Cape cultural policy (DSRAC, 2018).

5.3.2.2 Cultural Heritage

The second largest domain in the SBD is Cultural Heritage. The map shows that it is generally found in large proportions in the towns and is prominent throughout the district. There is only one town, Patensie, in which no Cultural Heritage CCIs were found. In this sense, it is similar to Visual Arts and Crafts as these two domains are found in the majority of towns in large proportions. The prominence of the Cultural Heritage domain is further demonstrated by the LQs as four of the municipalities have a concentration of Cultural Heritage organizations; Baviaans, Blue Crane Route, Camdeboo and Ikwezi. Moreover, Kou-Kamma, Makana and Ndlambe have LQs which are close to one and so the domain is also of significance to their CCI activity.

The type of Cultural Heritage found across the towns is however highly variable. All of them have monuments and historic sites but few of them have museums, art galleries or tours and information relating to the monuments and sites. In this sense, there is not a cluster of Cultural Heritage but rather a concentration of potential places of interest in the towns with large proportions of the domain. Furthermore, observations made in the field found that many of the historic sites in the towns have fallen into varying states of disrepair and are inaccessible to the public for safety reasons. Despite this, information on Cultural Heritage sites within the district was collected in order to analyse the potential of the domain to be developed. It is necessary to have existing sites of historical and cultural interest which can be harnessed for development and turned into attractions. The micro-regional study found that there exists a diverse range of places of interest spanning settler and colonial history, Xhosa history, the Anglo-Boer Wars and old churches and so there appears to be a good existing base from which to build.

The lack of active Cultural Heritage like museums and historic site visits does not occur in all the towns. Somerset East, Graaff-Reinet, Bathurst and Grahamstown were found to host several museums, galleries, churches and other sites of historical interest that could be visited, though mostly unguided. These towns have quite large proportions of the Cultural Heritage domain which represents actual activity rather than just potential. Therefore, compared to the rest of the SBD, these towns could be said to have a comparative advantage and cluster based on their relative Cultural Heritage activity. A reason for this may be that the four towns are of historic and cultural importance which they highlight in their tourist brochures. Consequently, they may have developed activities and attractions for tourists and their local populations to showcase their histories and places of interest.

5.3.2.3 Design and Creative Services

Design and Creative Services, the third largest domain in the SBD, occurs in only 13 towns – less than half. Furthermore, the domain exists in all of the municipalities except Kou-Kamma. The LQ analysis shows that there is a concentration of Design and Creative Services in Kouga and Ndlambe. This coincides with the towns which have the largest shares of the domain activity as displayed by the map: St. Francis and Jeffreys Bay in Kouga and Kenton-On-Sea and

Port Alfred in Ndlambe. Accordingly, the two municipalities hold a comparative advantage within the four towns for Design and Creative Services. The towns are neighbours and so there appears to be a node of Design and Creative Services activity in a particular region of each municipality. This idea of a node of activity is reinforced by the domain only being present in one other town in each municipality in a small proportion.

Unlike Visual Arts and Crafts and Cultural Heritage, this domain has more variability in terms of its presence in the district. The map and LQ analysis show that two municipalities have a concentration of the domain, two more (Makana and Sundays River Valley) have a moderate presence as they are quite close to one, while the remaining municipalities have a very limited presence. The municipalities with the limited domain presence mainly consist of small agricultural service centre towns and so there may not be much demand for the domain's products given their small populations. The towns in which the domain has a significant presence are either medium or large in size with larger populations and thus greater demand. In terms of the types of domain activity that are found in the district, fieldwork revealed that graphic design was the most versatile activity as it occurred in towns of all sizes. This activity was often found in print related shops who offered graphic design services, especially related to signage, banners and marketing, as well as printing, copying, binding etc. The other types of domain activity like advertising, architecture, landscaping and interior design tended to locate in the medium and large towns, perhaps due to access to larger consumer markets.

Since the domain seems to be suited to the medium and larger towns, questions arise as to why it is not present in larger proportions in Grahamstown and Graaf-Reinet. In the case of Grahamstown, this can be explained by proportions and illustrates why absolute advantage should not be overlooked. Grahamstown has 21 organizations operating in Design and Creative Services which is more than the six organizations operating in Kenton-On-Sea and is similar to the number of organizations in Jeffreys Bay, St. Francis and Port Alfred. However, Grahamstown has a far greater number of total CCIs and so the Design and Creative Services domain makes a proportionally smaller contribution. Conversely, Kenton-On-Sea has a smaller number of CCIs overall and so six Design and Creative Services organizations makes up a larger proportion of its total. In cases like this, absolute advantage is useful as it means that the domain in Grahamstown should not be considered as unimportant and consequently

bypassed in policy, investment and LED decision making. In the case of Graff-Reinet, only six Design and Creative Services organizations were found. Therefore, even though it is a larger town, it can be concluded that a town's size is not the only contributing factor to the relative presence of the domain.

5.3.2.4 Information, Books and Press

There are 113 CCIs that are part of the Information, Books and Press domain, making it the fourth largest in the district. It is similar to Design and Creative Services in the number of businesses (119), but it is quite different in terms of its presence in the SBD. It is only absent from four small towns and so in this regard, it is similar to Visual Arts and Crafts and Cultural Heritage. This pattern can be explained by most of the SBD towns having small libraries which accounts for the majority of domain activity. Consequently, it is the libraries which account for the domain's presence in even most of the smallest and remotest of towns. The four towns where Information, Books and Press is absent are Thornhill, Kommadagga, Salem and Boknes. These towns all have very small populations and field observations suggest that their residents need to travel to neighbouring towns, which are quite close by, to access almost all goods and services. Therefore, it is probably considered as an inefficient use of resources to manage and maintain libraries in these four towns.

Some of the smaller sized towns where cultural tourism is important and some of the medium and larger sized towns have more domain diversity as well as variety within domains. This is most probably due to the towns having larger consumer markets, be they permanent residents of the towns or visitors. The Information, Books and Press domain can be used as a good example of the greater diversity. For instance, in the village of Nieu-Bethesda, there is a popular and well stocked second-hand bookshop, and in the village of Bathurst, there is a local newspaper, a book fair, two bookshops and two small libraries. In the medium and larger sized towns of St. Francis, Port Alfred, Kenton-On-Sea, Graaff-Reinet, Jeffreys Bay and Grahamstown, there is also more variety as in addition to libraries, they also have bookshops and local newspapers, and, in Port Alfred, Jeffreys Bay and Grahamstown, publishers. It thus seems that a wider variety of domains and domain activities is partially dependent on the size of the town and its characteristics as the town must be capable of supporting larger numbers

of CCIs due to larger populations (permanent or transient), more creative class members and better infrastructure.

Given the nature of this domain in the SBD as primarily libraries with a few local newspapers and bookshops, any attempt to establish comparative advantage also needs to examine the type of activity. The LQ analysis results show that there are six municipalities with a locational concentration of the domain (barring Baviaans, Camdeboo and Ikwezi). Moreover, the map highlights several towns including Kirkwood, Addo, Paterson, Somerset East, Pearston, Hankey and Patensie as having large proportions of the domain. This may seem like a good indicator of comparative advantage but when the micro-regional database is consulted, it shows that the domain activity is either entirely or mostly based on small libraries which provide a public service. Therefore, the LQ analysis and map results are not suggestive of comparative advantage or clustering but rather the roll-out of the Department of Arts and Culture's programme for the building and maintenance of libraries in all towns. This is supported by field observations of several recently built libraries in the district, especially in the smaller and more rural and remote towns.

5.3.2.5 Performance and Celebration

Performance and Celebration is the second smallest domain in the SBD with 92 CCIs. There are 21 towns with a Performance and Celebration presence and all municipalities except Ikwezi have CCIs in the domain. The Performance and Celebration domain is usually found in quite small proportions and in many of the towns, takes the form of traditional dance groups and/or theatre groups. There is thus not much variety within the domain across the district and only a handful of towns have different types of dance and music or host festivals and fairs. Once again, the larger small towns also have more variety within the domain in terms of different dance styles, multiple theatre troops, vocal artists and musicians who play a range of instruments and also offer lessons. This is particularly evident in Grahamstown as field research uncovered a significant permanent population of performing artists, dancers and musicians, many of whom were linked to the local university (Rhodes University). However, sole artists were difficult to find and so many of them have probably been overlooked.

There are a surprising number of festivals and fairs held in the SBD given its rural small town context. In total, there are 14 towns that host festivals in the SBD and some towns like Grahamstown and Bathurst host a few festivals a year. The district's festivals range in size from the biggest festival in Africa, the National Arts Festival in Grahamstown, to small local celebrations (National Arts Festival, 2018). While the National Arts Festival does tend to overshadow the others, many of them are growing in popularity such as the Kirkwood Wildsfees which is attracting large numbers of visitors from around the country as well as top South African performers.

In terms of comparative advantage, the LQ analysis shows that Makana has the strongest concentration of Performance and Celebration with an LQ result of 2.49. The Sundays River Valley is the only other municipality with a locational concentration of the domain. In terms of proportions, Paterson in the Sundays River Valley has the largest share of the domain followed by Grahamstown in Makana. However, Paterson only has three CCIs in total, one of which is in the Performance and Celebration domain. On the other hand, Grahamstown has 50 organizations and artists operating in the domain which is the largest number of Performance and Celebration CCIs in a SBD town. Consequently, Grahamstown holds an absolute advantage as well as a comparative advantage in the domain. Unlike the other domains where there are several towns that possess a comparative advantage, the Performance and Celebration domain is unique in that only one town possesses it.

5.3.2.6 Audio-Visual and Interactive Media

This is by far the smallest domain in the district with only 12 CCIs falling under Audio-Visual and Interactive Media. There are thus only 4 towns in the district where it is present: Graaff-Reinet, Humansdorp, Kenton-On-Sea and Grahamstown. Radio is the largest activity within the domain as local radio stations are the only activity in Graaff-Reinet and Humansdorp and make up 30% of Grahamstown's Audio-Visual and Interactive Media. Videography is also present in Grahamstown and is the only activity in Kenton-On-Sea. Both Graaff-Reinet and Kenton-On-Sea only have one organization operating in the domain and in Graaff-Reinet, it is proportionally so small that it is not easy to see on the map. Once again, the largest town

(Grahamstown) has the largest number of organizations and the widest variety of domain activity which may be due to the higher demand of a larger population.

Overall, Audio-Visual and Interactive Media is a proportionally small domain in the towns with Humansdorp having the largest share and Grahamstown the second largest. Their municipalities, Kouga and Makana respectively, also have locational concentrations of the domain according to the LQ analysis. However, if absolute advantage is considered, the towns no longer appear to hold a potential comparative advantage and cluster as Humansdorp has two CCIs and Grahamstown has seven CCIs that fall under the domain. These numbers are too small to be considered as clusters or as a basis from which comparative advantage can be argued for.

Its lack in the district is notable and suggests that rural small town areas are not well suited to the domain. Audio-Visual and Interactive Media activities like film and television production usually occur in cities where studios can take advantage of hard infrastructure like airports, extensive road networks, sophisticated banking systems and reliable and high-speed telecommunications, as well as soft infrastructure like existing pools of film and television production related skilled labour and networks (Cape Town Film Studios, 2018). Rural small town areas do not possess the same infrastructural advantages and so attracting domain activity away from the cities of Cape Town and Johannesburg where it is currently located, would be highly unlikely.

5.3.3 Policy Recommendations

From the above domain analysis, it can be seen that there is a complex pattern of domain activity occurring in the SBD. Some domains are stronger than others across the district, while some domains have located in particular areas that are able to meet their requirements. These areas may have a comparative advantage which can be exploited for development. Therefore, when it comes to policy, there needs to be a domain and location specific design in place in order for it to be efficient and effective. There appear to be three groups of domains which have different policy implications: those with a strong presence throughout

the district; those with a potential comparative advantage in specific locations; and those with a limited presence in the district.

5.3.3.1 Group One: A Strong Presence in the SBD

The first group of domains comprises Visual Arts and Crafts and Cultural Heritage as they are the two most prominent domains in the district, occurring in almost all of the towns. Therefore, a district wide policy is recommended rather than encouraging specialization in a particular town, group of towns or municipality. Accordingly, the management strategy of these domains will need to be district led rather than private and so falls under the direction cluster management strategy where the SBDM would need to collect and distribute funds and engage in considerable planning efforts (Brooks and Kushner, 2001: 7). This recommendation is based on the likelihood of initiatives related to these domains being capable of benefiting all the municipalities and the majority of towns to some extent as their occurrence is widespread. LED schemes and initiatives focused on these domains are thus also likely to benefit the most people whether directly or indirectly through spillover effects. A stated aim of South African policy is to develop industries that have job creation potential as well as significant earning potential (National Planning Commission, 2013: 16). Consequently, these two domains may have the best job creation prospects for the district as a whole in the long-term as they do not concentrate in a particular group of towns or municipality and so job opportunities should be shared amongst the municipalities.

However, the two domains have different characteristics and district level policies will need to be adjusted for each domain. Firstly, Visual Arts and Crafts dominates the SBD and this prominence suggests that there is a good level of pre-existing infrastructure related to the domain. This means that any initiatives undertaken are more likely to be successful as there is already a foundation on which to build. Moreover, its presence in large proportions in most of the towns suggests that it is well suited to rural small town environments. This is an especially good domain to invest in as, considering its inclusivity, LED schemes are more likely to help the poorer members of the SBD community. Furthermore, initiatives aimed at Visual Arts and Crafts could be linked to tourism policy as, given the strong links between them, an

increase in tourism would have spillover benefits on arts and craft producers (Rogerson, 2010: 115).

The analysis on Cultural Heritage revealed the potential of the sector to be developed as the micro-regional study mainly found sites of cultural and historic interest that were not currently being exploited. Around the world, cultural and historic sites attract visitors and have heritage tours, museums (often with audio-visual components) and related souvenirs which would fall into Visual Arts and Crafts. The few active heritage sites in the district, like museums, currently attract a few hundred visitors a year according to museum volunteers in Somerset East. However, it is possible for cultural and historic sites to make a valuable economic contribution. For example, England has a rich history on which they have based a historic tourism industry which employed 328 700 people (1% of total national employment) and generated £21.7 billion in GVA (2% of national GVA) in 2016 (Historic England, 2016: 1-2). Therefore, Cultural Heritage has the potential to be a significant job creator and income generator. In addition to the potential economic benefits, the domain can also be harnessed for nation-building and social cohesion as active cultural and historic sites would allow people to have a greater level of engagement with their histories, cultures and heritages (DAC, 2013).

An example of cultural and historic sites that could be harnessed for tourism are churches. It could be relatively simple to introduce church tourism to the SBD as almost every town has historic churches which are still in use today and so are already accessible and safe for the public. Church tourism is a major tourist activity which is increasing in popularity in England (Duff, 2009: 2), and the English experience demonstrates that church tourism could be a viable development option for the SBD. For instance, 55% of all day trips included a visit to a cathedral or church, making them the third most visited tourist attraction in England (Duff, 2009: 2). Furthermore, it is estimated that each parish church receives between 700 - 4 000 visits a year depending on location (Duff, 2009: 2). Thus, even small country parishes in rural villages can receive quite substantial numbers of visitors. This is an important finding as it suggests that church tourism could be successful in the rural small towns of the SBD. There is also a significant economic impact of church tourism for England as it was estimated that visitors to cathedrals generated £91 million in spend and directly supported 2 600 jobs in 2004 (Duff, 2009: 2). Moreover, church tourism appeals to a wide range of people as reasons for

visits included more than spirituality (Duff, 2009: 5). Other reasons included architectural appreciation, decorative art, family history, interest in notable people involved with the church through history, places for quiet reflection and as points of interest (Duff, 2009: 5).

The SBD is home to many beautiful historic churches dating back to the 1820 Settlers. Fieldwork revealed that there is already an interest in old churches in some towns like Bathurst, Grahamstown, Salem, Graaff-Reinet, Aberdeen and Nieu-Bethesda, mainly based on family history and architectural beauty. However, this interest is not being capitalized on throughout the district. The church tourism example from England proves that it is possible to utilize historic sites and cultural heritage, even in rural small towns, to generate an economic benefit as well as a social benefit. There are also spillover effects relating to church visits as other places of interest may also be visited and CCI products may be bought.

Church tourism is just one type of heritage and cultural tourism that could be introduced to the SBD as there is also potential to create battlefield tourism surrounding the Anglo-Boer Wars, settler history and colonial history. Historic tourism in general has the potential to create a quite substantial number of jobs and improve nation-building and social cohesion. For instance, if a heritage route is created through the district, direct jobs will be created through the need to do maintenance and repairs on cultural heritage sites, historic site and heritage route management and the need for tour guides and site information. Spillovers could also be substantial employment creators and income generators as advertising and marketing of the route and sites would be required while other CCIs may also be visited and associated activities like restaurants and accommodation would also benefit. Moreover, locals may be encouraged to learn about and engage with their histories and heritages, so a greater sense of community and pride could also result. However, creating a heritage route and popularising it takes a long time and so the benefits will only accrue in the long-term.

5.3.3.2 Group Two: Areas of Comparative Advantage

The second group of domains consists of Design and Creative Services and Performance and Celebration as they have concentrated in particular towns where they have potential comparative advantages and clusters in the domain. Based on their presence only being

significant in a few towns, a more targeted policy approach is recommended for these domains. Policy for these domains should aim to capitalize on and strengthen the comparative advantage of the domain in the towns as this will expand the domain and thus reinforce any clustering activity.

These two domains have potential comparative advantages in the medium and larger sized towns of St. Francis and Jeffreys Bay and Kenton-On-Sea and Port Alfred for of Design and Creative Services as well as Grahamstown for Performance and Celebration. Based on their chosen locations, it was suggested that they are suited to the larger small towns where they have access to the larger consumer markets that these towns offer. Therefore, it is doubtful whether investing in these domains would be successful in the smaller and remoter towns as they probably would not be able to sustain larger numbers of CCI in these domains due to the limited demand of small permanent populations and small visitor numbers.

However, this does not mean that the smaller towns and remote areas should be ignored when considering policy. This is especially true for Performance and Celebration where small towns like Kirkwood, Bathurst and Loerie also hold festivals that would benefit from investment and support. Moreover, establishing and supporting community centres that offer dance, music and theatre classes and performances would be a good policy to introduce as it would contribute positively towards nation-building and social cohesion as well as increasing involvement in the arts and promoting audience participation, thereby ensuring the future of the domain in the district. This policy recommendation is based on information collected in the field as during snowball sampling when questions were asked about dance, music and theatre groups, many respondents reported that these activities no longer existed in the towns, but they would like to see them started again (especially for the youth). Furthermore, improving local participation in the performing arts could be linked to festivals if policies of showcasing local talent were introduced.

The Eastern Cape and SBDM governments have already recognized the potential of the domain for development as there are some existing policies that target performance and Celebration. For example, the ECPACC has policies surrounding the promotion and support of district community arts development projects which provides support to existing talented

individuals and groups as well as the Attainment of Excellence programme which aims to nurture and develop projects in several fields including dance, music and drama (ECPACC, 2015: 18-25). Furthermore, the SBDM has committed to providing financial support to one festival in the district a year in order to expand the festival and support local artists (Lankester *et al*, 2016: 32). The management of this domain links to the donation cluster management strategy as it has mainly revolved around funding and some active planning (Brooks and Kushner, 2001: 7). These are good starting points, but, more needs to be done if the domain is to expand in the district.

Grahamstown holds a comparative and absolute advantage in Performance and Celebration. This is probably due to the National Arts Festival and the university which encourage participation in the domain as no other town has a significant permanent population of performing artists. Accordingly, it appears that the comparative advantage is already being acted upon as there is a specialization of the domain within the district in Grahamstown. This is shown by the absolute advantage that Grahamstown holds. Despite this, there is no dedicated policy to support the domain in Grahamstown. Localized policy would thus need to be introduced as it would need to support established performing artists.

In the Design and Creative Services domain, the case is slightly different as two nodes of activity were identified, one in St. Frances and Jeffreys Bay, and the other in Kenton-On-Sea and Port Alfred. However, there is still a need for localized policy to capitalize on the comparative advantages held by these two groups of towns. The micro-regional study found that interior design, landscaping and architecture were the prominent activities in the towns. Field observations suggest that this may be linked to the second-home demand as the towns are all popular holiday destinations. A potential LED initiative may be to link the domain activity to the property industry by encouraging new property developments (commercial and private) to use local architects, interior designers and landscapers and create hubs of property related Design and Creative Services activity in the district. This suggests that cluster management should use the development strategy whereby district leadership acts as a catalyst for private investment in forming these property development related clusters (Brooks and Kushner, 2001: 7).

5.3.3.3 Group Three: A Limited Presence in the SBD

The third group of domains include Information, Books and Press and Audio-Visual and Interactive Media as these domains are not prominent in the district. The highly limited domain activity in the SBD suggests that they are not well-suited to rural small town environments. For some activities in both domains (publishing and film and television production), this is because they require the hard and soft infrastructural advantages of cities. Moreover, there is little pre-existing domain infrastructure on which to build as Audio-Visual and Interactive Media has a small presence and Information, Books and Press is mainly library activity. It is thus not recommended that these domain activities be heavily invested in as success is doubtful. Furthermore, opportunity cost needs to be considered as investing in these domains means that the option of investing in the stronger domains that have a higher chance of benefiting more towns and people due to their greater presence is foregone.

Much of the domain activity found in the Information, Books and Press domain takes the form of libraries which are considered as public goods with social values. Thus, while it is important to invest in public goods, there will not be much benefit to the district in terms of the potential of libraries to generate direct financial benefits. A similar situation arises in the Design and Creative Services domain where most of the activity outside of the two nodes is graphic design. In the SBD towns, the micro-regional study found that graphic design performed more of a support function to other businesses as it mostly existed in print shops. Thus, investing in this activity is unlikely to have much benefit to the domain itself in the district or the SBD CCIs as a whole.

5.4 Small Town Clustering

It is important to locate the CCIs as it is evident that they are not evenly distributed through space but tend to concentrate or cluster in particular areas (Pintilii *et al*, 2017: 96). A cluster is a “geographic concentration of interconnected companies, specialised suppliers, service providers, firms in related industries and associated institutions in a particular field that compete but also cooperate” (Porter, 2000: 15). This definition will need to be analysed in

order to interpret the second of the three maps, which is on clustering in small towns, and thus identify whether clustering of CCI is possible in small towns and rural areas.

5.4.1 The Nature of Cultural Clustering in Cities and Small Towns

Firstly, the term “geographic concentration” needs to be considered as it is dependent on context. Big cities are home to vast numbers of CCIs as they can provide a range of urban amenities that the CCIs need to thrive as well as a sense of place which is particularly attractive to the creative class (Florida, 2003: 4-5). Having said this, the CCIs are not evenly distributed throughout the city but tend to concentrate in several smaller areas (Gregory and Rogerson, 2018: 37). For example, in Johannesburg, CCI clusters have been identified in several locations including Newtown, Maboneng, Randburg, Rosebank and Sandton (Pieterse and Gurney, 2012; Gregory, 2016; Gregory and Rogerson, 2018). A city is thus capable of supporting more than one cluster as it has enough space and large consumer markets which allow it to do so. Space is a crucial aspect of clustering in cities as if the CCIs were dispersed throughout the city, distances would become too large and they would not be able to reap the benefits of clustering. Therefore, the city as a whole is not considered as one large cluster but rather as a creative city in which several CCI clusters have formed.

The city of London in the United Kingdom is a good example of different clusters occurring in different parts of the city. For example, “Theatreland”, more popularly known as the West End, is London’s main theatre district (London Theatre Direct, 2018). Approximately 40 theatre venues have concentrated in a small area of West and Central London which is defined by Oxford Street to the north, The Strand to the south, Regent Street to the west and Kingsway to the east (London Theatre Direct, 2018). It is renowned worldwide for high quality theatre and seeing a West End show is a major tourist attraction (London Theatre Direct, 2018). However, this is not the only CCI cluster in the city. Another clustering example is the film and television hub. This cluster is more spread out as the film industry needs different spaces for the different phases of film making (Scott, 2006: 14). Therefore, there are large film studios like Elstree and Pinewood, which are within about a 30km radius of Soho in Central London which acts as a central node for the hub as many of the biggest production

and post-production houses are located in the area (Media Business Insight, 2018). Both clusters take advantage of the pools of talented labour, tolerant atmospheres and lifestyles and technology which are associated with creative cities and, according to Florida (2002a: 744-745), is what makes a place successful and spurs cluster development.

On the other hand, small towns are fundamentally different from cities. By definition, small towns have comparatively small boundaries and small populations which place certain limits on potential CCI clustering. It is thus important to account for scale when attempting to identify clusters in different environments. Fieldwork revealed the following trends in the nature of CCI locations and potential clustering in the small towns of the SBD. Firstly, the small towns did not have separate areas of cultural and creative activity within the town boundaries. There thus tends to be one cluster rather than many. The most likely explanation for this is that populations, and thus consumer markets are small and so the small towns could not support more than one cluster. Secondly, CCI activity tends to be located in the centres of towns. This is different to the decentralization of the CCIs in many cities where there is a definite movement of the CCIs and creatives out of the inner-city and into the suburbs (Gregory and Rogerson, 2018: 38). In the SBD small towns, however, there were only a few isolated CCI organizations that were found in the suburbs. This is more in line with Florida's (2002b) assertions that inner-cities are the locations of creativity and clusters rather than suburbs. The centres of the small towns are the central business districts and so businesses across various industries, including restaurants, clothing stores, grocery stores, CCIs etc were found there. This created a vibrant atmosphere or "buzz" around the town centres which Florida referred to as "tolerance" and is reminiscent of that found in city CCI clusters and is attractive to the creative class (Florida, 2002a: 745; Waitt and Gibson, 2009: 1224). Thirdly, distances are relatively small and so the CCIs tend to be more spread out than the concentrated cluster areas that are found in cities. The cluster area in a small town is less confined and so while it does focus on the town centres, it also radiates outwards into the nearby streets and along the main roads of the town.

The two London clustering examples also shed light onto what is meant by the different types of organizations within a "particular field" in Porter's definition. In some cases, the field can be quite specialised and so the resulting cluster would be in a particular domain. Theatreland

and the film and television hub are examples of this specialised CCI domain clustering type in the domains of Performance and Celebration and Audio-Visual and Interactive Media respectively. However, it is also common for the field in which clusters form to be broader than this and include CCIs from a range of different domains. These more general CCI domain clusters are often referred to as cultural precincts or districts. For example, the Maboneng Precinct on the eastern fringe of Johannesburg's CBD is a CCI cluster with art studios and galleries; creative office spaces; arts and crafts markets, studios and shops; local fashion design stores; a theatre; an independent cinema; an open-air park for regular live music events; the Museum of African Design; and creative event venues that are capable of hosting large-scale and high-end events like SA Fashion Week (Gregory, 2016: 163-165). Thus, the Maboneng Precinct includes various businesses in Visual Arts and Crafts, Performance and Celebration, Cultural Heritage, Audio-Visual and Interactive Media and Design and Creative Services. In cases like this, a general CCI domain cluster arises. Even though the domains are quite distinctive, clusters can form with a mix of CCI domains because the CCIs in general have similar characteristics and needs, albeit to different extents, which means that they can all benefit from clustering together. For instance, all the CCIs can take advantage of networks, innovative and creative milieus, tolerant atmospheres, group marketing, improved productivity, skilled labour pools (talent), creative class consumer markets, access to technology, specialist equipment and other inputs, access to hard and soft infrastructure and inter-firm trade, competition and cooperation (Florida, 2002a: 753-754; Flew, 2010: 86; Gong and Hassink, 2017: 588).

In the case of the small towns in the SBD, the clusters would be general in terms of domain types. This is illustrated by the map of the domain breakdown as each town has a range of different domains. When the map is considered alongside the comparative and absolute advantage analysis, it can be seen that there is no particular domain which completely dominates a town. There are some towns that hold a comparative advantage like Grahamstown in Performance and Celebration and Port Alfred, Kenton-On-Sea, St. Francis and Jeffreys Bay in Design and Creative Services. However, the Design and Creative Services domain, though comparatively prominent in the four towns, does not have large enough numbers to constitute a specialist cluster in its own right. For Performance and Celebration in Grahamstown, the domain does have a large number of businesses and performing artists,

but they have not grouped together within a particular area of the town to form a separate cluster. Moreover, Performance and Celebration is part of a suite of active domains in Grahamstown that make up the CCI cluster in the town. This means that there are no completely specialised CCI domain clusters in the district.

5.4.2 Identifying Clusters in the SBD

Now that the clustering definition and the locational characteristics of the CCIs have been situated in a small town context, potential clusters can be identified. In order to answer the research question of whether clustering is possible in a rural small town setting, a map illustrating the number of total CCIs in each of the 35 towns was created using GIS. See Figure 5.4. In terms of CCI numbers, defined small areas of cities with above average CCI activity are considered as clusters. From the examples discussed in the previous section, Theatreland is classified as a cluster with about 40 CCIs (London Theatre Direct, 2018) and a 2014 audit of the Maboneng Precinct counted 44 CCIs (Gregory, 2016: 163-165). This logic was applied to the small town context where the whole town is treated in a similar manner to a district or precinct in the city. Consequently, for the purposes of this research, the total number of CCIs in each town is used to determine whether clustering has occurred. The map therefore breaks the numbers of CCIs up into six categories with larger circles representing a larger category of CCI numbers.

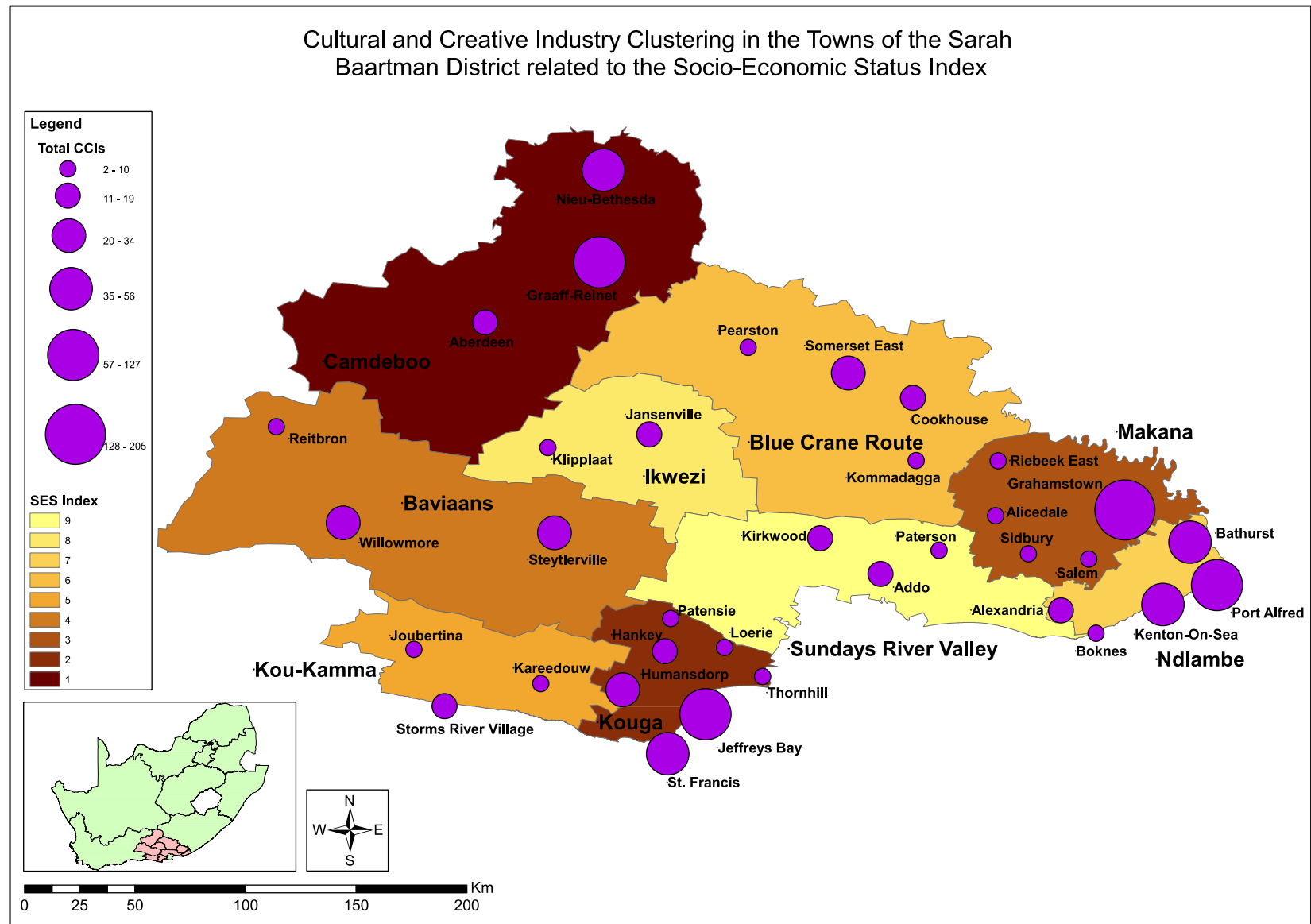


Figure 5.4: CCI Clustering in the Towns of the SBD

Source: (Own Work)

The map shows that there is a large variation in the number of CCIs located in the towns within the SBD, ranging from only 2 CCIs to 205. For a breakdown of CCI numbers per town in each category, see table 5.5. This variation can, in general, be explained by the characteristics of the town. There are thus four groups of small town clusters: towns without clusters; towns with clustering potential; and towns with clusters which is split into two groups, those with small clusters and those with large clusters.

Table 5.5: Breakdown of SBD Towns in each CCI Category

2-10 CCIs	11-19 CCIs	20-34 CCIs	35-56 CCIs	57-127 CCIs	128-205 CCIs
Kommadagga (2)	Kirkwood (12)	Humansdorp (22)	Kenton-On-Sea (42)	Graaff-Reinet (90)	Grahamstown (205)
Thornhill (2)	Alexandria (13)	Steytlerville (29)	Nieu-Bethesda (44)	Port Alfred (106)	
Boknes (2)	Addo (14)	Somerset East (30)	St. Francis (55)	Jeffreys Bay (127)	
Paterson (3)	Cookhouse (15)	Willowmore (34)	Bathurst (56)		
Patensie (5)	Jansenville (15)				
Salem (5)	Hankey (15)				
Loerie (6)	Storms River Village (18)				
Sidbury (6)	Aberdeen (19)				
Pearston (7)					
Joubertina (7)					

Kareedouw (7)					
Klipplaat (8)					
Alicedale (8)					
Riebeek East (9)					
Reitbron (10)					

Source: (Own Work)

5.4.2.1 Traditional Theory: Clusters Do Not Form in Small Towns

The towns that have under 20 CCIs are villages and hamlets that tend to fit the traditional theory that CCIs do not cluster in small towns. The majority of these towns are agricultural service centres with small populations. Many of these towns were once quite prosperous but have fallen into decline along with their main economic drivers: agriculture and the railways (Hoogendoorn and Nel, 2012: 21; Karoo Space, 2018). Towns like Klipplaat and Cookhouse were once prosperous railway junctions that connected South Africa's major cities and were agricultural transport hubs from which nearby farmers could ship their produce, especially mohair and wool, to markets (Karoo Space, 2018). However, South Africa's railway industry has relatively recently fallen into neglect and disuse. Consequently, the towns have fallen into recession as train routes no longer pass through these towns and so this once vital function of the towns is no more. Field research revealed dilapidated railway stations surrounded by run-down houses that once housed railway workers, and boarded up shops that appear to have been closed for many years.

Most of the towns in this category now solely rely on agriculture. However, agriculture is not the prosperous labour-intensive industry that it once was, and so poverty and unemployment are severe problems in these towns (Nel and Binns, 2007: 197-198). Despite this, some of the

towns service affluent agricultural industries such as Hankey, Loerie, Patensie, Joubertina and Kareedouw, which are all surrounded by citrus farms and fruit orchards. In fact, the area of the Sundays River Valley and north eastern Kouga produces most of the citrus fruit which is exported from South Africa and is one of the country's most important agricultural export products (Department of Agriculture, Forestry and Fisheries, 2017: 10; Sundays River Citrus Company, 2018). However, the economic benefits associated with the agricultural activities do not seem to filter down to the farm workers as field observations showed that poverty is still rife in these towns even though fruit picking is more labour-intensive. This observation is supported by poverty statistics in the municipalities in which these towns are located: Kou-Kamma's intensity of poverty is 38.1% and 42.4% in Kouga (Statistics South Africa, 2016b: 4).

In terms of the CCI activity in this group of towns, the CCIs that were captured in the micro-regional study mainly relate to Cultural Heritage as there were some historic and cultural sites in and around the towns. Some of the hamlets like Boknes, Riebeek East, Salem and Sidbury were formed by settlers and so have a few historic buildings under Cultural Heritage, but, fieldwork found that there is not much else in terms of economic activity let alone creative activity in the hamlets. However, the study found that some of the towns have taken advantage of their agricultural industries and have established farm stalls that sell locally produced arts and crafts which are often made with agricultural products or are inspired by agricultural activity. For example, Jansenville is a village that services the surrounding Angora goat farms and has a few farm stalls and dedicated shops which sell locally made mohair products. There is thus an element of Visual Arts and Crafts in these towns.

This group of small agricultural and former railway towns and historic settlements are not capable of supporting CCI clusters. This is due to their small populations with hardly any creative class members, poverty, small consumer markets, mainly unskilled labour pools and limited infrastructure which makes it difficult to source inputs and specialist equipment, access technology and export their products. There are a total of 23 towns that have less than 20 CCIs. This means that 66% of the small towns in the SBD do not have CCI clusters and do not appear to be suited to clustering. Therefore, this group of towns fit the traditional theory of clustering only occurring in cities. Furthermore, it seems that for the majority of small towns, the traditional theory is correct.

5.4.2.2 Potential for Clustering

The four towns with 20-34 CCIs are bigger in terms of size and population than the agricultural towns and so they should be capable of supporting more businesses, including CCIs. Field research suggests this is true for Humansdorp, which has a variety of CCIs like libraries, a book shop, a museum, radio stations, graphic design, photographers and arts and crafts shops, which service a larger population. The other three towns of Somerset East, Steytlerville and Willowmore are dominated by Cultural Heritage and Visual Arts and Crafts. In addition to being larger towns, tourism brochures and field research found that these three towns have attempted to build tourism industries which are based on quiet escapes to the country, heritage tourism and agricultural tourism. All three towns have attempted to capitalize on their rich heritages which includes their founding, colonial governance (especially in Somerset East), major events in the towns and quirks that make them special (especially Steytlerville and Willowmore) as well as battlefield tourism around the Anglo-Boer Wars.

These three towns may have potential for future clustering as they have a good foundation of CCI numbers in a variety of domains. The prominence of Cultural Heritage and Visual Arts and Crafts shows that there is already a focus on the domains which are attractive to tourists (Moeller, 2005: i; Rogerson, 2010: 115). The tourism brochures and tourist information offices (which were visited during field research in the towns) showed that there is an intention to expand tourism to the towns which is mainly based on heritage. In the case of these three towns, the heritage tourism that is being promoted mainly relates to their histories, especially the Anglo-Boer Wars. Battlefield tourism is popular in northern Kwa-Zulu Natal around sites of Anglo-Zulu conflicts like Isandlwana and Rorke's Drift (Moeller, 2005: i). It should be possible to popularise it in these towns which have museums and monuments to the wars, soldier grave sites and old gunpowder and storage chambers. Field work found that these sites already attract small numbers of tourists to the area and so there is a base from which to expand. In addition to battlefield tourism, Steytlerville and Willowmore have also attempted to build agri-tourism industries as they have farm stays and tours to Angora goat farms as well as artistic stores which sell locally made mohair fashion, arts and crafts items.

These three towns are thus attempting to use cultural and heritage tourism as LED strategies. Since tourism has well established links to the CCIs, as shown by tourism's status as a Related Domain in the UNESCO FCS, attempts to increase tourism will have spillover effects on the CCIs and will strengthen their presence in the towns. The tourism industry and subsequent focus on the Cultural Heritage and Visual Arts and Crafts domains as well as the larger size and populations of the towns in this group means that they are better suited to clustering than the towns in the first group. There thus exists a potential for clustering if the CCIs are successfully developed in line with cultural and heritage tourism.

5.4.2.3 Small Town Clustering: Small Clusters

Small town clustering really begins in the 35-56 CCI category. There are four towns in this category: Kenton-On-Sea, Nieu-Bethesda, St. Francis and Bathurst. These towns punch above their weight in terms of CCI activity for their physical and population sizes. This is especially true for Nieu-Bethesda and Bathurst as field work revealed that even though they are small villages with small populations, they are renowned artistic towns with relatively large populations of artists and are also popular cultural tourism destinations. The high concentration of resident artists means that the two villages are dominated by Visual Arts and Crafts: the micro-regional study found that there are many small studios and galleries which are owned and used by the various visual artists to display their work. The artist populations and cultural tourism popularity of the towns have resulted in there being many CCIs that have established in these villages, including businesses in other domains like bookshops and local newspapers as well as several festivals and fairs which are hosted by the villages. In a reverse of the normal situation, the micro-regional study discovered that there are more businesses in the CCIs in these two villages than any other type of industry. Bathurst and Nieu-Bethesda therefore have cultural and creative clusters.

Field research also found that the four towns are all popular holiday destinations and so Kenton-On-Sea and St. Francis also have a large number of CCIs compared to their physical and population sizes. Furthermore, these two towns also have relatively large second home owner communities. Again, the importance of cultural tourism is linked to CCI activity in small towns. A large part of the attraction of these towns to tourists and second home owners is

their natural beauty and artistic characteristics as there are many CCI related activities available. For these towns, it seems that the local permanent populations, supplemented by large numbers of tourists and second home owners, are capable of supporting larger numbers of CCIs. There are thus CCI clusters that have formed in these four small towns based mainly on cultural tourism and the choice of artists to locate in these areas. Accordingly, there is a demand and supply side aspect to clustering present in these small towns: the relatively large artistic populations supply cultural and creative goods and services while the tourists and second home owners with greater spending capacity provide the demand to support the CCIs. The demand from tourists and second home owners is especially important to clustering behaviour as the resident populations cannot support large numbers of CCIs since they are small and have fairly limited financial resources based on the socio-economic data collected for the SES index and field observations. For small towns, it seems that tourism is an important factor in whether clustering is possible as those that have established tourism industries either have clusters or a future clustering potential.

5.4.2.4 Small Town Clustering: Large Clusters

Small town clustering is clear in the next two categories as the number of CCIs make up a substantial proportion of the total number of organizations in the towns. There are three small towns in the 57-127 category: Graaff-Reinet, Port Alfred and Jeffreys Bay. There is only one town in the 128-205 CCI category – Grahamstown. These four towns are hubs of CCI activity in the SBD and also happen to be the four largest small towns in the district. It is also pleasing to note that these four hubs are located in four different municipalities and so the benefits of CCI clustering are experienced by Camdeboo, Ndlambe, Kouga and Makana.

The clustering that has occurred in these towns may be linked to the towns being the four largest in the SBD as they should have pre-existing infrastructure and larger populations. Moreover, as service centres, there are also larger numbers of skilled workers like lawyers, doctors, teachers, scientists and business people who, as professionals, belong to the creative class (Florida, 2002b: 69). Therefore, the four towns have larger consumer markets that are able to support large numbers of CCIs as, based on their size, they have larger populations

and larger numbers of creative class members who are more educated and wealthy and so are the consumers of the CCIs.

The three towns in the 57-127 category are also popular holiday destinations in the district, again based on a combination of natural beauty and cultural activities according to tourism brochures for the towns. Field work also revealed that Jeffreys Bay and Port Alfred have relatively large second home owner communities. The large number of tourists and second home owners would increase demand for CCI products and so, when taken in conjunction with the permanent populations, the towns are able to support large numbers of CCIs. Observations from the field suggest that there is an additional group within the permanent populations of Port Alfred and Jeffreys Bay that have a high demand for CCI goods and services. Both towns have large retirement communities who support the CCIs. In particular, the micro-regional study found that many firms in the towns offered arts and crafts classes, including beading, knitting, sewing, embroidery and quilting. The business owners identified the main attendees as retired women who wanted to learn new skills and take up new hobbies. There were also several arts and crafts supply shops found in the towns. In this case, retirees and mothers with children were identified by business owners as the main clients. The presence of classes and supply shops was not found to the same extent in the other SBD towns.

As mentioned above, small town clusters in the SBD tend to be based around the town centres and do not have separate clustering locations within a town. However, Jeffreys Bay and Port Alfred, which are hubs of CCI activity, do show a slight tendency towards clustering in different parts of the town. Field work found that in Jeffreys Bay, the beach front and the main street, which is one street back from the beach, are the two streets along which the CCIs cluster. But, there is also a mall which is 4km away with a significant number of CCIs and a small group of CCIs two streets further back from the main road. Port Alfred is similar as field research found that there is a mall with several CCIs about 4km away from a central node around the main business area of the town. In both cases, the shopping malls and the town centres are the main shopping areas of the towns and so it is logical that the CCIs would locate in these areas to take advantage of this.

5.4.2.4.1 Grahamstown: A Small Creative City?

Grahamstown has the largest number of CCIs, 205, and has the potential to be a creative city in a small town context. In line with the creative city model, Grahamstown has recently introduced a rebranding strategy of “Creative City Grahamstown” which aims to make Grahamstown South Africa’s creative capital (Creative City Grahamstown, 2014). This rebranding is heavily reliant on the town being the host of the largest festival in Africa, the National Arts Festival (Creative City Grahamstown, 2014). The National Arts Festival seems to have significant spillover effects on Grahamstown as its impact is greater than just the substantial economic benefits (Lankester, 2014). The festival has put Grahamstown on the map and is a major part of “what makes Grahamstown special” (Lankester, 2014). Field observations also suggest that the festival gives Grahamstown a creative atmosphere that lasts beyond the official 14 days that the festival runs for. This is important because for a city to be deemed ‘creative’, it must have an atmosphere that is attractive to the creative class (Landry, 2012: 33). It must have “places to meet, talk, mix, exchange and play” (Landry, 2012: 33) and must also be diverse, multi-cultural, open and bohemian (Florida, 2003: 10-13). Florida (2003, 10) defines this criterion as tolerance and it is one of the “Three Ts”. This is further reinforced by the comparative advantage in Performance and Celebration held by the town which helps to maintain this tolerant atmosphere and reputation as “Creative City Grahamstown” as domain activity continues throughout the year. Although further research would be needed to prove this, field observations do suggest that Grahamstown does meet this criterion to a certain extent.

Field research further suggests that the education hub in the town also contributes towards creating and maintaining this atmosphere. This is based on the town being home to several high-quality schools and a university which are proponents of the arts. This is exemplified by the many cultural and creative events that the micro-regional study found them to be involved in, such as the South African Schools Festival and the Eastern Cape Eisteddfod. Moreover, according to Florida, a university is a necessary requirement for a creative city and is especially important when the city is small in size (Waitt and Gibson, 2009: 1235). Rhodes University (the only university in the SBD) appears to be especially important to creating a ‘creative atmosphere’ and supporting the arts as the micro-regional study identified many

individuals and groups of artists, musicians, actors, dancers, journalists, writers, photographers and editors in various capacities who were associated with the university. Overall, field research indicates that there seems to be a relatively large population of what Florida (2003: 10) terms talented individuals (CCI practitioners and educated people) in Grahamstown. This is backed up by official statistics as in 2011, 14.5% of the Grahamstown population had completed higher education as compared to only 8% having done so in the SBD (SBDM, 2017: 20; Statistics South Africa, 2018). This means that the town has a relatively large population of the creative class and so meets another requirement of the creative city model.

However, the last of the “Three Ts” – technology, seems to be missing as the field research did not reveal a concentration of high-technology in the town (Florida, 2003: 10). Traditionally, high-technology is associated with cities as they are the places where innovation occurs while small towns and rural areas are often considered as “backwards” (Landry, 2012: 13). Consequently, it seems that a small town is highly unlikely to achieve a status as a ‘creative city’ if it must achieve all three of the “Ts”. Despite this, many small towns and cities have bought in to the creative economy and are investing in their CCIs (Waitt and Gibson, 2009: 1223). Since cities and small towns are fundamentally different, it seems unfair to judge them on the same criteria. It is clear that there is a cluster in Grahamstown and that it is a hub of CCI activity based on the numbers of CCIs and the wide variety of domains and domain activities (see figures 5.3 and 5.4). For the study area, this is highly unusual as no other town is as diverse as Grahamstown and, barring Jeffreys Bay, the other SBD towns have at least 100 fewer CCIs. Therefore, the diversity and large number of CCIs, as well as the tentative suggestions that it possesses “Two Ts”: tolerance and talent, make a case for Grahamstown to be considered as a creative small town.

A creative city should have a high level of development and should be amongst the most successful cities in the world with an eclectic mix of the “Three Ts” (Florida, 2002a: 743-744; Landry, 2012: 13). Thus, Grahamstown’s socio-economic performance should help confirm whether it can be considered as a creative small town. While large cities compete in a global context, small towns tend to compete in a regional context and so, to apply the creative city model in a small town context, they will be judged against other towns in their region. In this

case, Grahamstown's development levels and possession of the "Three Ts" will be judged against the other towns in the SBD. In addition to showing the number of CCIs in each town, figure 5.4 also presents the socio-economic status rankings of the nine municipalities where a darker colour represents a better SES performance. This will be discussed in more detail in section 5.5. The map shows that Makana municipality, where Grahamstown is located, is one of the highest performing municipalities in the district. Grahamstown is home to 63% of the households in Makana from which information for the SES index was captured and so the town is largely responsible for the municipality's comparatively good SES performance. Grahamstown therefore seems to meet the criterion of having a relatively high level of development for the SBD.

However, when compared to the other three large towns in the district with large numbers of CCIs and clusters in a variety of socio-economic indicators, Grahamstown does not stand out. See table 5.6. Grahamstown is on par with these towns in terms of socio-economic development and so while it does have a relatively high level of development in the context of small towns and rural areas, it is not the most highly developed town. Despite this, Grahamstown still has an unusually large number of CCIs, even when compared to towns with similar levels of development. Being relatively highly developed is thus not a sufficient condition for being a creative city. The difference between Grahamstown and the other three towns thus lies in its mix of the "Three Ts". Field research suggests that technology is missing from all of the towns and that they all have relatively similar levels of talent as shown by the percentages of their populations over the age of 20 who have completed higher education. The difference thus lies in the last T – tolerance. As discussed above, Grahamstown seems to be a tolerant place based on spillovers from the National Arts Festival and the education hub. Field observations suggest that none of the other towns have created a similarly tolerant environment. Therefore, to be a creative small town, it seems that a place must be relatively highly developed, have a large number of CCIs and clustering, have pools of talent and be tolerant.

Table 5.6: Census 2011 Results for the Four Largest Towns in the SBD with CCI Clusters

Category	Grahamstown	Graaff-Reinet	Jeffreys Bay	Port Alfred
No Schooling 20+	5.5%	7.9%	2.6%	3.9%
Higher Education 20+	14.5%	10.6%	16.8%	21.5%
Formal Housing	86.1%	93.6%	78.3%	89.6%
Access to Flush Toilet	73%	95.4%	76%	58%
Piped Water Inside Dwelling	51.9%	65.5%	71.3%	84.3%
Electricity for Lighting	90.2%	97%	88.3%	90.8%
Income Greater Than R38 000	39.9%	48.3%	45.7%	54.5%

Source: (Statistics South Africa, 2018)

5.5 The Relationship Between the CCIs and Development

Theory suggests that places that are more highly developed will have a larger number of CCIs and so to ascertain whether larger numbers of CCIs are associated with higher levels of development, a municipal level socio-economic status (SES) index was created using multiple correspondence analysis (MCA). As explained in Chapter 4, the MCA weighted each component of the 20 variables depending on its relative importance to a household's SES. Accordingly, a positive weighting means that a household has a better SES and the higher the score, the more positively it contributes to their SES, and vice versa for negative scores (see Appendix B for a breakdown of each variable's component weightings). The weighted variables resulted in a SES score for each household in the SBD. The household SES scores were then added per municipality of residence to get an overall municipal SES score. The mean SES score for each municipality was then calculated and the municipalities ranked from 1 – 9 based on their respective mean SES scores where a rank of 1 was the highest mean

municipal SES score. See table 5.7. Thus, Camdeboo has the best SES performance while the Sundays River Valley has the worst. Overall, the performance of the SBD municipalities is quite poor as only four of the nine municipalities have a positive mean SES score.

Table 5.7: MCA Results and Municipal SES Index Rankings

Municipality	Obs.	SES Score	Mean	Std. Dev	Min	Max	Rank
Camdeboo	1 053	12 398	0,14632	0,90583	-2,1318	2,2345	1
Kouga	2 458	29 446	0,10676	1,14704	-2,2234	2,3300	2
Makana	1 801	21 388	0,06289	0,95917	-2,1912	2,2459	3
Baviaans	383	4 610	0,00793	0,81987	-1,5996	2,1795	4
Kou-Kamma	918	11 032	-0,05518	0,92988	-2,0573	2,2951	5
Blue Crane Route	813	9 761	-0,07192	0,92066	-2,1797	2,3066	6
Ndlambe	1 616	19 330	-0,08623	1,05420	-2,1567	2,3017	7
Ikwezi	242	2 913	-0,14609	0,86167	-1,8757	2,2188	8
Sundays River Valley	1 209	14 749	-0,36826	0,90347	-2,2079	2,2693	9
Total	10 493	125 628	-0,01986	-	-	-	-

Source: (Own Work)

Poverty and inequality have been highlighted as concerns by the South African national government (Department of Economic Development, 2011: 10). In the case of the SBD, the standard deviations of the municipalities are high which means that inequality in the district is quite severe. The normal distribution thus seems to be inverted as there are fewer households in the middle with more households at each end, so people are either wealthy or poor. In terms of a household's SES, this means that in general, a household either owns household appliances, has access to utilities, lives in good quality housing, is employed and has a higher income, or experiences the opposite of each factor. The high levels of inequality and poverty in the district will affect the demand for CCI goods and services as they are considered to be luxury goods. In turn, this should affect the numbers of CCIs in areas with poorer levels of socio-economic development as local CCI demand is likely to be low.

5.5.1 The SES Index and The CCIs

In order to investigate the relationship between the CCIs and socio-economic development standings, the socio-economic performance results of the nine municipalities in the form of their rankings was overlaid with the total number of CCIs in each municipality. See figure 5.5. The total number of CCIs per municipality is represented in the same manner as the total number of CCIs per town: bigger circles represent greater numbers of CCIs. A colour gradient is used to represent the SES index rankings with darker colours showing higher rankings and thus improved socio-economic status performances. The map shows that there is generally a positive relationship between a municipality's SES ranking and the number of CCIs that it has.

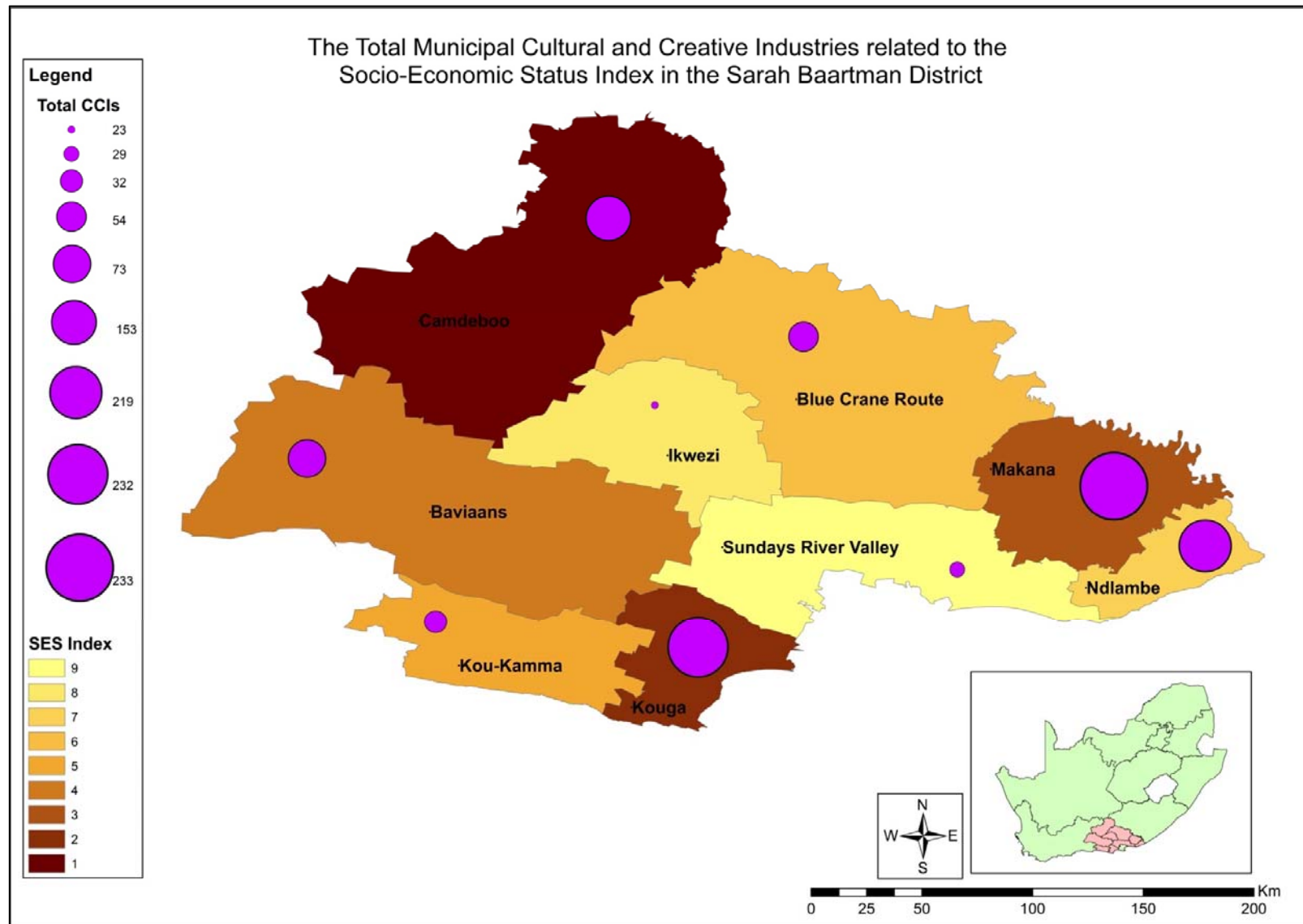


Figure 5.5: The SBD SES Index Related to the CCIs

Source: (Own Work)

5.5.1.1 A High SES Score and Large Numbers of CCIs

The four municipalities with the largest numbers of CCIs are Makana, Kouga, Ndlambe and Camdeboo. These four municipalities also have the four largest towns in the district. The towns are the economic centres of the SBD and so, even though the SES results and field observations show that unemployment, poverty and inequality are high, there are still better economic opportunities associated with the larger towns than in the rural areas of the district. This is exemplified in the general national trend of people moving away from rural areas (Harrison and Todes, 2015: 148; Hoogendoorn and Visser, 2016: 95), as well as in official SBD statistics where the larger towns were found to be growing in population size as people relocated from the more agricultural regions in search of job opportunities (SBDM, 2017: 15). Furthermore, since the towns have larger populations and are large service centres for the SBD, they accordingly have larger numbers of the creative class who are wealthier and so can afford to consume CCI goods and services. Barring Ndlambe, these municipalities have positive SES index scores and are the three best socio-economic performers. Even though the SES index rankings and the number of CCIs do not correlate exactly, they support the idea that places that are more developed will also have more CCIs (Florida, 2002a: 743-744).

Baviaans is the last municipality with a positive ranking, placing fourth, and has the fifth largest number of CCIs. Therefore, Baviaans also follows the general trend. Baviaans is an interesting municipality as it is primarily agricultural with a prosperous mohair industry (Camdeboo Municipality, 2018), and yet, it has a relatively large number of CCIs as compared to the other prominent agricultural municipalities in the SBD, the Sundays River Valley and Kou-Kamma. These two municipalities seem to fit the traditional theory of CCIs not being well-suited to less developed rural agricultural areas with only small towns that have small populations and a lack of infrastructure and amenities (Florida, 2002a: 754). In part, Baviaans fits this theory as it has an agricultural focus and has only three small sparse settlements and has the second smallest population in the district (Statistics South Africa, 2016b: 3). However, the micro-regional study found that the towns in Baviaans are slightly larger and provide more services than the average agricultural town in the SBD in addition to having a small tourism industry with a significant cultural and creative aspect. Baviaans thus has a more diverse local economy than the other primarily agricultural municipalities and has a greater number of

economic opportunities which are spread out over a smaller population. This may have resulted in a higher SES performance in Bavians.

5.5.1.2 A Low SES Score and Low Numbers of CCIs

If Ndlambe is excluded, the remaining four municipalities; Kou-Kamma, Blue Crane Route, Ikwezi and Sundays River Valley, also generally follow the pattern as they are lower ranked municipalities and have fewer numbers of CCIs. The two municipalities with the poorest socio-economic status performance, Sundays River Valley and Ikwezi, also have the lowest numbers of CCIs, 29 and 23 respectively. In Ikwezi, this result is unsurprising as field research found hardly any economic activity in Klipplaat and limited economic activity in Jansenville with a few CCIs that mainly related to mohair. This is supported by official statistics for Ikwezi as the municipality had an economic growth rate of only 0.16% between 2001 and 2011 (Statistics South Africa, 2018). Thus, the result from this municipality suggests that there is a link between development levels and the CCIs as, according to field observations, the municipality with the least amount of economic activity, the smallest population in the district (10 537 people in 2016) high unemployment (71% in 2011) and high poverty also has very low numbers of CCIs (Statistics South Africa, 2016b: 3-4; SBDM, 2017: 215). It thus appears that there is a development threshold that needs to be reached before the CCIs can flourish. However, this analysis does not address the issue of causality, see section 5.5.2.6.

The idea of a development threshold being required before the CCIs will locate in large numbers and prosper can also be linked to the creative industries virtuous cycle. See figure 5.6. According to Sacco and Segre (2009: 292), the key factor that is responsible for growth is the acquisition of competence which is made of social, cultural, symbolic and identitarian capital. To enter the virtuous cycle, the level of competence and capability of consumers must be sufficient to guarantee their willingness to pay for the creative component of a good or service (Sacco and Segre, 2009: 292; Bonet, 2017). Therefore, a town would need to have reached the development threshold at which a large proportion of its population have the means to consume CCI goods and services. However, this can be difficult to achieve in developing country contexts as it is often the case that the development of the CCIs is constrained by low disposable income levels which means that demand amongst the local

populations for CCI goods and services is low (De Beukelaer, 2015: 87). This is particularly true for rural areas and small towns where disposable income levels are usually lower than those in cities.

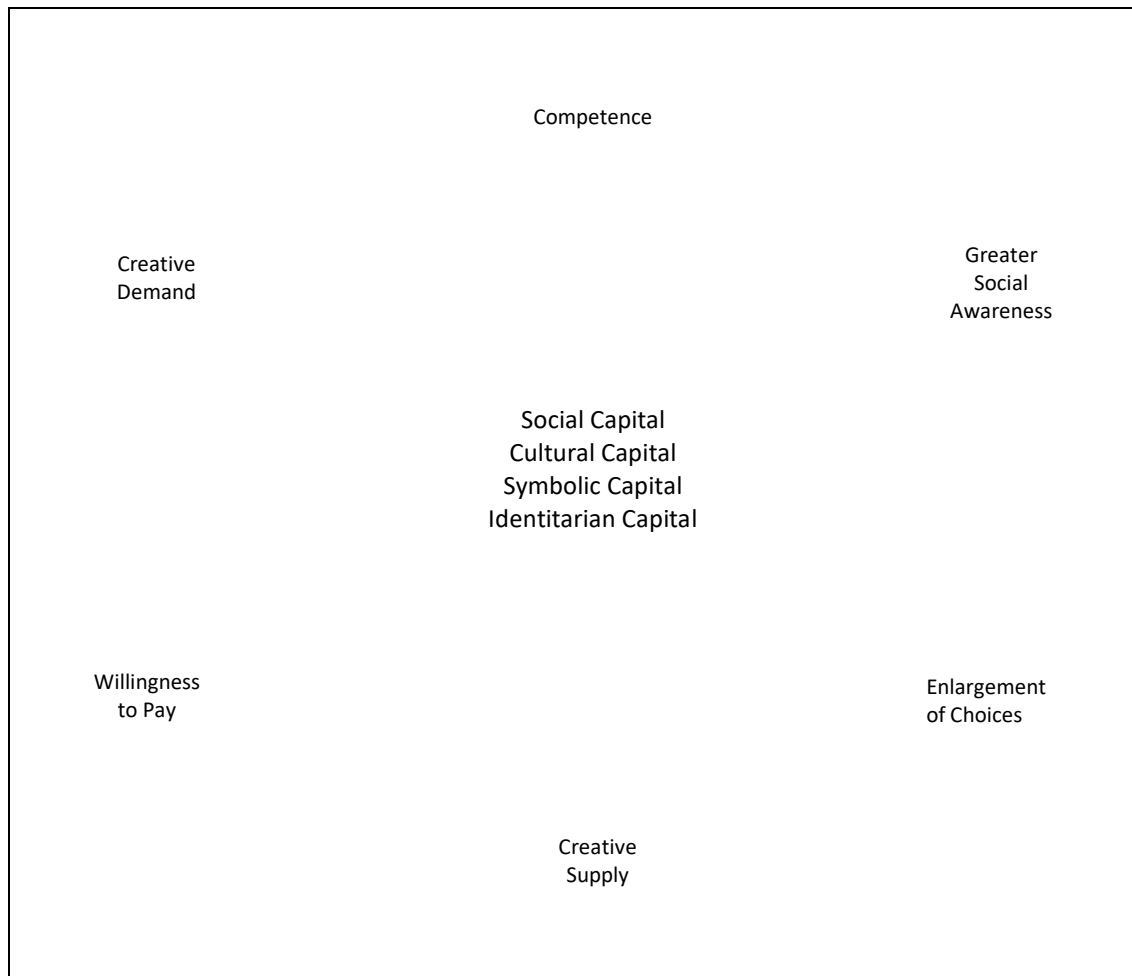


Figure 5.6: The Creative Industries Virtuous Cycle

Source: (Bonet, 2017; Sacco and Segre, 2009: 293)

If a significant part of the sophisticated consumer base is made up of creative workers, then CCI firms will take advantage of their skills to increase production and improve quality and productivity (Bonet, 2017). Furthermore, CCI firms will increase investment as they expect a high rate of return based on the pool of skilled creative workers and the willingness to pay of consumers (Sacco and Segre, 2009: 292-293; De Beukelaer, 2015: 86). This then improves the range of cultural opportunities available in the town which is represented by an increase in the stock of the four types of capital, which is partly appropriated by the firms (Sacco and

Segre, 2009: 293; Bonet, 2017). This increase in quality and variety in local CCI product supply will foster a rise in cultural demand by the non-core creative class (those who are not direct creative workers) (Sacco and Segre, 2009: 293; De Beukelaer, 2015: 88). Moreover, if the stock of social capital is large enough (the development threshold has been met) then the higher exposure to cultural experiences of non-core consumers will increase the level of competence through greater social awareness and pressure, which results in personal investment into their own competence and capabilities (Sacco and Segre, 2009: 293). If part of the value-added is devoted to investing in the CCIs by the CCI firms themselves and the public sector, then a virtuous cycle is perpetuated (Sacco and Segre, 2009: 293; Bonet, 2017).

The Sundays River Valley and Kou-Kamma are prosperous agricultural municipalities that export large quantities of fruit (Department of Agriculture, Forestry and Fisheries, 2017: 10; Sundays River Citrus Company, 2018). The two municipalities are performing comparatively well economically as they had the second and third highest economic growth rates in 2011 in the district of 2.16% and 1.66% respectively (Statistics South Africa, 2018). For a breakdown of the SBD municipal economic growth rates see figure 5.7. However, it seems that the benefits of this agricultural production are not trickling down through the municipal populations as their SES performances are poor given that their SES scores are negative, and they are in the lower half of the rankings. This is supported by field observations as there seemed to be high levels of poverty in the municipalities. This is especially true for the Sundays River Valley which has the worst SES ranking even though it has the second best economic growth rate. These municipalities show the importance of including social indicators in an analysis of development as if this investigation was based on economic growth alone, the Sundays River Valley and Kou-Kamma would be amongst the best performing municipalities. These municipalities have low numbers of CCIs and low SES rankings which suggests that the benefits of economic growth associated with a prosperous agricultural industry need to be shared throughout the population for the CCIs to locate there in greater numbers. Economic growth alone is thus not sufficient for the CCIs to locate in an area.

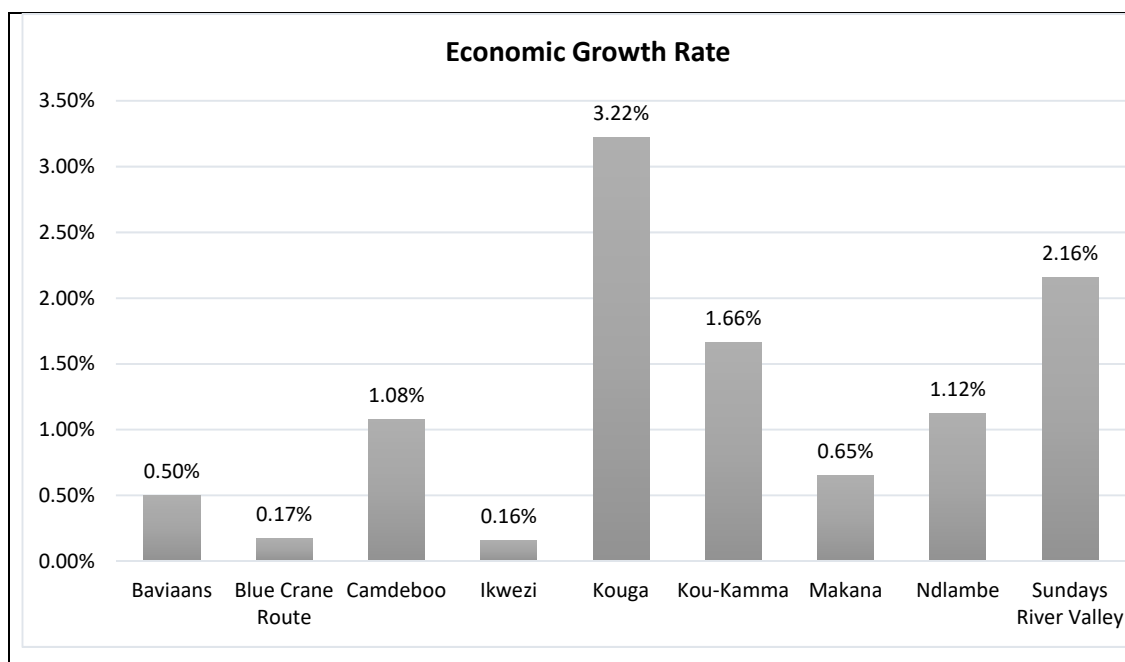


Figure 5.7: Economic Growth Rates Between 2001 and 2011 in the SBD Municipalities

Source: (Statistics South Africa, 2018)

5.5.1.3 An Exception

Ndlambe does not fit the pattern as it has the third largest number of CCIs yet is ranked seventh for its SES performance. It is thus an anomaly as all the other municipalities fit the general trend well. According to Census 2011 results, Ndlambe does not have a considerably worse economic growth rate, unemployment rate, education level, access to basic services, or asset ownership than the other municipalities or the other larger towns with similar numbers of CCIs, see table 5.6 (Statistics South Africa, 2018). A tentative explanation based on field observations is that the main towns of Ndlambe (Bathurst, Kenton-On-Sea and Port Alfred), which are where the majority of the municipality's CCIs are found, are popular holiday destinations. As such, it is possible that many of their CCIs were established to take advantage of the tourism market. This is based on the type of CCIs that were found in the towns during the micro-regional study as many of them catered directly for tourists. However, the tourism is highly seasonal and so, while it may be the reason behind Ndlambe's large number of CCIs, it does not provide reliable income or permanent jobs and so may not have the same positive outcome on socio-economic status.

5.5.1.4 The Links Between the CCIs and SES

Overall, the map shows that there is a relationship between the number of CCIs and socio-economic development performance. In general, where there is a higher average SES score, there are larger numbers of CCIs. From the above analysis and field research, it seems that the CCIs are associated with a number of developmental factors. Firstly, there tend to be larger numbers of CCIs in areas where socio-economic development is higher and not just where there are higher economic growth rates (refer to figure 5.7). Secondly, areas that are focused on agriculture and have little economic diversity do not have large numbers of CCIs. These areas fit the traditional theory of CCIs being unsuited to primarily agricultural places that are rural and not well developed (Flew, 2010: 86; Landry, 2012: 13). Thirdly, areas with larger towns also tend to have larger numbers of CCIs. The four larger towns are quite similar to cities in terms of their characteristics, though on a much smaller scale. In effect, they act as the cities of the SBD and thus are the places best suited to CCI clustering. According to field observations, the towns are the most developed areas in the district as they are more economically diverse and are the economic and service centres of the region since the GDP contributions of their municipalities are the highest in the SBD (ECSECC, 2017: 25). They also have better hard infrastructure, larger populations and larger numbers of the creative class or talent since they have higher percentages of people with a tertiary education according to Census 2011 data (Statistics South Africa, 2018). See figure 5.8 for a breakdown of talent, defined by Florida (2002a: 743) as those with a tertiary education, in the nine municipalities. Furthermore, based on field observations and the presence of a university and the spillover effects of the National Arts Festival in the case of Grahamstown, the larger towns are more tolerant than the agriculturally focused areas since there is more diversity in terms of activities, amenities, firms, industries and people (Florida, 2002a: 745-747). These characteristics mean that they meet some of the requirements of the creative city within a small town context. Lastly, areas with tourism industries tend to have a larger number of CCIs. These places have better levels of development than the primarily agricultural areas as field work and the micro-regional study found that there are more amenities, activities and services available in the towns. However, it should be noted that this analysis does not prove causality, it only examines the relationship between levels of development and the presence of CCIs.

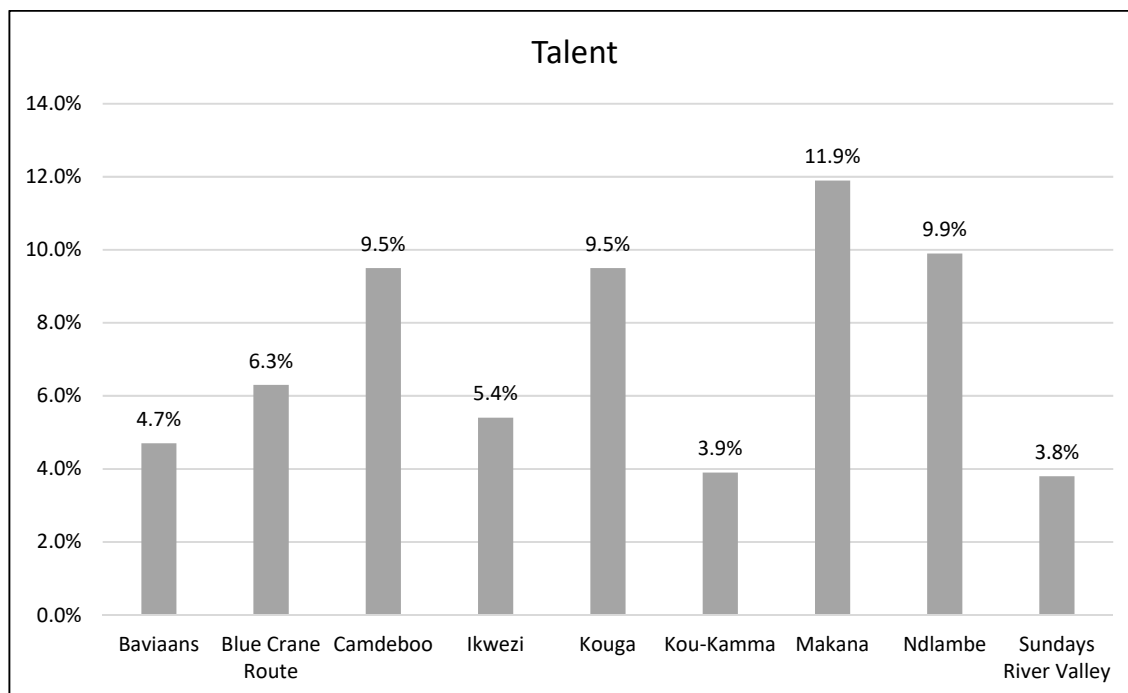


Figure 5.8: Percentage of Municipal Populations Over the Age of 20 with a Tertiary Education in 2011

Source: (Statistics South Africa, 2018)

There appears to be a progression of socio-economic development and increasing numbers of CCIs with the characteristics of the municipality as revealed by the map and field observations. The primarily agricultural municipalities of the Sundays River Valley and Ikwezi have small numbers of CCIs and also have low rankings of SES performance and are accordingly less developed. They also have comparatively few talented individuals as the percentage of their populations with a tertiary education in 2011 is small (Statistics South Africa, 2018). Although Ikwezi fits the general trend of talent increasing with higher development levels, it has a larger proportion of talented individuals than the other primarily agricultural municipalities that it is comparable to. This is odd given its lack of economic diversity and high poverty levels (Statistics South Africa, 2018). Furthermore, there is limited tolerance as field observations and the micro-regional study found that the towns were not particularly diverse in terms of activities, amenities, businesses or people as most of their populations are engaged in agriculture related work and the towns act as small service centres for the agricultural industry. There is then an increase in the number of CCIs present in the municipalities that rank in the middle of the SES index table: Blue Crane Route and

Baviaans. These two municipalities are also agricultural, but, field observations and the micro-regional study show that they have established small tourism industries and have slightly larger towns with accompanying greater economic diversity, better hard infrastructure, larger populations, more talent (Statistics South Africa, 2018) and greater tolerance as there is not the same focus on agriculture. The largest numbers of CCIs occur in the municipalities with large towns that rank the highest and are the most highly developed: Camdeboo, Kouga and Makana. These are the equivalent of cities in the SBD and so have greater economic diversity, talent and tolerance. There is thus a progression of low to medium to high socio-economic development performance with increasing numbers of CCIs at each stage. This suggests that socio-economic development standing is an important factor in where the CCIs are located. Furthermore, it seems to be particularly important in the small town context where a certain level of development is required for the CCIs to be present in significant quantities.

5.5.1.5 A Good Predictor of CCI location?

The positive connection between the CCIs and development can be exploited to attempt to predict where the CCIs are likely to locate in large numbers. According to the literature, large numbers of CCIs are most likely to locate in cities that are highly developed and have relatively high economic growth rates (Florida, 2003: 7; Landry, 2012: 16). The third map and accompanying analysis has proved that this is not just true for cities as municipalities with small towns which are more developed tend to have a greater CCI presence. However, this analysis utilized socio-economic development rather than purely economic measures of development like GDP or economic growth rates. The map shows that this approach has been quite successful as Ndlambe is the only municipality that does not fit the general trend of there being greater numbers of CCIs in municipalities with higher SES rankings. If the economic growth rate (see figure 5.7) was used there is still a general trend of larger numbers of CCIs locating in municipalities with higher economic growth rates. See table 5.8 for a comparison between the SES index and economic growth rate rankings with the rankings of the number of CCIs per municipality from highest to lowest.

Table 5.8: Comparison Between the SES Index and Economic Growth Rates of the SBD Municipalities as Compared to the Number of CCIs

Ranking	Number of CCIs per Municipality	SES Index	Economic Growth Rate
1	Makana	Camdeboo	Kouga
2	Kouga	Kouga	Sundays River Valley
3	Ndlambe	Makana	Kou-Kamma
4	Camdeboo	Baviaans	Ndlambe
5	Baviaans	Kou-Kamma	Camdeboo
6	Blue Crane Route	Blue Crane Route	Makana
7	Kou-Kamma	Ndlambe	Baviaans
8	Sundays River Valley	Ikwezi	Blue Crane Route
9	Ikwezi	Sundays River Valley	Ikwezi

*SES index and economic growth rates based on Census 2011 data

Source: (Own Work; Statistics South Africa, 2018)

Despite the general positive trend for economic growth rate rankings, it is not as strong as that for the SES index. Table 5.8 shows that there is a lot of movement in ranking positions between the two measures of development. The most significant of these movements is that of the Sundays River Valley and Kou-Kamma that place second and third respectively rather than ninth and fifth as in the SES index. Furthermore, Ndlambe fits the trend when economic growth rates are considered. The change in rankings of the three municipalities serves to illustrate the problem of excluding social development as the MCA results show that poverty is a severe issue within the municipalities. Poverty is not always evident in economic growth rates, especially in developing countries like South Africa with high levels of inequality. However, poverty and inequality levels should be considered when analysing the CCIs as disposable income is an important factor in supporting large numbers of CCIs. Therefore, a socio-economic development measure provides a viable alternative to purely economic measures which are more commonly used. Moreover, a socio-economic measure does not have an economic bias stemming from the presence of prosperous agricultural industries, which have been proven to be unsuited to the CCIs by this analysis. Consequently, in the case

of rural areas and small towns which are not as affluent as cities, using a socio-economic measure seems to be a better approach.

5.5.1.6 Causality

One of the major critiques of Richard Florida's work on the creative class, cities and economy is causality: do CCIs and the creative class cluster in global cities because they are major economic centres, or, do particular cities become major global economic centres because of their CCIs and creative class (Flew, 2010: 89)? The same problem of causality can be applied to this research regarding the relationship between the CCIs and socio-economic development. Does a better SES performance result in the clustering of CCIs or does the clustering of the CCIs result in higher levels of development? However, the data used in this analysis is cross-sectional and so causality cannot be proven. Despite this, the research has sought to contribute to the ongoing academic debate surrounding causality by analysing the link between where the CCIs choose to locate in large numbers and the level of development in their chosen location within a small town context. It appears that larger numbers of CCIs do tend to locate in areas with better levels of development. Furthermore, in the rural small town context, it seems that a town must have reached a threshold level of socio-economic development before the CCIs will locate in large numbers and potentially form clusters. This is evidenced by the general trend of the progression of increasing numbers of CCIs in municipalities with increasing levels of development, as those with the lowest SES index rankings have small numbers of CCIs since there is a lack of demand for CCI goods and services. However, once this level of development is attained and the CCIs start to locate in larger numbers, the problem of causality sets in. At the threshold development level, it is likely that towns enter the virtuous cycle, but for those that are already on the cycle like the larger towns and those towns with cultural tourism industries, it is difficult to determine their position in the cycle and whether the CCIs are driving development without the use of time series data.

5.6 Conclusion

The micro-regional study is the most accurate audit of the CCIs in the SBD to date. It found 1 048 CCIs operating in the district which is much more than was expected based on what previous studies had identified. This indicates that the data collection methods were successful and that significant CCI activity is possible in non-metropolitan spaces. From the micro-regional database, three maps were created using GIS. The maps illustrate the benefits of using GIS as it allowed for the complex data captured in the micro-regional database to be presented in a manner which is easy to interpret and highlights patterns and relationships within the data.

The first map presented a breakdown of the UNESCO domains in the district. Based on the presence and relative proportions of the domains in the towns, Visual Arts and Crafts and Cultural Heritage were identified as the two most prominent domains in the district and accordingly appear to be well suited to the small town environment. Furthermore, a location quotient analysis was used to determine which towns have a comparative advantage in a domain. Grahamstown holds a comparative advantage in Performance and Celebration while St Francis, Jeffreys Bay, Port Alfred and Kenton-On-Sea are nodes of comparative advantage in Design and Creative Services. Accordingly, these four domains were recommended for development within the district.

The second map sought to investigate whether clustering is possible in non-metropolitan spaces as the traditional theory suggests that CCI clustering is unsuited to small towns (Florida, 2014: 197). This was true for the small agricultural and historic villages where there were very few CCIs. However, clusters were identified in the four largest towns in the district as well as four towns with significant tourism industries. Three further towns were determined to have clustering potential based on their infant cultural and agricultural tourism industries. Therefore, it was concluded that clustering is possible in rural small town areas within the larger towns and tourist destinations.

The last map examined the relationship between the CCIs and development and found that, in general, there were larger numbers of CCIs in municipalities with higher SES performances. Though causality was not proven, it was suggested that a certain level of development needs to be reached before the CCIs will locate in large numbers as the primarily agricultural municipalities with low SES index rankings also had low numbers of CCIs as they cannot adequately support them. The importance of including social aspects in development measures was also shown as the SES index displayed a stronger positive trend with numbers of CCIs than economic growth rankings. It is therefore suggested as a viable alternative to economic development measures.

The presence of clusters and clustering potential means that the CCIs can be harnessed for development (Fleischmann *et al*, 2017: 219). It was recommended that areas with higher SES performances, clusters and clustering potential be targeted for LED policies with a focus on the domains that have a strong presence throughout the district or have a comparative advantage in a specific area. This serves as a warning to policy-makers as the analysis suggests that culture-led development will not work in all small towns. The final chapter concludes by summing up the results and main findings of the analysis as well as making recommendations for the development of the CCIs in non-metropolitan spaces.

Chapter 6: Conclusion

6.1. Introduction

This research sought to answer the question: Is CCI clustering possible in a rural, small town context, and can it be used as an LED strategy? This is an important question given the interest of small towns in pursuing culture-led development and establishing the CCIs as a new economic driver as traditional sectors, like agriculture, decline. In order for this to be successful, the CCIs need to locate in large enough numbers to have a significant impact on the local economy and promote socio-economic development. In other words, the CCIs need to have formed clusters. However, traditional theory suggests that the CCIs are not suited to small towns as they generally do not possess the soft and hard infrastructure, amenities, skilled labour pools or creative atmospheres that are considered necessary for clustering (Flew, 2010: 86; Landry, 2012: 34; Florida, 2014: 198). This is in accordance with theories on the creative city and Florida's 'Three Ts' – talent, tolerance and technology. To answer this question, an audit of the CCIs in the SBD was conducted and the micro-regional database created. From this database, three maps were created using GIS in order to analyse CCI activity within the district in terms of UNESCO domain activity, small town clustering, and the relationship between rural areas and small towns and socio-economic development.

The chapter begins by summing up the main findings of the study and making recommendations for the development of the CCIs in non-metropolitan spaces. This is followed by a discussion on the contribution of this study to the literature, the limitations of the study and directions for future research.

6.2. Main Findings of the Research

6.2.1. The Micro-Regional Database

The micro-regional study utilised several techniques to find CCIs in the SBD including: internet searches, tourism brochures, Google Maps and Street View as well as field work which utilised

snowball sampling. This combination of techniques has resulted in the most accurate and in-depth database on the SBD's CCIs to date. The micro-regional database contains information on 1 048 CCIs operating within the district which is 846 more than the national DAC (2014c) mapping study found. The large number of validated CCIs found in the district proves that creativity is not limited to large cities and so corroborates international case studies of culture and creativity locating and often clustering in non-metropolitan spaces including small towns, small cities and suburban areas of large cities (see Gibson, 2002; Brennan-Horley and Gibson, 2009; Waitt and Gibson, 2009; Brennan-Horley *et al*, 2010; Daniel, 2014; Bain, 2016; Daniel *et al*, 2016; Fleischmann *et al*, 2017; Irvine *et al*, 2016; Gregory and Rogerson, 2018).

The importance of, and benefits associated with, conducting fine scale research can also be seen by comparing the results of the micro-regional study with those based on the DAC (2014c) study as the quality of data influences both the results and recommendations of the research. The micro-regional study included 35 towns as compared to the 20 towns sampled in the DAC (2014c) mapping study. These towns were of varying physical sizes which allowed for the clustering analysis to be conducted on a variety of towns in order to find the characteristics that make a town more suitable for clusters. For instance, the micro-regional study identified different types of clustering in small towns: no clusters, clustering potential, small clusters and large clusters, which was only possible because of the accuracy and depth of the study which showed the variation between CCI numbers across settlements. This variation is not present within the DAC (2014c) data which also has less domain diversity and different domain strengths which resulted in a different set of recommendations (Drummond and Snowball, 2017: 24-29). For example, Visual Arts and Crafts is one of the largest domains according to the micro-regional database but is one of the smallest based on the DAC (2014c) data and therefore was not recommended for development (Drummond and Snowball, 2017: 28-29). The quality of data can have serious repercussions on the SBD small towns if policy and LED strategies are designed based on incomplete information as opportunities are overlooked.

6.2.2. UNESCO Domain Activity

In order to investigate the type of CCI activity occurring in the SBD, the UNESCO domains breakdown for each town was mapped. A location quotient analysis was used to supplement the domain shares in order to identify comparative advantages in a domain type within the SBD. Three groups of domain activity were found. Firstly, Visual Arts and Crafts and Cultural Heritage were identified as the two most prominent domains in the district as they were generally present in large shares throughout the towns. The spread of these domains indicates their importance to the SBD small towns as CCI activities and so suggests their suitability to locating in small town and rural environments. Therefore, these domains are recommended for development at the district, municipal and local level as they have the strongest base and are likely to impact larger numbers of people since they are located in almost every small town. The second group includes domains that have comparative advantages in certain towns. The share of the domain within the town and the LQ analysis for the municipality were used to determine which towns held a comparative advantage. Therefore, Design and Creative Services has two nodes of activity in St. Francis and Jeffreys Bay in Kouga Municipality and Port Alfred and Kenton-On-Sea in Ndlambe municipality. Furthermore, Grahamstown in Makana Municipality was determined to hold a comparative advantage in Performance and Celebration. It was thus suggested that a targeted development approach would be required for these domains as they do not appear to be suited to all small towns, apart from those Design and Creative Services activities that support other kinds of CCIs. The last group includes Information, Books and Press and Audio-Visual and Interactive Media which did not have a significant presence in the SBD towns apart from libraries. Moreover, Design and Creative Services partly fits into this group as outside of the nodes of activity it tends to take on a supporting role for other businesses by providing services like graphic and signage design. Based on the limited activity of these domains, it is suggested that they are not well-suited to the rural, small town setting as many specific activities within these domains like publishing require the hard and soft infrastructural advantages of cities. It is thus not recommended to invest in developing these domains as drivers of growth as they are not particularly strong in the district.

6.2.3. Clustering

To uncover whether clustering is possible in a rural, small town environment, the number of CCIs per town was mapped using graduated circles. The small agricultural towns and historic villages were found to conform to the conventional theory that CCIs are not suited to non-metropolitan spaces as they lack the advantages of cities that the CCIs are thought to require to be successful (Landry, 2012: 13; Florida, 2014: 197). These types of towns accounted for just over half of the towns in the SBD, which means that the majority of small towns are not suited to clustering. However, there were some small towns that had largely agricultural economies that were attempting to diversify by establishing small tourism industries. The tourism industries in these towns are still in their infant stages but have a significant cultural and creative component which they are attempting to exploit. These areas were thus identified as having future clustering potential.

Two types of clusters were identified as having formed in small towns. These clusters tend to be made up of a variety of domains and locate around the town centres and in nearby shopping malls. Firstly, there are small clusters which occur in the smaller towns and villages like Bathurst and St. Francis that have well established tourism industries. In these areas, cultural tourism is significant and tourism demand for CCI goods and services means that the towns are able to maintain small clusters of CCIs. Secondly, the four largest towns in the district (Grahamstown, Jeffreys Bay, Port Alfred and Graaff-Reinet), both in terms of physical size and numbers of CCIs, were found to have large clusters. These towns have larger and more diverse economies as well as larger proportions of the creative class (as shown by the proportion of their population with a tertiary education), who are able to support larger numbers of CCIs through their higher levels of consumption. In addition to this, it was suggested that Grahamstown is a creative small town as it has the largest and most diverse CCI cluster as well substantial economic and social spillover effects from the university and hosting the National Arts Festival. Overall, this means that the CCIs are capable of forming clusters outside of large metropolitan centres and that their presence is an indicator that the creative economies of small towns and rural areas can be significant.

6.2.4. The CCIs and Socio-Economic Development

The relationship between the CCIs and socio-economic development was interrogated through the creation of a municipal SES index. This relationship has been examined in metropolitan spaces by authors like Florida (2002b), who used economic growth as a predictor of where large numbers of CCIs locate, though causality was not proven. The SES index, however, takes a different approach by including social aspects of development. It was thus made using MCA of 20 variables which included economic indicators like household income and employment status; ownership of consumer durable assets such as a computer or washing machine as a proxy for wealth; access to basic services like electricity for lighting and piped water; as well as social development indicators like the type of main dwelling and toilet facility. The resultant SES mean scores were then ranked from highest to lowest with Camdeboo having the best performance and Sundays river Valley the poorest. The Index rankings were then mapped and overlaid with the total number of CCIs per municipality.

The map revealed that there exists a general positive relationship between the municipality's socio-economic development levels and the number of CCIs. Therefore, municipalities with higher levels of development tend to be better suited to CCIs. This suggests that a threshold level of development needs to be attained before the CCIs will locate in significant numbers. This is based on the inability of the lower ranking municipalities to support the CCIs as they are characterized by primarily agricultural economies; lower levels of talent; limited technology; high levels of unemployment, poverty and inequality; and limited tolerance as the agricultural focus is not conducive to a creative atmosphere which is attractive to the CCIs and talent. Therefore, the demand for CCIs in the Sundays River Valley, Kou-Kamma and Ikwezi is small and so they cannot sustain large numbers of CCIs. These municipalities have not entered the virtuous cycle as their levels of social, cultural, symbolic and identitarian capital are insufficient (Sacco and Segre, 2009: 292; Bonet, 2017).

Meanwhile, the higher ranking municipalities in terms of their SES index have larger numbers of CCIs, as they have surpassed this development threshold and are on the virtuous cycle. This is mainly due to these municipalities (Camdeboo, Kouga and Makana) being the locations of three of the four larger towns which are the economic centers of the district. They are thus

better able to cater to the needs of the CCIs and support them through larger consumer bases as they have higher levels of talent. In one case, the Baviaans Municipality, a positive SES index score was found in a primarily agricultural municipality and so shares some characteristics with the lower ranking municipalities. The relatively good performance is probably due to its greater economic diversity and its tourism industry, which has increased demand for CCI goods and services since there is a cultural aspect of the tourism based on mohair production. Furthermore, Ndlambe, which has one of the largest numbers of municipal CCIs has a low SES ranking and so is an anomaly. In various socio-economic indicators like education levels, economic growth and unemployment rates and access to basic services, Ndlambe performs similarly to the other municipalities with larger towns and higher SES rankings. A possible reason for Ndlambe's poor SES performance could be its significant tourism industry and second home market, which are capable of supporting the CCIs but are also highly seasonal. Seasonal employment and income are unreliable and so do not have a strong positive impact on SES.

Overall, the SES index has proved to be a successful means of analysing the links between the CCIs and development. Moreover, when compared to economic growth rates, which are often used to predict where large numbers of CCIs will locate, the SES index is more accurate in the rural, small town setting. This is due to the SES index correcting for the economic bias by including social development aspects and using assets as a proxy for wealth on the household level. This economic bias stems from large agricultural industries which contribute significantly to the economic growth rates and GDP of an area. However, the benefits tend not to be shared and so poverty and inequality are often major issues in rural areas and small towns in South Africa. This needs to be accounted for as wealth is an important factor in determining demand for CCIs and thus the ability to support large numbers of CCIs. Additionally, even though it has been established that there is a link between the CCIs and development, this does not prove causality.

6.2.5. The Use of GIS

The three maps that were produced for this research have also illustrated how useful GIS can be in analysing the CCIs. The micro-regional database is a complex dataset with 1 048 CCIs and GIS has allowed this data to be presented in a manner that is easy to understand for researchers, government officials, study participants and the general public. It also makes it easier to communicate and share results (Brennan-Horley *et al*, 2010: 92). However, the real benefits of using GIS accrue in the analysis of the data as the maps bring to light patterns and relationships that were more difficult to see in the micro-regional database and the various tables and graphs that summarised and analysed this data. It also allows for the easy comparison of different information in space. For example, the relationship between the CCIs and socio-economic development could be investigated and linked to clustering and domain activity by comparing the three maps to add another layer of detail to the analysis of CCIs in the district. Overall, GIS has been an invaluable analytical tool to this research. Moreover, its success in representing and analysing the data in this study as well as several others (Brennan-Horley and Gibson, 2009; Waitt and Gibson, 2009; Brennan-Horley *et al*, 2010; Gregory and Rogerson, 2018) means that there is a great future potential for the use of GIS in studies of the CCIs and it is likely to become an increasingly popular analysis tool.

6.3. Recommendations: Harnessing the CCIs for Local Economic Development

The CCIs have been identified as a potential new economic driver and invested in heavily by governments around the world (Sacco *et al*, 2014: 2807). Since the 1990s, culture-led growth and development strategies have been particularly popular in cities, especially post-industrial cities, where the CCIs are used to promote urban renewal and deal with a number of urban problems (Miles, 2005: 889). However, culture-led development is becoming increasingly widespread and has been applied relatively recently to non-metropolitan spaces in a variety of countries including Australia (Daniel *et al*, 2016), the UK (Bell and Jayne, 2010), the USA (Látková and Vogt, 2012), Canada (Stolarick *et al*, 2010) and Sweden (Brouder, 2012). Furthermore, culture and creativity has become an important policy tool and developmental

strategy in developing countries as well as in developed ones (Flew and Cunningham, 2010: 114). Therefore, based on international trends and experience, it should be possible to implement culture-led development strategies in a rural area of South Africa. In fact, there are several small towns across SA that have identified culture, creativity and cultural tourism as potential new economic drivers (Hoogendoorn and Visser, 2016: 98; Irvine *et al*, 2016: 388). This is in line with the post-productivist shift and the need to establish a new economic driver to combat the decline of agriculture, mining and railways in many of the small towns (Nel *et al*, 2011: 197; Hoogendoorn and Visser, 2016: 98). Accordingly, the Sarah Baartman District Municipality government have identified the developmental potential of the Arts, Culture and Heritage Sector in the region and have announced an intention to pursue culture-led development mainly through tourism (ECSECC, 2017: 44, 94; SBDM, 2017: 26, 60-61, 232).

The three maps created for this analysis can be used to make recommendations on which places should be targeted for culture-led development in the district. The analysis of the district's CCIs shows that they are not evenly spread throughout the SBD and so culture-led development strategies would need to be more localized as the whole district is not suited to the CCIs. Therefore, when taken together, the maps suggest that the CCIs could be a successful LED strategy for some parts of the district as they have an existing presence from which to build, as shown by the large numbers of CCIs operating in some municipalities and towns. Having an existing base is important for rural areas and small towns as they do not possess the same hard and soft infrastructural advantages as cities which means that it would be difficult to use policy to build the CCIs from scratch (Fleischmann *et al*, 2017: 223). The places where culture-led development is likely to be successful are thus those that have a higher socio-economic status and have a cluster or clustering potential.

Clusters are important for development as they create CCI business hubs that drive innovation by producing and commercializing ideas and offering goods and services that either directly or indirectly contribute towards innovative activities both within their own sectors and across other industries, which drives economic growth and change (Fleischmann *et al*, 2017: 218). Examples of these creative hubs are mostly found in cities yet some small town clusters are capable of exerting an influence far beyond their small communities and driving innovation, improving efficiency and contributing to economic development in local industries (Harvey *et*

al, 2012: 529; Fleischmann *et al*, 2017: 219). Furthermore, for the development of regional economies like the SBD, industrial clustering is vital (Chapain *et al*, 2010: 8). Industrial Clustering refers to discreet “geographical concentrations of firms from the same sector – or related sectors along the value chain – that collaborate and compete with one another, and have links with other local actors (such as universities)” (Chapain *et al*, 2010: 8). Based on field observations, the micro-regional study and the analysis of the three maps, it is likely that both types of clustering occur in the SBD, although more research would be needed to confirm this, and so the places with clusters and clustering potential should be targeted for culture-led development as they are the most likely to be successful. Within the South African context, and indeed the developing country context, it is important to identify the places and domains that are most likely to be sustainable successes as there is tough competition for limited public resources.

In addition to clustering, places should also have higher levels of socio-economic development if culture-led LED strategies are to be introduced. Higher SES means that potential CCI consumption is likely to be higher as wealthier people are usually the consumers of CCIs goods and services (Florida, 2002b: 69; Markusen, 2006: 1921-1922). Therefore, without commenting on causality, larger numbers of CCIs and thus clusters are more likely to occur in areas that also have higher SES performances. This is supported by the second map which overlays the numbers of CCIs with the SES index rankings. The map shows that, barring Ndlambe, the municipalities with the highest SES rankings: Camdeboo, Kouga, Makana and Baviaans are also the ones with towns that have clusters and clustering potential like Graaff-Reinet, Nieu-Bethesda, St. Francis, Jeffreys Bay, Grahamstown, Willowmore and Steytlerville. There thus appears to be a connection between socio-economic development and the presence of clustering. However, this does not mean that other places like Port Alfred, Bathurst and Kenton-On-Sea in Ndlambe should be ignored as there is a strong CCI clustering presence which is arguably the most important pre-requisite for implementing culture-led development. Therefore, the places with the best potential for culture-led development success are those with higher SES performances and existing CCI clusters. If these factors are present, further CCI development and funding is more likely to lead to the self-reinforcing virtuous cycle of CCIs driving development and economic growth, which in turn spurs greater CCI economic activity.

Once the best places to implement culture-led development have been identified, the domains that should be targeted need to be decided upon. This is based on which domains occur in the towns and in what proportions. Therefore, the domain analysis with the subsequent policy recommendations can be applied to the places that are the most likely to be cultural development successes. Cultural Heritage and Visual Arts and Crafts would thus be good domains to invest in for all the municipalities with clusters and clustering potential as well as high SES performances (Camdeboo, Kouga, Makana, Baviaans and Ndlambe) since they all have relatively large proportions of these domains. Furthermore, Grahamstown in Makana as well as St. Francis and Jeffreys Bay in Kouga and Port Alfred and Kenton-On-Sea in Ndlambe hold comparative advantages in Performance and Celebration and Design and Creative Services respectively. These specific domains should thus be targeted for development within these five towns. The towns and domains that are best suited to culture-led development and are the most likely to be successful have thus been identified. However, this identification is vital but insufficient to ensuring success as Daniel *et al* (2016: 9-10) argue that policy makers must be at the forefront of driving culture-led development in small towns and rural areas to integrate and nurture the CCIs so that they may contribute to the regional economy.

There exists great potential in the SBD for culture-led development, but it will not work in all small towns as a pre-existing level of CCI activity and a development threshold need to be met in order to make success more likely. This serves as a warning as the “just add culture and stir” approach is sure to fail in the towns that do not meet the basis level of CCI activity and development. Furthermore, studies of non-metropolitan spaces tend to have been framed as single case studies of individual towns rather than regions which makes it more difficult to generalize results and apply them to other towns and regions (Hoogendoorn and Visser, 2016: 98). This research has analysed the clustering of CCIs on the district level and has found a range of clustering categories from no clusters to relatively large ones with an accompanying set of characteristics that are more or less suited to CCI activity. The study results can therefore be generalized and applied to other contexts where there are similar characteristics. However, each region and small town is different and so blanket policies for all small town and rural areas or a ‘cookie-cutter’ approach will not be successful.

6.4. Limitations of the Study and Directions for Future Research

The limitations of this research mainly stem from the data that was collected to create the micro-regional database and the municipal level SES Index. In terms of creating the SES index, Census 2011 data from Statistics South Africa was used. This is the most recent population survey that has been conducted in South Africa at the municipal level and so was the finest scale data available. However, this data cannot be considered as up-to-date as it was conducted over five years ago. The situation on the ground may have changed during this time, although the general trends are unlikely to have changed dramatically, and so questions of accuracy arise.

In terms of the micro-regional database, internet searches, tourism brochures and field work were the main techniques for collecting data. This worked well for cultural heritage sites like museums and historic buildings as well as CCI businesses with official premises around the town centres and shopping centres. However, if an artist or business did not have a website, get featured on a tourist brochure or have a home studio in the suburbs, they were likely to have been missed by the study. This is especially true for individuals like performing artists and musicians. Furthermore, informal economic activity in South Africa is substantial as in 2017, it was estimated that 2.8 million people were employed in the non-agricultural informal sector (Statistics South Africa, 2017: 1). The CCIs could potentially be a large employer within this category. An example of cultural and creative informal activity that is widespread in South Africa is the production of arts and crafts which are sold at informal street-side stalls or by mobile hawkers. This was certainly the case in the SBD as observations in the field revealed many informal stalls and mobile hawkers selling arts and crafts like paintings, wire craft, bead work, wood work and art made from recycled materials like tin cans. However, informal business activity is difficult to capture, and it was outside the scope of this study to do so. Therefore, the micro-regional database may under-represent CCI activity in the region.

In a similar way to previous research, including that of Florida, causality is not proven by this study as it uses cross-sectional data. Although the research did not set out to answer questions on causality, the issue remains: does a better SES performance result in the clustering of CCIs or does the clustering of the CCIs result in higher levels of development?

The issue of causality is highly relevant to debates on policy and the socio-economic development potential of the CCIs. This is thus an important area that requires further research through the use of time series data.

This study used field observations to discuss where creativity occurs in the small towns. However, the micro-regional study also collected GPS co-ordinates for CCI businesses within the towns. This information could be mapped in order to further investigate where CCIs choose to locate in small towns and possible reasons for this through interviews which could also be linked to the map. This relates to the study conducted by Brennan-Horley *et al* (2010) but extends it to look at towns that are placed further down the settlement hierarchy. Overall, this would provide further insights into clustering behaviour of CCIs in small towns.

In addition to this, interviews could be conducted amongst the CCIs identified in the micro-regional study and key stakeholders within the district such as government officials that are involved with the Arts, Culture and Heritage sector at various levels; museum curators and other custodians of cultural heritage; as well as organizers of large events like the National Arts Festival in order to discover the challenges and opportunities associated with locating in small towns and rural areas. This would provide insights into why the CCIs locate in these areas and the differing experiences across the various types of small towns based on both physical sizes and their numbers of CCIs. Conducting this research would be important for designing policies to encourage clustering and culture-led development.

6.5. Conclusion

This research has demonstrated that cultural and creative industry clusters can occur in small towns and rural areas. However, not all small towns and rural areas are suited to clustering. The potential for clustering is not based solely on the physical size of towns since some villages like Bathurst and Nieu Bethesda have small CCI clusters. Rather, it is based on their characteristics and so clusters tend to form in towns that have a combination of: larger proportions of the creative class (defined by education levels) and thus larger consumer bases for CCI goods and services; tourism industries; greater socio-economic development levels; more diverse and tolerant atmospheres (not primarily agriculturally focused); and towns that

perform important economic functions as service centres for the district. To be successful, culture-led development generally requires existing clusters or clustering potential that can be built on (Fleischmann *et al*, 2017: 219). Consequently, those towns that possess clusters or have the potential to develop clusters through cultural tourism are more likely to be successful if they implement culture-led development. Moreover, the strategies pursued under culture-led development also need to be carefully considered. Once again, it is best to have a foundation from which to build and so the UNESCO domains that have a strong presence throughout the district or have a comparative advantage in a specific area are the ones that should be targeted for development.

The municipal level SES index analysis found that there was a general positive relationship between a municipality's level of development and the location of larger numbers of CCIs. Crucially for small town policy, this analysis revealed that a threshold of development needs to be surpassed before the CCIs will locate in large numbers and form clusters. Therefore, it was recommended that areas with higher SES performances be targeted for culture-led LED as these areas are more likely to be successful and reap the benefits from the virtuous cycle. In the case of small towns and rural areas, including a social development aspect has corrected the economic bias introduced by highly profitable commercial agriculture. Therefore, within the context of small towns and rural areas as well as developing countries where poverty and inequality are major concerns, a socio-economic development indicator appears to work better than purely economic measures like economic growth as a predictor of where the CCIs will locate in large numbers.

Using GIS to map the numbers of CCIs per town and municipality, the UNESCO domain shares and the municipal level SES index was a vital component of this research as the visual analysis helped in the identification and interpretation of trends and relationships within the data. The results and recommendations of this research can therefore help small towns to avoid pitfalls in their pursuit of culture-led development in accordance with the post-productivist shift by identifying their specific economic, social and geographic characteristics and factors that make a small town more suitable to the CCIs and thus makes developmental success more likely. Overall, it is recommended that areas with higher SES performances and clusters or clustering potential be targeted for LED with a focus on Visual Arts and Crafts and Cultural

Heritage throughout the SBD and Design and Creative Services and Performance and Celebration in the nodes that hold a comparative advantage. This serves as a warning to policy-makers as the analysis suggests that culture-led development will not work in all small towns.

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Appendices

Appendix A: Micro-regional Database Excerpt

Bathurst (Ndlambe)

Name	UNESCO Domain	Description
Bathurst Agricultural History Museum	Cultural Heritage	Museum
Bathurst Primary School	Cultural Heritage	Original building of the oldest running primary school in Southern Africa
Bathurst Toposcope	Cultural Heritage	Commemorates the history of 1820 Settler agriculture and settlement on the spot where the farm locations were surveyed
Big Pineapple	Cultural Heritage	Biggest man made pineapple, souvenirs and gifts, pineapple industry history
Bradshaw Mill	Cultural Heritage	Birth place of the wool industry in South Africa built 1821
Morley House	Cultural Heritage	Settler house built 1828 and used bookshop
Old Powder Magazine	Cultural Heritage	Historic powder magazine erected 1821
Penny Whistle Antique Shop	Cultural Heritage	Antiques
Pig and Whistle	Cultural Heritage	South Africa oldest licensed premises, est 1832 and antique shop
Relix & Thingz	Cultural Heritage	Antiques, collectables, books, bric a brac
St John's Church	Cultural Heritage	Oldest unaltered church in South Africa, est 1834
Tales of Antiquity	Cultural Heritage	Antiques and vintage items
The Old Rectory	Cultural Heritage	Young ladies school build 1821 sold to Anglican church 1874
Wesleyan Methodist Chapel	Cultural Heritage	Historic church est 1832
4D Interior Design	Design & Creative Services	Interior design and planning; drafting service
Kane Designs	Design & Creative Services	Graphic Design
Bathurst Book Fair	Information, Books & Press	Annual book fair
Bathurst Centenary Public Library	Information, Books & Press	Public library
Bathurst Times	Information, Books & Press	Digital community newspaper
Bleak House	Information, Books & Press	Books and prints sold in historic house built 1825

Books of Bathurst	Information, Books & Press	Books, prints, collectables, gemstones
Freestone Public Library	Information, Books & Press	Public library
Bathurst Country Affair	Performance & Celebration	Cultural and food festival
Bathurst Grand Agricultural Show	Performance & Celebration	Agricultural festival including arts and crafts stalls and competitions
Bathurst Showgrounds	Performance & Celebration	Event venue and organization and promotion services
Full Moon Entertainment	Performance & Celebration	Record label
Vintage Fair Bathurst	Performance & Celebration	Vintage car display and vintage motorbike races
André Roodt	Visual Arts & Crafts	Sculptor
Bathurst Art Fair	Visual Arts & Crafts	Showcasing professional and amateur artists and crafters
Bathurst Farmer's Market	Visual Arts & Crafts	Local produce, arts and crafts sold every Sunday
Benchmark Bathurst	Visual Arts & Crafts	Handcrafted furniture
Black Bell Blacksmithing	Visual Arts & Crafts	Metal crafts and jewellery
Boniface Chikwenhere Unique Drift Wood Creations	Visual Arts & Crafts	Unique drift wood creations
Boredom Busters	Visual Arts & Crafts	Children's crafts workshops, crafting kits and craft gifts
Curiosity Shoppe	Visual Arts & Crafts	Local handmade arts and crafts
Fig and Daisy Country Store	Visual Arts & Crafts	Handmade furniture, arts, crafts and gifts and home to the Bathurst fairies (fairy arts and crafts, books and clothing)
Heart Felt Creations	Visual Arts & Crafts	Felt craft
House of Gaddi	Visual Arts & Crafts	Fine art, décor, design, furniture and textile printing
Huisie	Visual Arts & Crafts	Crafter - crocheted and knitted hats, scarves and bags
Khanyi Crafters	Visual Arts & Crafts	Women's craft cooperative
Kuku Craft	Visual Arts & Crafts	Crafts - soft toys, children's clothes and gifts
Lyn Rous Carstens	Visual Arts & Crafts	Local fine artist
Marieke du Plessis	Visual Arts & Crafts	Visual artist
Mystique Candles	Visual Arts & Crafts	Hand produced and decorated candles
Nicky Rosselli	Visual Arts & Crafts	Local fine artist
RDBS Art	Visual Arts & Crafts	Local fine artist
Richard Pullen pottery studio	Visual Arts & Crafts	Pottery gallery and studio
Sally Scott	Visual Arts & Crafts	Local visual artist and art teacher
Sandra Thomas Fine Artist	Visual Arts & Crafts	Local fine artist and art classes

Stowe & So.	Visual Arts & Crafts	Designing and manufacturing hand-made products
The Corner Art and Craft Gallery	Visual Arts & Crafts	Locally made arts and crafts
The Dancing Donkey	Visual Arts & Crafts	Local arts, crafts and gifts
The Two Sages	Visual Arts & Crafts	Jewellery, soaps, creams, candles and holistic health products
The Workshop Art & Craft Gallery	Visual Arts & Crafts	Hub for local artists to display and sell work
Trish Visser Art Gallery	Visual Arts & Crafts	Visual artist displaying at the workshop
Captured Memories	Visual Arts & Crafts	Framer

Appendix B: Multiple Correspondence Analysis

Category	Mass	Quality	% Inertia	Co-ord	Sqcorr	Contrib
	Overall			Dimension 1		
Main dwelling						
Cluster house in complex	0,000	8,260	0,001	2,230	0,701	0,001
Townhouse (semi-detached house in a complex)	0,000	0,715	0,001	1,744	0,668	0,000
Flat or apartment in a block of flats	0,001	0,335	0,001	0,610	0,328	0,000
House or brick/concrete block structure on a separate stand or yard or on a farm	0,040	0,873	0,004	0,318	0,756	0,004
Semi-detached house	0,001	0,627	0,001	0,006	0,000	0,000
Room/flatlet on a property or a larger dwelling/servant's quarters/granny flat	0,000	0,027	0,000	-0,076	0,004	0,000
House/flat/room in backyard	0,001	0,159	0,001	-0,225	0,044	0,000
Other	0,000	0,225	0,000	-0,343	0,191	0,000
Caravan/tent	0,000	0,546	0,000	-0,998	0,408	0,000
Traditional dwelling/hut/structure made of traditional materials	0,001	0,791	0,002	-1,384	0,742	0,002
Informal dwelling (shack in backyard)	0,002	0,771	0,004	-1,410	0,771	0,004
Informal dwelling (shack not in backyard, e.g. in an informal/squatter settlement or on a farm)	0,004	0,842	0,031	-2,576	0,625	0,024
Total rooms						
11	0,000	0,670	0,002	2,673	0,522	0,001
10	0,000	0,916	0,003	2,341	0,822	0,003
13	0,000	0,606	0,001	2,263	0,513	0,000
9	0,001	0,926	0,005	2,190	0,810	0,005
8	0,002	0,940	0,007	2,039	0,852	0,007
12	0,000	0,783	0,000	1,750	0,726	0,000
7	0,003	0,942	0,008	1,729	0,906	0,009
20	0,000	0,178	0,000	1,379	0,131	0,000
6	0,005	0,945	0,007	1,305	0,906	0,008
15	0,000	0,122	0,000	0,849	0,052	0,000

14	0,000	0,105	0,000	0,796	0,062	0,000
5	0,007	0,862	0,003	0,603	0,782	0,002
16	0,000	0,000	0,000	0,000	0,000	0,000
19	0,000	0,000	0,000	0,000	0,000	0,000
4	0,013	0,824	0,003	-0,278	0,324	0,001
17	0,000	0,051	0,000	-0,733	0,033	0,000
3	0,009	0,936	0,005	-0,782	0,905	0,006
18	0,000	0,237	0,000	-1,248	0,227	0,000
2	0,005	0,919	0,008	-1,314	0,883	0,009
1	0,004	0,898	0,008	-1,402	0,872	0,009
Access to piped water						
Piped (tap) water inside the dwelling	0,026	0,944	0,019	0,917	0,944	0,022
Piped (tap) water inside the yard	0,017	0,899	0,008	-0,558	0,551	0,005
Piped (tap) water on community stand: distance greater than 1000m (1 km) from dwelling	0,000	0,486	0,000	-1,365	0,409	0,000
No access to piped (tap) water	0,002	0,706	0,006	-1,534	0,576	0,004
Piped (tap) water on community stand: distance less than 200m and 500m from dwelling	0,001	0,821	0,005	-2,208	0,643	0,004
Piped (tap) water on community stand: distance less than 200m from dwelling	0,004	0,842	0,026	-2,319	0,656	0,020
Piped (tap) water on community stand: distance less than 500m and 1000m from dwelling	0,000	0,788	0,002	-2,507	0,569	0,001
Toilet facilities						
Flush toilet (with septic tank)	0,004	0,918	0,006	1,171	0,870	0,006
Flush toilet (connected to sewerage system)	0,033	0,862	0,008	0,459	0,702	0,007
Pit latrine with ventilation (VIP)	0,002	0,779	0,001	-0,889	0,722	0,001
Other	0,002	0,860	0,003	-1,416	0,830	0,003
Pit latrine without ventilation	0,004	0,870	0,010	-1,548	0,833	0,010
Bucket latrine	0,002	0,830	0,010	-1,841	0,673	0,008
Chemical toilet	0,000	0,753	0,002	-1,892	0,532	0,002
None	0,002	0,863	0,010	-2,061	0,740	0,009

Energy lighting						
Electricity	0,044	0,901	0,006	0,350	0,719	0,005
Solar	0,000	0,017	0,000	-0,141	0,012	0,000
None	0,000	0,375	0,000	-1,079	0,339	0,000
Gas	0,000	0,315	0,001	-1,463	0,215	0,000
Candles	0,002	0,875	0,017	-2,596	0,742	0,016
Paraffin	0,003	0,865	0,031	-2,705	0,659	0,025
Refrigerator						
Yes	0,034	0,946	0,019	0,758	0,908	0,021
No	0,016	0,946	0,042	-1,725	0,908	0,047
Stove						
Yes	0,041	0,928	0,008	0,441	0,783	0,008
No	0,009	0,928	0,041	-2,115	0,783	0,039
Vacuum						
Yes	0,009	0,965	0,050	2,394	0,854	0,052
No	0,041	0,965	0,011	-0,535	0,854	0,012
Washing Machine						
Yes	0,019	0,960	0,039	1,520	0,953	0,045
No	0,031	0,960	0,024	-0,959	0,953	0,028
Computer						
Yes	0,009	0,934	0,048	2,353	0,843	0,049
No	0,041	0,934	0,010	-0,507	0,843	0,011
Satellite television						
Yes	0,013	0,968	0,041	1,916	0,936	0,046
No	0,037	0,968	0,014	-0,642	0,936	0,015
DVD player						
Yes	0,028	0,941	0,018	0,841	0,912	0,020
No	0,022	0,941	0,024	-1,099	0,912	0,026

Motorcar						
Yes	0,014	0,947	0,047	1,932	0,894	0,051
No	0,036	0,947	0,018	-0,730	0,894	0,019
Television						
Yes	0,038	0,930	0,013	0,585	0,850	0,013
No	0,012	0,930	0,040	-1,854	0,850	0,041
Radio						
Yes	0,032	0,980	0,006	0,469	0,976	0,007
No	0,018	0,980	0,011	-0,863	0,976	0,013
Landline/telephone						
Yes	0,008	0,947	0,040	2,277	0,870	0,042
No	0,042	0,947	0,008	-0,442	0,870	0,008
Cellphone						
Yes	0,039	0,918	0,005	0,379	0,908	0,006
No	0,011	0,918	0,019	-1,419	0,908	0,021
Access to internet						
From home	0,004	0,933	0,031	2,731	0,802	0,030
From work	0,002	0,835	0,005	1,690	0,781	0,005
From cellphone	0,006	0,728	0,003	0,622	0,701	0,002
From elsewhere	0,002	0,556	0,001	0,485	0,503	0,000
No access	0,037	0,952	0,008	-0,490	0,903	0,009
Employment status of head of the household						
Employed	0,025	0,375	0,003	0,199	0,276	0,001
Not economically active	0,019	0,144	0,002	0,029	0,007	0,000
House hold out of working	0,000	0,121	0,000	-0,364	0,028	0,000
Discouraged work-seeker	0,001	0,708	0,001	-0,870	0,671	0,001
Unemployed	0,005	0,624	0,005	-0,898	0,621	0,004

Income class						
R 614 400 - 1 228 800	0,000	0,820	0,005	3,104	0,668	0,004
R 1 228 800 - 2 457 600	0,000	0,732	0,002	2,829	0,601	0,002
R 307 200 - 614 400	0,001	0,925	0,011	2,661	0,800	0,010
Over R 2 457 600	0,000	0,634	0,001	2,474	0,518	0,001
R 153 600 - 307 200	0,003	0,934	0,015	2,281	0,859	0,015
R 76 800 - 153 600	0,005	0,927	0,010	1,563	0,916	0,011
R 38 400 - 76 800	0,007	0,633	0,002	0,340	0,354	0,001
R 19 200 - 38 400	0,011	0,773	0,003	-0,433	0,598	0,002
No income	0,006	0,502	0,004	-0,581	0,437	0,002
R 9 601 - 19 200	0,010	0,910	0,007	-0,875	0,894	0,008
R 4 801 - 9 600	0,003	0,862	0,003	-0,908	0,848	0,003
R 1 - 4 800	0,002	0,701	0,002	-0,984	0,695	0,002

Analysis of Variance

Source	SS	df	MS	F	p-value
Between Groups	244.436009	8	30.5545011	30.66	0.00001
Within Groups	10448.1963	10484	0.99658492		
Total	10692.6323	10492	1.01912241		

Bartlett's test for equal variances: $\chi^2(8) = 214.3494$