

Swart, Kamilla; Bob, Urmilla; Nkambule, Sizwe et al.

## Article

# Economic impacts of the touring ventures sub-category of the Mzansi Golden Economy Programme in South Africa

EuroEconomica

**Provided in Cooperation with:**  
Danubius University of Galati

*Reference:* Swart, Kamilla/Bob, Urmilla et. al. (2018). Economic impacts of the touring ventures sub-category of the Mzansi Golden Economy Programme in South Africa. In: EuroEconomica 37 (2), S. 90 - 103.

This Version is available at:  
<http://hdl.handle.net/11159/2567>

## Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics  
Düsternbrooker Weg 120  
24105 Kiel (Germany)  
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)  
<https://www.zbw.eu/>

## Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte. Alle auf diesem Vorblatt angegebenen Informationen einschließlich der Rechteinformationen (z.B. Nennung einer Creative Commons Lizenz) wurden automatisch generiert und müssen durch Nutzer:innen vor einer Nachnutzung sorgfältig überprüft werden. Die Lizenzangaben stammen aus Publikationsmetadaten und können Fehler oder Ungenauigkeiten enthalten.

<https://savearchive.zbw.eu/termsfuse>

## Terms of use:

*This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence. All information provided on this publication cover sheet, including copyright details (e.g. indication of a Creative Commons license), was automatically generated and must be carefully reviewed by users prior to reuse. The license information is derived from publication metadata and may contain errors or inaccuracies.*

## **Economic Impacts of the Touring Ventures Sub-category of the Mzansi Golden Economy Programme in South Africa**

**Kamilla Swart<sup>1</sup>, Urmilla Bob<sup>2</sup>, Sizwe Nkambule<sup>3</sup>, Amanda Gumede<sup>4</sup>**

**Abstract:** The Mzansi Golden Economy (MGE) began in 2011 in response to the Department of Arts and Culture's assertion that the biggest challenge facing South Africa is unemployment and the arts, culture and heritage sector is well positioned to contribute to addressing this challenge as the "new gold" has the potential to increase economic growth and create jobs in South Africa. However, limited research empirically examines the economic impacts of this sector. The aim of this study is to investigate the economic impacts of Touring Ventures supported by the MGE programme during the past three years. Challenges in undertaking economic assessments are also noted. The methodological approach was interviews with 38 purposively chosen Touring Ventures. Data was analysed in relation to employment and job creation, amongst other economic aspects. The results indicate that there is a high reliance on public funding. There are a number of new entrants to the sector which suggests that the MGE is creating opportunities for more cultural events/ activities to be held in South Africa, contributing to the objective of supporting the arts. There is also job creation linked to Touring Ventures, albeit mostly temporary. However, historically disadvantaged groups and locals are benefitting which provides opportunities for livelihoods and skills development. The implication of the study is that the economic potential of Touring Ventures is evident, however, there are sustainability concerns. This type of study is important given that public funds are used to support the arts and cultural sector in South Africa.

**Keywords:** The Mzansi Golden Economy (MGE); South Africa; Touring Ventures; economic impacts; job creation

**JEL Classification:** L83; Z32

### **1. Introduction**

The South African Department of Arts and Culture (DAC) embarked on a strategy to reposition the arts, culture and heritage sector as key players in government's programme of action for social cohesion, creation of sustainable jobs and ensuring social and economic development. (DAC, 2016/17) The Mzansi Golden Economy (MGE) began in 2011 and is in response to DAC's (2011) assertion that the biggest challenge facing South Africa is unemployment and the arts, culture and heritage sector is well positioned to contribute to addressing this challenge as the "new gold" has the potential to increase economic growth and create jobs in South Africa. Snowball et al. (2017) indicate that South Africa has moved from a narrow definition of arts, culture and heritage towards a much broader conception of the sector including more commercial activities referred to as the cultural and creative industries. The sub-categories of cultural events and activities that receive funding as part of

<sup>1</sup> College of Business Administration, American University in the Emirates, United Arab Emirates and School of Tourism and Hospitality University of Johannesburg, South Africa, E-mail: kamilla.swart@aue.ae.

<sup>2</sup> School of Agriculture, Earth and Environmental Sciences, University of KwaZulu-Natal, South Africa, E-mail: bobu@ukzn.ac.za.

<sup>3</sup> School of Agriculture, Earth and Environmental Sciences, University of KwaZulu-Natal, South Africa, E-mail: sizwe.nkambule@gmail.com.

<sup>4</sup> School of Agriculture, Earth and Environmental Sciences, University of KwaZulu-Natal, South Africa, E-mail: agumede505@gmail.com.

the MGE programme are Touring Ventures, Provincial and National Flagships, Festivals and Events, Public Arts and Miscellaneous.

This article examines the economic impacts of Touring Ventures supported by the MGE programme during the past three years. The next section provides a brief overview of the arts, heritage and cultural sector or the cultural and creative industries. A specific focus is on economic aspects. This is followed by an overview of the methodological approach adopted to collect primary data. Thereafter relevant data in relation to employment and job creation as well as economic aspects (budget, expenditure and income) is analysed. Finally, concluding comments are presented. As indicated earlier a key of the MGE is to boost economic impacts and benefits associated with the cultural and creative industries. Limited research empirically examines the economic impacts of this sector. In the South African context this type of research is important given that public funds are used to support these events and activities. Goto (2017) asserts that the main reasons why governments financially support the cultural and creative sector are:

- the furtherance of excellence, innovation, and access;
- recognition and celebration of national, regional, or local identity;
- promotion of continuity;
- and furtherance of diversity.

These are also linked to the MGE goals. In this study, the focus is on one of the sub-categories of the MGE programme (Touring Ventures) that have DAC funding.

## **2. Economic Impacts of the Arts, Heritage and Culture Sector**

Snowball et al. (2017) state that the cultural and creative industries have been hailed as offering great potential to create jobs and to be socially inclusive. Weber (2017) indicates that the creative industries (and this applies to the arts, cultural and heritage sector as well) is difficult to define and includes intellectual property and knowledge products related to skills and talent. Cultural and creative industries range from the visual and performing arts to software development in recent years. King et al. (2016) emphasise that in terms of the latter, there is a substantial potential of the digital world for generating new ways of engaging with heritage and cultural promotion. Digital spaces can also facilitate greater access to cultural resources, experiences and networks. (King et al., 2016) Throsby (2008) states that cultural heritage comprises a stock of cultural capital that has been inherited from previous generations and can be handed onto future generations. This is supported by Dalmas et al. (2015) who assert that a key aspect of cultural preservation and promotion is the conservation and transmission of heritage to future generations. The World Bank (2001) asserts that heritage is generally viewed as a powerful engine of economic development since it contributes directly in the creation of economic value through activities such as tourism. Wilkinson (2014, p. 1) states: “one thing is certain, less art will mean less social self-reflection and less social progress. Without art, a society thinks less deeply and less often about ethical, moral and social challenges”.

An important aspect of promoting the arts, heritage and culture sector as a local economic development activity in South Africa is linked to enhancing cultural heritage tourism activities. This is supported by Throsby (2016) and Torre and Scarborough (2017) who note that cultural activities and tourism are mutually beneficial activities. Rogerson and van der Merwe (2016) claim that heritage tourism for local development agendas is important in the global south and maximising opportunities

are emerging increasingly as a policy issue. van der Merwe (2016, p. 117) asserts that the National Department of Tourism (NDT) must “enhance the preservation, transformation and segmented marketing of South Africa’s cultural assets (at all levels of government) in order to sustain and grow cultural tourism in the future”. Soini and Birkeland (2014) argue that culture is central to the attainment of sustainable development which promotes global and intra-generational equity and fairness in the distribution of welfare, utilities, and resources between generations. They further assert that research on cultural heritage indicates that a key value is people’s participation in the use and sharing of cultural capital and how to make cultural heritage accessible in a sustainable way so that heritage can be preserved. They also note that cultural diversity is promoted which refers to values, perceptions and attitudes, and material cultural manifestations. Furthermore, Nawa et al. (2016) advocate for the need for the adoption of a culture-sensitive development framework in South Africa which is also aligned to sustainable development imperatives. Cultural events, performances, shows and exhibitions play an important role in to preserve as well as expose society to cultural heritage, contributing to cultural sustainability. For example, van den Bosch (2009) highlights the key role that artists play in transmitting various forms of cultural capital and the generation of income.

Employment opportunities and generation in the cultural and creative industries sector is an important aspect of economic impact. Snowball et al. (2017, p. 296) note that in the South African context:

*...the “transformation” of the industry is especially important in post-apartheid South Africa, where transformation, in this context, refers to black economic empowerment – achieving both employment and ownership patterns that are more representative of the demographics of the country.*

This is important given apartheid legacies that disenfranchised and disempowered black people. More than 20 years after apartheid, racial and gender inequalities are still prevalent with Snowball et al. (2017) indicating that South Africa is still divided along racial lines, with much higher levels of unemployment, and lower levels of firm ownership, among black, coloured and Indian-origin South Africans than among the white population.

Torre and Scarborough (2017) indicate that the assessment of the economic benefits of cultural events is necessary to inform decision-making. Potts and Cunningham (2008, p. 233) state that research reveals that the:

*...economic value of the creative industries may extend beyond just the manifest production of cultural goods or the employment of creative people, but may have a more general role in driving and facilitating the process of change across the entire economy, as evidenced by its dynamic parameters and degree of embedding in the broader economy.*

In the case of this research, the MGE programme (discussed in greater detail next) supports cultural events and activities using public funding. It is therefore important to examine impacts associated with the types of events and activities funded and inform changes to the programme in the future.

While the importance of the arts, cultural and heritage sector is highlighted, of concern, as articulated by Torre and Scarborough (2017) is that there is limited empirically-based research on the economic impacts of this sector. Specifically, Torre and Scarborough (2017, p. 621) assert that “an important and interesting economic problem is the assessment of the social value of expenditure commitments such as art exhibitions both to the domestic economy directly, and to cultural tourism indirectly”. Ellwood and Greenwood (2016), however, warn that measuring the economic value of heritage assets is fraught with difficulties and since many aspects of the arts and culture sector have intangible value, it is difficult to attach a monetary value to them. Similar sentiments are expressed by Dalmas et al.

(2015) who indicate that cultural and historical dimensions (associated with heritage) can only imperfectly be reflected in standard economic analyses. This is also supported by King et al. (2016) who also note the difficulties associated with measuring cultural value and what is actually meant by value in cultural contexts. Furthermore, Ellwood and Greenwood (2016) argue that values change over time and are strongly shaped by contextual factors such as economic opportunities and cultural trends. Throsby (2003, p. 275) states that culture is “multidimensional, unstable, contested, lacks a common unit of account, and may contain elements that cannot be easily expressed according to any quantitative or qualitative scale”. Dalmas et al. (2015) also refer to the multidimensional and dynamic nature of culture. Furthermore, Crossick and Kaszynska (2014) argue that the increasing preoccupation with measuring cultural value (for example, participation rates, economic impacts and educational outcomes) may have ignored the main value, that is, the experience of art and culture. Nevertheless, it remains important to examine economic impacts which this study does in relation to Touring Ventures supported by the MGE programme.

### **3. Contextualising the MGE and the Touring Ventures Programme**

In the context of contributing to economic growth, job creation and developing sustainable livelihoods, the MGE aims to unlock both the demand-side and supply-side constraints within the South African cultural economy and promote market development for the arts sector as well as other related sectors such as tourism. (DAC, 2011) The MGE also aims to enhance nation building and social cohesion for the country. (Kha Ri Ambe, 2012) The purpose of the MGE is to make strategic investments to optimise the economic benefit of the arts in South Africa. By improving investment in key areas of the creative economy, it is anticipated that job creation and productivity will be enhanced and the sector’s global competitiveness will be increased. (DAC, 2016/17)

Touring Ventures is a MGE workstream established to ensure that existing exhibitions, fairs, shows and performances are supported to tour domestically and internationally. (DAC, nd) In order to provide access for marginalised audiences and to sustain jobs, tours to remote areas of the country are also targeted. This workstream further permits the arts, heritage and culture sector to stabilise and consolidate, providing access to work and experience, capacity building and linkages to tourism. The long-term goal is to reduce dependency on financial assistance from government and insecurity in the arts, heritage and culture sector and to allow for improved professional planning and accountability by the sector. (DAC, nd)

The specific objectives of the Touring Ventures programme are (DAC, nd):

- To support wider, cost-effective opportunities for the nation’s cultural outputs to be viewed, observed and enjoyed around the country and beyond;
- To increase the audience and exposure that each production receives, which will in turn increase the number of jobs, livelihoods, income and work that these performances, events and exhibitions create; to increase the social cohesion of the country and in the particular location; as well as to increase the upskilling opportunities in our arts and culture communities or sector;
- To support national, provincial and local government, cultural institutions, cultural agencies, arts groupings and individual arts practitioners in a reciprocal and sustainable approach to touring.

The Touring Ventures supported individual artists and performers as well as organisations.

#### **4. Methodology**

The evaluation of the Touring Ventures category comprised a period of three funding cycles. (2014-2015, 2015-2016 and 2016-2017) A survey was developed in consultation with the South African Cultural Observatory (SACO) and DAC who funded the research to monitor and evaluate the MGE programme. One hundred and twenty eight Touring Ventures were identified from information provided by DAC officials. The events/activities received different levels of funding and ranged from R20 000 to R1 000 000 for the last year that the DAC MGE funding was received. In terms of the spatial distribution of the Touring Ventures category, for 34.4% of the events/activities information could not be established. Among the rest, events/activities were hosted in all nine provinces with the most dominant provinces being Gauteng (28.9%), KwaZulu-Natal (7%), Northern Cape (6.3%) and Western Cape (6.3%). The rest of the provinces had fewer Touring Ventures: 3.9% for Limpopo, 3.1% for the Free State and North West, 2.3% for the Eastern Cape and 0.8% for Mpumalanga and a combination of Western Cape and Eastern Cape. A few (3.1%) were outside South Africa.

The sampling approach adopted was purposive to ensure that different types of Touring Ventures were chosen in relation to genre, amount of DAC MGE funding received and spatial/geographical spread across the nine provinces and in both urban and rural contexts. It is important to note that where contact details provided were incomplete or not available, these events/activities were not included in the sampling framework. Forty five percent of the Touring Ventures were approached to be interviewed. They were first asked to participate in a face-to-face or telephonic interview. They were also provided with an opportunity to complete the survey electronically, if this was preferred. Interviews were completed with 38 of the Touring Ventures (30% of the 128).

#### **5. Data Analysis**

In terms of the profile of the Touring Ventures interviewed, the number of times the organisation planned the DAC MGE funded event as well as being involved in organising events ranged from 1 to 56 years with an average of 7 years and 11 years, respectively. This shows that many of the events have been held longer than the 11 years that the DAC MGE programme has been in place. Most of the organisers were involved in organising the event/ activity for less than 3 years (60.5%) with close to a third (31.6%) indicating a year. What is evident, however, is that there are some established organisers receiving funding from the Touring Ventures programme. Generally organisers have been organising events/activities for the same period that they have been organising the DAC MGE funded event, which suggests that that in several cases both the event and the organisation are relatively new in the cultural event/activity arena. The number of new entrants in organising events/activities suggest that the DAC MGE is creating opportunities for more cultural events/ activities to be held in South Africa, contributing to the objective of supporting arts groupings and individual art practitioners. Opportunities are also being created to expose more organisations and persons to conceptualise, plan and manage cultural events/ activities, which relates to capacity and skills development as well.

All the events/activities indicated how many years they received DAC MGE funding. Seventy six percent received funding for one year during the three year reporting period and the rest (24%) for multiple years during the last three years/reporting periods. Only one Touring Venture had funding for all three years. Most (65.8%) were funded for 2015/2016 while 47.4% had funding for 2016/2017 and 18.4% for 2014/2015. This indicates that Touring Ventures were not supported for the entire three-year period. This is unsurprising given that many of the organisers are relatively new in organising

events/activities in the cultural sector. This is also aligned to the Touring Ventures Terms and Conditions that the “funding is once-off and will not be repeated”. However, of concern is that some of the organisers/individuals received funding for more than one year that may be construed as a violation of the Terms and Conditions. Although the question asked whether the specific event/activity was funded for the three-year reporting periods, it is possible that respondents may have been referring to other DAC MGE workstream funding which was also received.

The type of organisation/business that planned the DAC MGE funded events/activities were mainly Non-Profit Organisations (NPOs) (47.4%). Equal proportions (18.4%) of Closed Corporations and Proprietary Limited organisations/businesses were also prominent. It is important to note that during the interviews it was obvious that in most instances individuals were supported, which aligns to the Touring Ventures programme of supporting individual artists. The Touring Ventures were mainly artists, performers and exhibitors. This again is in line with the Touring Ventures programme that support artists and performers to host events/activities and/or travel to participate at events/exhibitions. Given that the other DAC MGE programmes support festivals and events mainly (of different sizes and types), the Touring Ventures add to the different types of cultural genres and aspects including exhibitions, performances, workshops and training events (mainly targeting youth and schools), which the Touring Ventures support. The different types, sizes and spatial/geographical spread (discussed earlier) of the Touring Ventures is meeting the broader objective of contributing to increased diversity of cultural offerings in different parts of the country. The dominance of Gauteng is noticeable and may be undermining the DAC MGE efforts to ensure a footprint across South Africa, especially to target rural communities. Furthermore, a few of the exhibitions/performances were international, exposing South African culture and arts globally as well. Thus, the Touring Ventures is creating opportunities to support creative industry practitioners to enable participation in international arts and culture related events that contribute to their professional development.

### **5.1. Job Creation and Skills Development**

Snowball et al. (2017, p. 295) indicate that the cultural and creative industries is “one sector that is especially open to, and appreciative of, social diversity in terms of race, class, cultural group and gender”. This section examines results concerning employment and skills development in relation to the Touring Ventures interviewed. The number of people the business/ organisation receiving DAC MGE funding generally employed on a permanent basis ranged from none to 124. The average number of persons employed permanently was 9. In addition to general permanent employment practices on an annual basis for the last year that DAC MGE funding was received, respondents were asked about the number of people the business/organisation employed during the course of the year on a permanent basis who work directly with the DAC MGE funded event/activity. The results ranged from none to 50 persons with an average of 9 (the same as general permanent employment). NPOs had higher numbers of permanently employed persons (within the organisation generally and in relation to employees working directly with the DAC MGE event/activity) compared to other types of organisations/businesses. For most of the events/activities, the number of persons employed permanently in the organisations was also the number of permanently employed persons who worked on the DAC MGE event/activity suggesting that DAC MGE is critical for creating jobs for these organisations/individuals. This also suggests that the DAC MGE funded events are one of the main activities or the only activity the organisations/ individuals are involved in. This again indicates the importance of DAC MGE funding in promoting and supporting the diversity of cultural events/activities in South Africa as well as creating jobs in the cultural sector. The results also reveal

that the sizes of the businesses differed, however, all were relatively small enterprises with the exception of a few that had more than 20 employees.

With an average of 9 persons being employed on a permanent basis in the organisations who worked with the DAC MGE funded event/activity and given that 128 events/activities were funded by the Touring Ventures programme, 1 152 permanent jobs are associated with the DAC MGE Touring Ventures programme. It is important to note that it is unlikely that these jobs are directly created by the DAC MGE funding, rather that the funding helped support the institutions to employ persons on a permanent basis.

Respondents were also asked that other than assisting with the DAC MGE funded event/ activity, what were the functions of permanent employees. The main areas identified were:

- Assisting with administration and business operations as well as organisational and logistical aspects
- Participation in performances and exhibitions
- Productions
- Training of artists (dance, music and drama in particular)
- Skills development and training in the arts and culture
- Youth development
- Marketing and advertising
- School art projects

The areas identified in relation to other activities that permanent employees are involved indicated that the many of the organisations/individuals supported by the Touring Ventures are involved on other aspects that are directly contributing to cultural development in South Africa beyond that of the event/ activity being sponsored. They are enhancing skills development in the creative and cultural sector, which is one of the broader objectives of the DAC MGE programme. Table 1 shows that the number of additional persons employed to assist in the preparation for or during the event/ activity (excluding volunteers) for the last reporting year the organisation received DAC MGE funding ranged from none to 275. The average number of additional persons employed was 21.

**Table 1. Number of additional persons employed to assist in the preparation for or during the event/activity, excluding volunteers for the last reporting year the organisation received DAC MGE funding categorised into groups (n=38)**

|               | Frequency | Percentage |
|---------------|-----------|------------|
| None          | 1         | 2.6        |
| Less than 10  | 17        | 44.7       |
| 10-20         | 13        | 34.2       |
| 21-50         | 5         | 13.2       |
| More than 100 | 2         | 5.3        |

Information was sourced to establish whether additional persons employed were permanent or contracted/temporary (and if so the period of temporary employment). The different periods/length of time on the different categories (permanent, temporary/casual for a day, temporary/casual for more than a day to a week, temporary/casual for more than a week to a month and temporary/casual for more than a month) were also examined in relation to gender, historical racial categories and location of persons employed. Nine touring ventures (23.7%) employed additional persons on a permanent



basis. This is an interesting result that demonstrates the importance of further research into how the creative and cultural industry labour markets work. Some areas may be associated with fewer short-term, contract positions and more full-time positions. Both have their advantages, which is why a varied funding approach targeting different types of creative and cultural industry activities is important.

Most additional persons were employed on a temporary/casual basis for more than a week to a month (ranging from one to 25) and more than a month (ranging from two to 48). This suggests that the Touring Ventures are creating temporary/casual jobs, contributing to the DAC MGE objective of job creation. In relation to gender disaggregation, no major differences were discernible in relation to the employment of males compared to females. The results do reveal, however, that both women and men (albeit on a temporary or casual basis) are being exposed to the job opportunities in the cultural sector. In the Touring Ventures programme, this is important to consider since from the interviews, most of the persons employed (permanent or temporary) are artists and performers.

In terms of historical racial groups, among the additional persons employed, these were mostly African who worked mainly for a month or more than a month. Thus, Africans as the main historically disadvantaged group in South Africa is the key beneficiary from Touring Ventures component as the DAC MGE programme as intended. However, it is important to underscore that temporary/casual employment is relatively high in the cultural sector (specifically events) when persons are employed for the duration of the event or activity. Furthermore, most temporary/casual employees are in lower paying jobs. These aspects continue to be a key challenge when examining job creation in the creative and cultural industry in addressing historical economic disadvantage and sustainable job creation. Artists and performers in particular struggle to secure long-term funding and job permanency.

In terms of the location of additional persons employed, these persons were mostly locals who worked for between a week to a month (39.5%) or more than a month (50%). Of importance to note as well is that with the exception of a few additional persons employed permanently provincially and nationally for the DAC MGE funded event/ activity, the rest were locally-based. The DAC MGE objectives of focusing on locally-based job creation and opportunities in the creative and cultural industry is evident. Additional persons who were employed assisted with a range of roles and functions. The main functions that additional employees assisted with were artist/ participant management (71.1%), administrative support (63.2%), technical support (60.5%), sales and marketing (44.7%), infrastructural support (36.8%) and media and communication (34.2%).

Skills development is linked to employment creation since they enhance future prospects of job seekers and creators. Slightly more than half of the Touring Ventures (55.3%) had work-integrated learning (WIL) or volunteers to provide assistance. The rest (44.7%), did not have WIL or volunteers. This indicates that among many of the Touring Ventures additional persons were also exposed to skills development, which aligns to the DAC MGE objectives. Among the events/ activities that had WIL or volunteers, the numbers ranged from one to 25 with an average of 8. The majority of the Touring Ventures (65.8%) provided training for WIL and volunteers and/ or other staff. Again, skills development emerges as an important aspect. For the events/ activities that did train staff as well as WIL and volunteers, the numbers ranged from one to 35 with an average of 12. The main types of training received were administration and management (28.9%), operations in relation to physical infrastructure (lighting, sound, fencing, etc.) (28.9%), sales and marketing of goods and services (23.7%) and advertising, media and branding (21.1%).

## 5.2. Budget, Expenditure and Income: Economic Benefits

Local economic benefits associated with job creation discussed earlier reveals that most of the staff and volunteers associated with the events/activities are locals (from city/town/municipality where the event was held), which aligns to DAC MGE's objective to support projects with economic benefits for the location. Economic aspects are discussed further in this sub-section and economic benefits at the local level are highlighted. Table 2 summarises data in relation to service providers and stallholders used by the Touring Ventures.

**Table 2. Summary of service providers and stallholders use (n=38)**

|                                               | <b>Service providers</b> | <b>Stallholders</b> |
|-----------------------------------------------|--------------------------|---------------------|
| No response                                   | 15.8%                    | 92.1%               |
| None used                                     | 10.5%                    | -                   |
| Average number used                           | 6                        | 3                   |
| Range of number used                          | None-30                  | 1-6                 |
| Average of proportion of locals               | 59%                      | -                   |
| Range of proportion of locals                 | None-100%                | -                   |
| Average of proportion of provincial           | 24%                      | -                   |
| Range of proportion of provincial             | None-65%                 | -                   |
| Average of proportion of black South Africans | 63%                      | 100%                |
| Range of proportion of black South Africans   | None-99%                 | -                   |

The number of service providers (including stallholders) used for the event/activity ranged from none to 30 with an average of six. In the Touring Ventures category, some of the respondents were individually supported to perform or received bursaries thus service providers are not applicable. Among the 78.9% who responded (the rest specified not applicable since they were individuals who were supported), 50% stated that the organisation has a procurement policy related to using local (within the town/city/ municipality) rather than non-local service providers while the rest did not, indicated not applicable or did not response. The results reveal that mainly local service providers benefitted economically from the hosting of the event/ activity as targeted by most of the organisations and in alignment with DAC MGE objectives.

The estimation of the proportion of organiser spending that went to local (within the town/city/municipality) service providers ranged from none to 100% with an average of 59%, which again reinforces that local economic benefits were associated with the event/activity. In terms of an estimation of the proportion of organiser spending that went to provincial (excluding local) service providers where the event/ activity was held, this ranged from none to 65% with an average of 24%. In terms of organiser spending that went to service providers who were black South Africans, this ranged from none to 99% for 68.4% of the Touring Ventures. Among these, the average was 63%. Black South Africans are the key beneficiaries as service providers, which indicates that economic benefits associated with DAC MGE funded events/activities go beyond the direct benefits to organisations and employees. The broader goals of transformation are also evident.

The number of stallholders the organisations had for the event/activity for the last reporting year the organisation received DAC MGE funding was 1 for two of the events/activities and 6 for one event/activity. This indicates that for Touring Ventures very few have stallholders. Stallholders can be a platform for local economic development opportunities. This should be encouraged to create opportunities for small businesses in the areas in which these events/activities are being held. In terms of how the stallholders for the DAC MGE funded event/activity were chosen or how they applied to be considered to be stallholders for the event/activity, they were chosen by the individual/organiser. For example, one event developed/trained local crafters to go with the team. These crafters are then

chosen to be stallholders. Furthermore, for another event the respondent stated that she does not know the number of service providers as these were provided by the international exhibition organiser. The organisation itself did not directly employ service providers. It was also stated that while a procurement policy is not in place, the organisation works with individuals from the local community.

In terms of the estimation of the proportion of organiser spending that went to stallholders who were black South Africans, all who had stallholders stated 100%. No foreigners were stallholders. The results reveal that in addition to local service providers benefitting from the hosting of the event/activity, in three cases opportunities existed for stallholders who were mainly locally-based and black South Africans to benefit from the events/activities. Among the events/activities that had stallholders, two indicated that the organisers did not provide training for the stallholders while two did provide training. Furthermore, three stated that networks were established in relation to the stallholders that resulted in them being used again while one stated that networks were not established.

A substantial proportion of the respondents (39.5%) stated that there were no sponsors other than the DAC MGE funding. One did not respond and another stated that family members provided financial assistance. Among the rest of the events/activities, several sponsors were identified that were mainly local and provincial government departments. The dependence on public sponsors is of concern given that for all the event/activities DAC MGE is already a main sponsor. Other sponsors included media partners, organisations (mainly in the arts sector) and a few retail and private companies. These were far fewer than the public sector sponsors. Table 3 summarises sponsorship and expenditure results. The total amount of sponsorship received (including DAC MGE funding) ranged from R20 000 to R4 515 000 with an average of R536 771 for the last year that the organiser/individual received funding. Thus, these are annual figures and not total DAC MGE funding received for multiple years. The results again reflect the differentiation among the events/activities supported with the larger amounts being associated with the national and international established events/activities.

**Table 3. Summary of sponsorship and expenditure results (n=38)**

|                                                                                                       | <b>Sponsorship and expenditure results</b> |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------|
| No sponsorship responses                                                                              | 13.2%                                      |
| Average of total amount of sponsorships received (including DAC MGE funding)                          | R536 771                                   |
| Range of total amount of sponsorships received (including DAC MGE funding)                            | R20 000-R4 515 000                         |
| Average of proportion of total sponsorship the DAC MGE funding made up                                | 78%                                        |
| Range of total sponsorship the DAC MGE funding made up                                                | 12%-100%                                   |
| Average of company's overall budget for last reporting year the organisation received DAC MGE funding | R490 795                                   |
| Range of company's overall budget for last reporting year the organisation received DAC MGE funding   | R80 000-R2 000 000                         |
| Average of capital expenditure                                                                        | R127 353                                   |
| Range of capital expenditure                                                                          | R2 115-R1 000 000                          |
| Average of venue hire                                                                                 | R17 122                                    |
| Range of venue hire                                                                                   | R1 200-R58 700                             |
| Average of salaries and wages                                                                         | R185 129                                   |
| Range of salaries and wages                                                                           | R11 700-R900 000                           |
| Average of advertising and marketing                                                                  | R49 730                                    |
| Range of advertising and marketing                                                                    | R1 200-R400 000                            |
| Average of travelling and accommodation                                                               | R105 004                                   |
| Range of travelling and accommodation                                                                 | R1 500-R400 000                            |
| Average of other costs                                                                                | R80 964                                    |
| Range of other costs                                                                                  | R5 000-R400 000                            |

The proportion of total sponsorship the DAC MGE funding made up was generally high and ranged from 12% to 100%. The average was 78%. The heavy dependence on public funds, in this case specifically DAC MGE funding, is again noticeable. In relation to whether the event/activity received DAC MGE funding enabled the organisation to fundraise from other potential sponsors more effectively, 65.8% felt that it did while 3.6% stated that it did not and one did not respond. The majority of the respondents (78.9%) indicated that the organisation mentioned to other potential sponsors that the event/activity received DAC MGE funding. This suggests that attempts were made to use the DAC MGE funding to leverage additional sponsorships, albeit with limited success. This may suggest that government funding is “crowding out” private funding or that private sponsors are currently not geared towards or see the benefits of funding the creative and cultural sector.

For 89.5% of the Touring Ventures that provided expenditure information, the overall budget ranged from R80 000 to R2 000 000 with an average of R490 795. For the specific categories the expenditures were (Table 3):

- Capital expenditure: for 26.3% of the events/activities, ranged from R2 115 to R1 000 000 with an average of R127 353.
- Venue hire: for 23.7% of the events/activities, ranged from R1 200 to R58 700 with an average of R17 122.
- Salaries and wages: for 47.4% of the events/activities, ranged from R11 700 to R900 000 with an average of R185 129.
- Advertising and marketing: for 47.4% of the events/activities, ranged from R1 200 to R400 000 with an average of R49 730.
- Travelling and accommodation: for 57.9% of the events/activities, ranged from R1 500 to R400 000 with an average of R105 004.
- All other costs: for 29.4% of the events/activities, ranged from R5 000 to R400 000 with an average of R80 964.

Among the rest of the events/activities that did not provide information, most indicated that it was difficult to provide expenditure figures or that they could not recall or have the information available during the time of the interviews.

Table 4 summarises the income results. For the specific categories the incomes were:

- Private sponsorships received: for 68.4% of the events/ activities, ranged from R10 000 to R800 000 with an average R80 964;
- DAC MGE funding: for 84.2% of the events/ activities, ranged from R35 000 to R500 000 with an average of R149 385;
- Other public sponsorships: for 15.8% of the events/ activities, ranged from R30 000 to R300 000 with an average of R101 783;
- Ticket sales: for 23.7% of the events/ activities, ranged from R2 600 to R37 000 with an average of R14 160;
- Income from merchandise: one respondent stated an amount of R80 000;
- Income from other: two respondents noted R600 and R50 000 each;

- Total income: for 60.5%% of the events/activities, ranged from R93 000 to R837 000 with an average of R361 763.

**Table 4. Summary of income results (n=38)**

|                                       | <b>Sponsorship and expenditure results</b> |
|---------------------------------------|--------------------------------------------|
| Average of private sponsorships       | R80 964                                    |
| Range of private sponsorships         | R10 000-R800 000                           |
| Average of DAC MGE funding            | R149 385                                   |
| Range of DAC MGE funding              | R35 000-R500 000                           |
| Average of other private sponsorships | R101 783                                   |
| Range of other private sponsorships   | R30 000-R300 000                           |
| Average of income from ticket sales   | R14 160                                    |
| Range of income from ticket sales     | R2 600-R370 000                            |
| Average of other income               | R25 000                                    |
| Range of other income                 | R600-R50 000                               |
| Average of total income               | R361 763                                   |
| Range of total income                 | R93 000-R837 000                           |

## 6. Conclusion

Touring Ventures was established as a sub-category of the MGE programme to ensure that existing exhibitions, fairs, shows and performances are supported to tour domestically and internationally. The number of new entrants in organising events/activities suggest that the DAC MGE is creating opportunities for more cultural events/activities to be held in South Africa, contributing to the objective of supporting arts groupings and individual art practitioners. Opportunities are also being created to expose more organisations and persons to conceptualise, plan and manage cultural events/activities, which related to capacity and skills development as well.

The results in relation to job creation show that employment generated from Touring Ventures is largely temporary or casual in nature. However, it is important to note that these events/ activities are supporting livelihoods as intended by the DAC MGE, especially targeting historically disadvantaged groups and promoting job opportunities at the local level. Furthermore, the results suggest that additional persons employed were being exposed to a range of different types of skills, which were mainly directly linked to arts and cultural aspects. This again reinforces the more direct impact of Touring Ventures in the development of artists and performers relating to the creative and cultural industries.

Many of the organisations/individuals supported by the Touring Ventures are involved in other aspects that are directly contributing to cultural development in South Africa beyond that of the event/activity being sponsored. They are enhancing skills development in the creative and cultural sector, which is one of the broader objectives of the DAC MGE programme. Touring Ventures are also creating temporary/casual employment, contributing to the DAC MGE objective of job creation in the cultural sector. Both men and women benefitted as well as local Africans as the main historically disadvantaged group in South Africa being the key beneficiary from Touring Ventures component as the DAC MGE programme intended. The results indicate that DAC MGE objectives of focusing on locally-based job creation and opportunities in the creative and cultural industry is evident. However, it is important to underscore that temporary/casual employment is relatively high in the cultural sector (specifically events) when persons are employed for the duration of the event or activity. Furthermore, most temporary/casual employees are in lower paying jobs. These aspects continue to be a key challenge when examining job creation in the creative and cultural industry in

addressing historical economic disadvantage and sustainable job creation. Artists and performers in particular struggle to secure long-term funding and job permanency.

The Tourism Ventures programme contributed to mainly local (and black South Africans) service providers benefitting economically from the hosting of the event/ activity as targeted by most of the organisations and in alignment with DAC MGE objectives, thus the broader goals of transformation are also evident. With minimal stallholder involvement, this can be a platform for local economic development opportunities and should be encouraged to create opportunities for small businesses in the areas in which these events/activities are being held. The sponsors were mainly local and provincial government departments. The dependence on public sponsors is of concern given that for all the event/activities DAC MGE is already a main sponsor, and given DAC's long-term objective of reducing reliance on their funding.

Cultural assets are important to promote social cohesion, national pride and local economic development. Furthermore, as Soini and Birkeland (2014) assert, culture is an important component of sustainable development. This study reveals that Touring Ventures are a key aspect of the creative and cultural industry in South African and the research reveals that DAC MGE funding is playing a key role in supporting these events/ activities. However, further research is required to estimate the direct economic impacts of Tourism Ventures and the value of the cultural and creative arts economy.

## 7. Acknowledgement

The research was funded by SACO which is supported by DAC. Thanks to colleagues from both SACO and DAC for their inputs and critiques.

## 8. References

- Crossick, G. & Kaszynska, P. (2014). Under construction: Towards a framework for cultural value. *Cultural Trends*, Vol. 23, No. 2, pp. 120-131.
- DAC (2011). Mzansi's Golden Economy: Contribution of the arts, culture and heritage sector to the new growth path. South African Department of Arts and Culture. Retrieved from <http://www.gov.za/sites/www.gov.za/files/mzansi20golden20economy%2020110411.pdf>.
- DAC (2016/17). Mzansi Golden Economy (MGE) guidelines: Criteria, eligibility, processes and systems. Retrieved from <http://www.dac.gov.za/sites/default/files/eForms/2016-17-guidelines-for-mzansi-golden-economy-1-0-final.pdf>.
- DAC (nd). *Touring Venture*. Retrieved from <http://www.dac.gov.za/content/touring-venture>.
- Dalmas, L.; Geronimi, V.; Noël, J.F. & Sang, J.T.K. (2015). Economic evaluation of urban heritage: An inclusive approach under a sustainability perspective. *Journal of Cultural Heritage*, Vol. 16, No. 5, pp. 681-687.
- Ellwood, S. & Greenwood, M. (2016). Accounting for heritage assets: Does measuring economic value "kill the cat"? *Critical Perspectives on Accounting*, Vol. 38, pp. 1-13.
- Goto, K. (2017). Why do governments financially support the creative industries? In *Tax Incentives for the Creative Industries*. Springer, Singapore, pp. 21-31.
- Kha Ri Ambe. (2012). The Mzansi Golden Economy. Retrieved from [http://www.dac.gov.za/newsletter/2012/dec%202012/the\\_mzansi\\_golden\\_economy.htm](http://www.dac.gov.za/newsletter/2012/dec%202012/the_mzansi_golden_economy.htm).
- King, L.; Stark, J.F. & Cooke, P. (2016). Experiencing the digital world: The cultural value of digital engagement with heritage. *Heritage and Society*, Vol. 9, No. 1, pp. 76-101.

- Nawa, L.L.; Sirayi, H.M. & Ebewo, P. (2016). Challenges of adopting a culture-sensitive development framework in South Africa: A critical reflection. *International Journal of Cultural Policy*, Vol. 22, No. 2, pp. 164-180.
- Potts, J. & Cunningham, S. (2008). Four models of the creative industries. *International Journal of Cultural Policy*, Vol. 14, No. 3, pp. 233-247.
- Rogerson, C.M. & van der Merwe, C.D. (2016). Heritage tourism in the global South: Development impacts of the cradle of humankind world heritage site, South Africa. *Local Economy*, Vol. 31, No. 1-2, pp. 234-248.
- Snowball, J.; Collins, A. & Tarentaal, D. (2017). Transformation and job creation in the cultural and creative industries in South Africa. *Cultural Trends*, Vol. 26, No. 4, pp. 295-309.
- Soini, K. & Birkeland, I. (2014). Exploring the scientific discourse on cultural sustainability. *Geoforum*, Vol. 51, pp. 213-223.
- Throsby, D. (2003). Determining the value of cultural goods: How much (or how little) does Contingent Valuation tell us? *Journal of Cultural Economics*, Vol. 27, pp. 275-285.
- Throsby, D. (2008). Linking ecological and cultural sustainability. *Int. J. Divers. Organ. Communities Nations*, Vol. 8, No. 1, pp. 15-20.
- Throsby, D. (2016). Tourism, heritage and cultural sustainability: three “golden rules”. In Girard, L.G. & Nijkamp, P. (eds) *Cultural Tourism and Sustainable Local Development*. Surrey: Ashgate, pp. 31-48.
- Torre, A. & Scarborough, H. (2017). Reconsidering the estimation of the economic impact of cultural tourism. *Tourism Management*, Vol. 59, pp. 621-629.
- Van den Bosch, A. (2009). Professional artists in Vietnam: Intellectual property rights, economic and cultural sustainability. *J. Arts Manage. Law Soc.*, Vol. 39, No. 3, pp. 221-236.
- van der Merwe, C.D. (2016). Tourist guides’ perceptions of cultural heritage tourism in South Africa. *Bulletin of Geography. Socio-economic Series*, Vol. 34, No. 34, pp. 117-130.
- Weber, A.S. (2017). Creative industries tourism in Qatar: economy diversification through arts and heritage development. In *4th International Scientific Conference ToSEE-Tourism in Southern and Eastern Europe 2017 “Tourism and Creative Industries: Trends and Challenges”* Opatija, Croatia, 4-6 May 2017 (pp. 645-655). Faculty of Tourism and Hospitality Management, University of Rijeka.
- Wilkinson, C. (2014). Divestment push a pain in the arts. *The Weekend Australian*, Vol. November, pp. 1-2.
- World Bank. (2001). *Cultural heritage and development, A framework for action in the Middle East and North Africa, Orientations in Development Series, Middle East and North Africa Region*, World Bank, Washington DC.